



**SIRIM QAS INTERNATIONAL SDN. BHD.**  
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File Ref. : EW01950001

**RSPO PUBLIC SUMMARY AUDIT REPORT  
GROUP CERTIFICATION**

**CLIENT : Wild Asia Sdn Bhd (Wild Asia Group Scheme) WAGS – Sabah, Kinabatangan**

**GROUP MANAGER:** Ms. Sheila Senathirajah

**MEMBERS IN THE GROUP CERTIFICATION : 239 Independent Smallholders and 3 Medium Outgrowers**

Location	Member			
	Certified Medium Outgrowers	New Medium Outgrowers	Certified Independent Smallholder	New Independent Smallholder
Batu Puteh	0	0	73	6
Gomantong	0	0	0	48
Sungai Rotan	0	0	0	52
Medium Outgrowers Kinabatangan	0	2	0	1
Paris	0	0	0	15
Sandakan Bay	0	1	0	1
Sukau	0	0	42	1
<b>Total by group</b>	<b>0</b>	<b>3</b>	<b>115</b>	<b>124</b>
<b>TOTAL in WAGS – Sabah, Kinabatangan</b>			<b>242</b>	

**AUDIT DATE :** 11-14/10/16 (On-site Audit) and 20-21/10/16 (Post-site / Office Audit) **DURATION :** 11 auditor days (On-site Audit) and 6 auditor days (Post-site / Office Audit)

**TYPE OF AUDIT :**

Annual Surveillance  
Audit No. 02


Recertification Audit

**STANDARD :**

- RSPO Management System Requirements and Guidance for Group Certification of FFB Production, March 2016
- RSPO P&C MYNI: 2014

**SCOPE OF CERTIFICATION :** Production of Sustainable Fresh Fruit Bunches (FFB)

**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 : Hazani Othman

Date : 15/03/2017

**Acknowledgement by Client's Representative**

Name : Ms. Sheila Senathirajah

Signature : 

Date : 17/03/2017

## SUMMARY OF AUDITS

Stage 2 / Recertification audit				
On-site audit date	:		No. of auditor days	:
Audit team	:			
No. of major NCR	:		Indicator:	Closing date :
No. of minor NCR	:		Indicator :	
Indicate the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
				Suppliers
		Contract workers	NGOs	Govt. agency
				Independent outgrowers
		Indigenous people	Contractor	Others (Please specify)
Supply base sampled	:			

Annual Surveillance Audit 1				
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
				Suppliers
		Contract workers	NGOs	Govt. agency
				Independent outgrowers
		Indigenous people	Contractor	Others (Please specify)
Supply base sampled	:			
Changes since the last audit	:			

Annual Surveillance Audit 2				
On-site audit date	:	11-14/10/16	No. of auditor days	:
Audit team	:	Hazani Othman, Mohd. Zulfakar Kamaruzaman, Selvasingam T. Kandiah, Rozaimie Ab. Rahman (Trainee)		
No. of major NCR	:	5	Indicator: 4.5.1, 4.6.1, 4.7.3, 6.5.1, 6.5.2	Closing date: 10/12/16
No. of minor NCR	:	16	Indicator : E3.1.1, E3.1.4, 2.1.2, 4.1.1, 4.3.3, 4.6.6, 4.7.4, 4.7.5, 4.7.6, 4.7.7, 5.2.2, 5.3.3, 5.4.1, 5.6.1, 6.5.3, 6.10.2,	
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	:	New smallholders:	BOR-SGW-274-SGR, BOR-294-SML, BOR-288-SML, BOR-318-SML, KIN-496-SML, SDB-001-SML, BOR-321-SML, BOR-285-SML, GOM-013-SML, PRS-004-SML, PRS-002-SML, PRS-005-SML, GOM-021-SML, GOM-002-SML.	
		Certified smallholders:	GOM-036-SML, KIN-485-SML, KIN-524-SML, KIN-242-SML, KIN-477-SML, KIN-529-SML, KIN-255-SML, KIN-355-SML, KIN-351-SML, KIN-253-SML, KIN-539-SML.	
		New Medium Outgrowers:	BOR-SGW-269-SGR, BOR-SGW-270-SGR.	
		Certified Medium Outgrowers:	-	
Changes since the last	:	An additional of 127 new members consisted of 3 medium outgrowers and 124		

audit	smallholders was added in this Group Certification.
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Annual Surveillance Audit 3					
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	Suppliers
		Contract workers	NGOs	Govt. agency	Independent outgrowers
		Indigenous people	Contractor	Others (Please specify)	
Supply base sampled	:				
Changes since the last audit	:				

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	Suppliers
		Contract workers	NGOs	Govt. agency	Independent outgrowers
		Indigenous people	Contractors	Others (Please specify)	
Supply base sampled	:				
Changes since the last audit	:				

**SUMMARY OF INFORMATION**

<b>TYPE OF AUDIT</b>	<b>STAGE 2 / RA</b>	<b>ASA 1</b>	<b>ASA 2</b>	<b>ASA 3</b>	<b>ASA 4</b>
Projection Period			2017		
Certified Area (Ha)			1455.47		
Production Area (Ha)			1,455.47		
HCV Area (Ha)			0		
Certified FFB Processed (MT)			29,672.01		
Production of Certified CPO (MT)			6,332.007		
Certified PK (MT)			1406.453		
Production of Certified PKO (MT)			632.904		
<b>REMARKS</b>			OER = 21.34%* KER = 4.74%* PKO = 45% (*Source: MPOB BEPI-Sabah 2015 average)		

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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), the International Automotive Task Force (IATF), and the Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

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

### 1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Hazani Othman	Audit Team Leader HCV and Social	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
Selvasingam T. Kandiah	Auditor Good Agricultural Practices	Holds a B. Sc. (Hons) Agriculture. Had work as a planter with Kumpulan Guthrie Berhad for more than 10 years) including one year in Liberia and 2 years in Estate Department in Guthrie head quarters
Mohd. Zulfakar Kamaruzaman	Auditor Occupational, health, safety and environment	Holds a B.Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation. He has been trained as a RSPO Lead Auditor
Rozaimie Ab. Rahman	Trainee auditor	Holds a B.Sc. of Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation.

### 1.3 Audit methodology

The RSPO Surveillance 3 Audit of WAGS – Sabah, Kinabatangan was conducted from 11 to 14 October 2016 for on site at Sandakan and 20-21 October 2016 at main office in Kuala Lumpur. The main objective of the audit was to verify the conformance of the group members against the requirements of certification standard i.e. the RSPO P&C MYNI: 2014 and RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016).

The audit was conducted based on sample defined in the RSPO Certification Requirement for Group Certification. Under this requirement, the size of sample was based on the formula  $(0.8\sqrt{y}) \times (z)$ ; where y is total number of independent group member and z is the multiplier defined by the risk assessment. The sampling was established as follow:

**Table 1: Sampling of group members**

Category	Total	Risk factor	Minimum audit sample	Sampled
Medium Outoutgrowers	3	$0.8\sqrt{y} \times RF 1.4$	2	2
Certified independent smallholders	115	$0.8\sqrt{y} \times RF 1.0$	9	11
New independent smallholders	124	$0.8\sqrt{y} \times RF 1.4$	13	14
		<b>Total</b>		<b>27</b>

#### 1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the the SIRIM QAS International's websites. The audit team had also conducted interviews with the following stakeholders during the on-site audit:

- i) Chairman of JKKK and Head village of Kg. Paris and Kg. Bilit respectively.
- ii) MPOB Officer
- iii) Kinabatangan Forestry Officer
- iv) Project support organisations - Nestle Malaysia and KL-Kepong (Sabah) Sdn Bhd.

#### 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 9 months from this audit.

### 2.0 SCOPE OF CERTIFICATION AUDIT

#### 2.1 Description of the Group certification unit

Wild Asia (WA) is legally chartered as a Malaysian company (Reg. No: 634446-W) and operates as a "social enterprise", a concept for a business with social or environmental missions and not for maximising shareholder returns. WA is essentially a "not-for-profit" and earn income largely through consultancies, training and other services its provide. In a move to support small farmers in palm oil, the company created Wild Asia Group Scheme (WAGS). The aim is to address the challenges faced by independent small farmers by helping them improve their farming practices and supporting them towards compliance with international standards (for example, RSPO). WAGS is a community development initiative that would provide the working model for independent small farmers to ultimately improve their livelihoods by improving yields, having lower environment or social risks and ensuring access to the international market of sustainable palm oil. WAGS works with supply chain partners, international donors and national organisations to create local support teams to help establish and certify small farmers within distinct producer groups. Established in 2012, the group scheme is now operational in Malaysia (Peninsular Malaysia and Sabah)

In May 2012, Wild Asia has entered into a formal collaboration with MPOB to help support small farmers towards RSPO certification. Wild Asia's role was to provide technical support in developing a Group Scheme model that helps the smallholders reach the requirements of international standards in oil palm production (RSPO).

The focus for MPOB's Smallholder Palm Oil Cluster (SPOC) has to date been focused on good agriculture practices. Wild Asia efforts was focused on driving a more comprehensive programme with small farmers encompassing environmental and social impacts.

Within 1 year, Wild Asia had managed to formalise the 1<sup>st</sup> pilot group of farmers and prepare them for RSPO certification. The RSPO audit was conducted in June 2013 and subsequently received the certificate on 6<sup>th</sup> Sept 2013. This represented the 1<sup>st</sup> group of smallholders to receive RSPO certification status in Malaysia. Johnson & Johnson went on to purchase the 1<sup>st</sup> sale of certified produce for this group made via Green Palm. All proceeds were disbursed back to the farmers.

#### 2.2 Description of the Supply Base

The Wild Asia Group Scheme (WAGS), WAGS – Sabah, Kinabatangan is located in district of Kinabatangan, Division of Sandakan, in the state of Sabah, Malaysia. The location of the members are in Batu Puteh, Gomantong, Paris and Sukau within this district, which surrounding WAGS- Sabah, Kinabatangan location.

There are 239 smallholders and 3 Medium Outgrowers under the WAGS – Sabah, Kinabatangan Group Certification Unit.

**Table 2: Location of WAGS – Sabah, Kinabatangan Group’s members**

Location	Member			
	Certified Medium Outgrowers	New Medium Outgrowers	Certified Independent Smallholder	New Independent Smallholder
Batu Puteh	0	0	73	6
Gomantong	0	0	0	48
Sungai Rotan	0	0	0	52
Medium Outgrowers Kinabatangan	0	2	0	1
Paris	0	0	0	15
Sandakan Bay	0	1	0	1
Sukau	0	0	42	1
<b>Total by group</b>	<b>0</b>	<b>3</b>	<b>115</b>	<b>124</b>
<b>TOTAL in WAGS – Sabah, Kinabatangan</b>			<b>242</b>	

**Table 3: Actual FFB production for 2015 and 2016**

Location	Total Planted Area (Ha)	Actual FFB Production in 2015 (Tonne)	Estimated FFB Production in 2017 (Tonne)
Batu Puteh	245.12	1183.82	1305.16
Gomantong	55.87	376.77	415.39
Sungai Rotan	213.45	3743.66	4127.38
Medium outoutgrowers Kinabatangan	371.8	15604.05	17203.46
Paris	80.32	1708.74	1883.89
Sandakan Bay	322.83	2570.62	2834.11
Sukau	164.53	1725.73	1902.62
<b>Total</b>	<b>1,455.47</b>	<b>26913.39</b>	<b>29,672.01</b>

**Table 4: Planting profiles for WAGS – Sabah, Kinabatangan**

Location	Immature (0-3 Years)	Young Mature (4-7 Years)	Mature (>7 years)	Total planted area (Ha)
Batu Puteh	29.47	3.96	211.69	245.12
Gomantong	4.7	1.09	50.08	55.87
Sungai Rotan	5.55	0	207.6	213.45
Medium outgrowers	0	0	371.8	371.8
Paris	7.61	4.75	67.96	80.32
Sandakan Bay	0	0	322.83	322.83
Sukau	25	16.69	128.9	166.08
<b>Planted Area (Ha)</b>	<b>72.33</b>	<b>26.50</b>	<b>1361.16</b>	<b>1455.47</b>

**2.3 Organisational Information/Contact Person(s)**

GROUP CERTIFICATION DETAILS	
Name of Group	WAGS – Sabah, Kinabatangan
Name of Group Manager	Ms. Sheila Senathirajah
Address	Upper Penthouse, Wisma RKT, No 2 Jalan Raja Abdullah, Kuala Lumpur, Federal Territory 50300 Malaysia
Contact Person	Ms. Sheila Senathirajah
Tel	03-62012150
Email	<a href="mailto:sheila@wildasia.org">sheila@wildasia.org</a>



### 3.0 AUDIT FINDINGS

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

There was no changes to the certified FFB from smallholders and medium outgrowers since the previous year.

3.2 Changes to risk level

No changes to the risk level

3.3 Any minor non-conformities will be raised to major if not addressed by the following surveillance assessment

There was 1 previous minor nonconformities upgraded into Major, i.e. Indicator 4.6.1.

3.4 Changes to the Group Certification structure and members

An additional of total 127 new members of 3 new medium outgrowers and 124 new independent smallholders.

3.5 Evaluation of the performance of the internal assessor/Group Manager and internal assessment :

Evaluation of the performance of the internal assessment could not be assessed where the Group Manager was not conducted internal audit programme since August 2015. Refer to Minor NCR HO-01.

3.6 Status of previous non conformity(ies)

Closed

Not closed\*

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

3.7 Complaint received from stakeholder (if any)

There were no complaints received from stakeholders. This was confirmed through interviews with the stakeholders during the on-site audit.

### 4.0 DETAILS OF NON-CONFORMITY REPORT : (refer to Attachment 3 - 5 for details)

Total no. of minor NCR(s) : List : HO-01, HO-02, HO-03, HO-04, HO-06, HO-07, MZK 02 2016, MZK 03 2016, MZK 04 2016, MZK 05 2016, MZK 06 2016, MZK 07 2016, STK / RR 02, STK / RR 03, STK / RR 06, STK / RR 07.

Total no. of major NCR(s) : List : HO-05, MZK 01 2016, STK / RR 01, STK / RR 04, STK / RR 05.

### 5.0 AUDIT CONCLUSION

Generally, WAGS – Sabah, Kinabatangan continues to maintain the implementation of RSPO P&C (MYNI) & RSPO Management System Requirements and Guidance for Group Certification of FFB Production certification in accordance with the requirements of the standard as well as the organisation's documented procedures. However further actions for improvement are required as highlighted in the NCRs report.

## 6.0 RECOMMENDATION

No NCR recorded. Recommended for certification.



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

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



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

Verification on major NCRs is required :

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

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

## 7.0 STATUS OF NON CONFORMITIES RAISED IN SURVEILLANCE AUDIT

Status of nonconformities raised in surveillance audit are detailed in Attachment 5.

**IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN HAVE BEEN SATISFACTORILY VERIFIED. RECOMMENDED FOR CERTIFICATION.**

Audit Team Leader :

Hazani Othman

*Hazani Othman*

19/12/2016

(Name)

(Signature)

(Date)

**NAME LIST OF MEDIUM OUTGROWERS AND INDEPENDENT SMALLHOLDERS FOR WAGS – SABAH,  
KINABATANGAN GROUP**

No.	Producer Name	WAGS Status	Planted area
<b>Batu Puteh</b>			
1.	Hadi Bin Ahmad	Certified Member	4.808
2.	Indah Binti Peritai	Certified Member	5.261
3.	Yusof Bin Sairillah (d.) - (Indah Binti Peritai)	Certified Member	3.642
4.	Amit Bin John (Ahdi Bin Amit)	Certified Member	2.023
5.	Saayah Binti Surokan	Certified Member	3.318
6.	Saibin Bin Dullah	Certified Member	2.206
7.	Salmi Binti Ismail - (Sabran Bin Adari)	Certified Member	2.428
8.	Kassim Bin Ismail - (Sabran Bin Adari)	Certified Member	1.214
9.	Arbain Bin Kadirun	Certified Member	0.809
10.	Surayah Binti Musa - (Arbain Kadirun)	Certified Member	1.012
11.	Bani Bin Asgali	Certified Member	1.214
12.	Kiple @ Jamil Bin Asgali	Certified Member	0.809
13.	Rosnah Binti Ening	Certified Member	1.214
14.	Rubainah Binti Omar - (Anit Bin Untong)	Certified Member	0.809
15.	Darmansah Bin Dahlan	Certified Member	5.666
16.	Aisah Binti Pada - (Darmansah Bin Dahlan)	Certified Member	6.070
17.	Jamal Bin Hasan	Certified Member	2.833
18.	Noorazizah Binti Pibu	Certified Member	3.035
19.	Payani Bin Kandam - (Wahad Payani)	Certified Member	2.834
20.	Sandara Bt Darmansah - (Wahad Payani)	Certified Member	2.834
21.	Normi Binti Payani - (Wahad Payani)	Certified Member	2.834
22.	Jainatun Uto - (Wahad Bin Payani)	Certified Member	2.834
23.	Usof Bin Pibu	Certified Member	2.834
24.	Wahidah Binti Angau	Certified Member	2.834
25.	Asmat Duraim - (Hassan Bin Asmat)	Certified Member	2.834
26.	Nasip Bin Asmat - (Hassan Bin Asmat)	Certified Member	1.214
27.	Ramlee Bin Omar	Certified Member	2.834
28.	Aripin Bin Lapaung	Certified Member	1.052
29.	Ali Bin Awang @ Tawang	Certified Member	1.214
30.	Abdul Wahab @ Wahab Bin Isa	Certified Member	0.607
31.	Jalla Luddin Bin Issah	Certified Member	1.214
32.	Taupik Bin Lapaung	Certified Member	2.834
33.	Hussin Bin Lapaung - (Taupik Bin Lapaung)	Certified Member	3.237
34.	Raimah Binti Ismail - (Taupik Bin Lapaung)	Certified Member	3.237
35.	Isnah @ Asmah Binti Lapaung - (Taupik Bin Lapaung)	Certified Member	3.237
36.	Norsa Binti Selud	Certified Member	4.856
37.	Otto Bin Siman	Certified Member	5.261
38.	Jumrah Binti Musah	Certified Member	2.227
39.	Abdul Rahman Bin Kitui - (Jumrah Binti Musah)	Certified Member	2.227

40.	Jukrana Bin Jakaria	Certified Member	16.194
41.	Habibah Binti Kitui	Certified Member	2.226
42.	Misran Bin Nawang	Certified Member	2.226
43.	Nawang Bin Magapar (d.) - (Salbiah Binti Kalbi)	Certified Member	2.226
44.	Anuar Bin Husin (d.) - (Saudah Binti Angau)	Certified Member	5.263
45.	Rosdah Binti Jukrana	Certified Member	2.429
46.	Rosmidah Binti Jukrana - (Rosdah Binti Jukrana)	Certified Member	2.429
47.	Adman Bin Asli	Certified Member	1.255
48.	Mohd Abbas Bin Sulleh	Certified Member	2.024
49.	Rina Anak Paul - (Mohd Abbas Bin Sulleh)	Certified Member	1.214
50.	Nuriha Binti Safari@Julitah	Certified Member	6.477
51.	Anita Binti Sapari	Certified Member	6.637
52.	Rasimah Binti Dahkun - (Omar Bin Sapari)	Certified Member	5.325
53.	Sapinah Binti Sapary - (Omar Bin Sapari)	Certified Member	2.024
54.	Normala Binti Sapary- (Omar Bin Sapari)	Certified Member	3.000
55.	Bulla Bin Biahi	Certified Member	6.947
56.	Mohd Fauzi Bin Liwangsa	Certified Member	4.858
57.	Nordin Bin Zahir	Certified Member	2.000
58.	Ransah Bin Lapas (d.) - (Rizwan Bin Ransah)	Certified Member	1.821
59.	Abdul Bin Manja (d.) - (Hassan Bin Abdul)	Certified Member	8.618
60.	Patimah Binti Karim - (Hassan Bin Abdul)	Certified Member	4.453
61.	Ali Ahakmat Bin Isah	Certified Member	4.040
62.	Aroh Bin Kusing (d.) - (Saidah Binti Angau)	Certified Member	4.040
63.	Maimun Binti Aroh - (Saidah Binti Angau)	Certified Member	0.809
64.	Abdul Rasid Bin Aroh - (Saidah Binti Angau)	Certified Member	0.809
65.	Ramlan Bin Aru - (Saidah Binti Angau)	Certified Member	0.809
66.	Pirusa Binti Kerison	Certified Member	1.619
67.	Ramneh Binti Otoh - (Pirusa Binti Kerison)	Certified Member	1.619
68.	Hauyah Binti Abdul	Certified Member	4.858
69.	Daimah Binti Ismail - (Wahab Bin Wahit)	Certified Member	0.809
70.	Aamir Hamja@Amir Bin Jahir@Zahir	Certified Member	5.447
71.	Ambran Bin Korok	Certified Member	3.643
72.	Kaharudin Bin Ambran	Certified Member	1.214
73.	Nasip Bin Sapary - (Zulkiflee Bin Sapary)	Certified Member	5.320
74.	Jumailah Binti Askal	New Member	2.024
75.	Arbani Bin Askal - (Jumailah Binti Askal)	New Member	3.238
76.	Saideh Bin Sahidin	New Member	5.668
77.	Hadah Binti Abdul Rahman (Sukri Bin Madi)	New Member	2.119
78.	Madi Bin Engau (d.) (Sukri Bin Madi)	New Member	2.307
79.	Taip Bin Pibu	New Member	1.619
<b>Gomantong</b>			
1	Sunusi bin Ali	New Member	1.153
2	Rafidah binti Sarayon (Mardy bin Selamat)	New Member	1.214
3	Mohd. Saleng bin Perlu (d.) (Mardy bin Selamat)	New Member	1.214
4	Muhammad Sidik bin Aris	New Member	1.093

5	Musiati binti Husaeni (Sukinah binti Tarisseng)	New Member	0.850
6	Alimah binti Mohd Yassin	New Member	1.214
7	Norhayati binti Arshad	New Member	1.153
8	Suruga binti Marsuki	New Member	1.214
9	Sulaiman bin Marsuki (Suruga binti Marsuki)	New Member	1.214
10	Habibah binti Rincheng	New Member	1.214
11	Inahira binti Anwar (Habibah binti Rincheng)	New Member	2.428
12	Misa binti Saka (Kasman bin Tala)	New Member	1.092
13	Awang bin Sina (Muharram bin Sompo)	New Member	1.092
14	Kartini binti Hafid (Andi Sammeng bin Betta)	New Member	1.092
15	Ummaring bin Masri	New Member	1.214
16	Jumadi bin Masri (Ummaring bin Masri)	New Member	1.214
17	Hasnah binti Omar	New Member	1.056
18	Aris bin Passenang	New Member	1.214
19	Canggan binti Suppu (Aris bin Passenang)	New Member	1.214
20	Adok bin Kewang	New Member	0.809
21	Jumahali bin Limpisan	New Member	1.214
22	Hapsa binti Kaseng (Harwana binti Hamsah)	New Member	0.809
23	Ilari binti Lasida (Sharuddin bin Laside)	New Member	1.190
24	Laside bin Lambasa (Sharuddin bin Laside)	New Member	1.153
25	Harisa binti Arif @ Rippe	New Member	1.093
26	Rawa bin Biritta	New Member	1.214
27	Nasir bin Rawa (Rawa bin Biritta)	New Member	1.214
28	Sitti binti Taddaga	New Member	1.214
29	Hamma bin Malla	New Member	1.153
30	Yunus bin Aminuddin	New Member	1.093
31	Duppa bin Komole	New Member	1.214
32	Saparuddin bin Burhan (Duppa bin Komole)	New Member	1.214
33	Alhip bin Tusi	New Member	1.214
34	Zubaidah binti Mat Asri	New Member	1.100
35	Arifin bin Hade	New Member	1.093
36	Puteri Endang Kasturi binti Marsuki	New Member	1.093
37	Suradi bin Marsuki	New Member	1.093
38	Anwar bin Nasir (Faizan bin Anwar)	New Member	1.190
39	Hasman bin Sinara	New Member	1.093
40	Talib bin Kulas (d.) (Dol Majip bin Talib)	New Member	1.153
41	Nordin bin Abdullah (Hamsiah binti Pado)	New Member	1.153
42	Salehidin bin Nordin (Hamsiah binti Pado)	New Member	1.214
43	Hasni binti Mansa (Hamsiah binti Pado)	New Member	1.214
44	Awiruddin bin Abd. Malik	New Member	1.093
45	Kasmah binti Kasau	New Member	1.093
46	Asiah binti Muluk	New Member	1.153
47	Asmah binti Muluk	New Member	1.093
48	Beche binti Bata	New Member	1.093

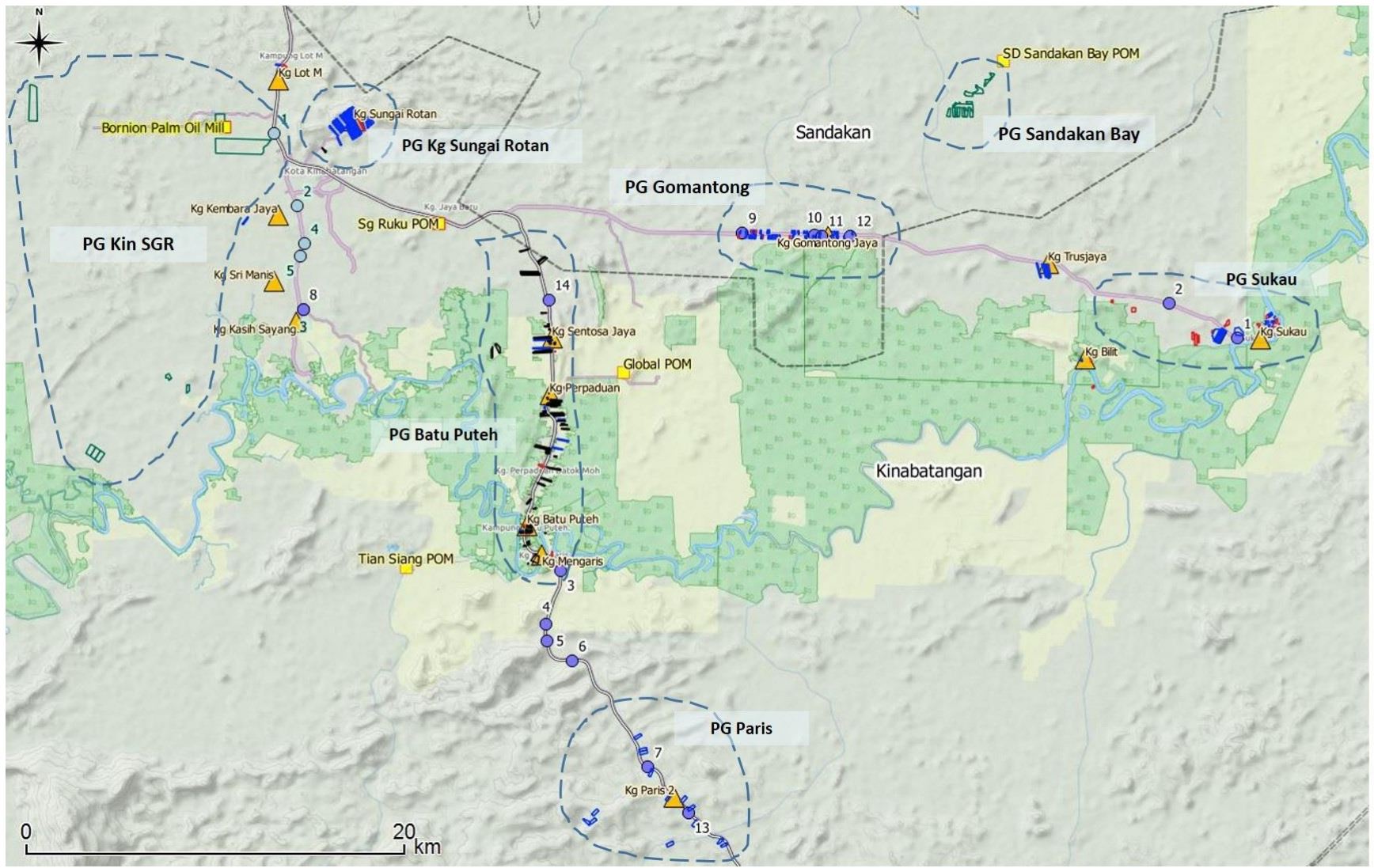
Sungai Rotan			
1.	Chai Jean Shyong	New Member	3.920
2.	Rosemary Choi Shuen Fung (Chai Jean Shyong)	New Member	3.188
3.	Chai Jean Lin (Chai Jean Shyong)	New Member	2.118
4.	Veronica Choi Vun Shing (Chai Jean Shyong)	New Member	1.779
5.	Chong Yen Kew (Chai Jean Shyong)	New Member	3.036
6.	Choi Jean Huah (Chai Jean Shyong)	New Member	4.048
7.	Chai Chiew Hsia (Chai Jean Shyong)	New Member	2.035
8.	Jeanvay Chai (Chai Jean Shyong)	New Member	1.777
9.	Mok Ka Yin (Chai Jean Shyong)	New Member	1.930
10.	Chai Min Onn (Chai Jean Shyong)	New Member	1.980
11.	Mohd Ali Bin Makka	New Member	4.648
12.	Mohammad Jaffar Bin Mohd Rafi (Mohd Ali Bin Makka)	New Member	4.650
13.	Misba Binti Ibrahim	New Member	4.650
14.	Sahuda Bin Tadewwa	New Member	4.650
15.	Latip B. Pabi	New Member	8.690
16.	Nurlela Binti Latip (Latip B. Pabi)	New Member	2.220
17.	Saripuddin Bin Baba	New Member	2.800
18.	Aminah Binti Mohd	New Member	3.640
19.	Mustamin Bin Aidun	New Member	4.040
20.	Hauda Bin Sabang (deceased)	New Member	4.790
21.	Baba Bin Sinong	New Member	3.642
22.	Amiruddin Bin Baba (Baba Bin Sinong)	New Member	3.640
23.	Latip Bin Padon (deceased)	New Member	4.850
24.	Halijah Binti Musa	New Member	5.260
25.	Mohammad Bin Duna	New Member	3.840
26.	Mohammad Rais Bin Anwar	New Member	4.650
27.	Anwar Bin Badang	New Member	1.214
28.	Salleh Bin Abdullah	New Member	8.470
29.	Karuak @ Junny Bin Abdullah	New Member	3.051
30.	Salamah Binti Belinggi	New Member	3.379
31.	Sudirman Bin Sapie	New Member	3.840
32.	Abdul Rahman Bin Hasan	New Member	2.630
33.	Amir Sah Bin Samsudin	New Member	2.630
34.	Nasir Bin Dundu	New Member	3.840
35.	Roslawati Binti Harun	New Member	5.868
36.	Jumadi Bin Badri (deceased)(Maridiana Jumadi)	New Member	5.868
37.	Abd Kadir Bin Malattu (deceased) (Salim Bin Borhan)	New Member	5.868
38.	Jumariah Binti Ambang	New Member	5.790
39.	Mohd Salim Bin Madung	New Member	3.440
40.	Mohd Tahir Bin Larina	New Member	5.868
41.	Langga Binti Rahim	New Member	3.298
42.	Rosminah Binti Habib	New Member	3.090

43.	Taniah Binti Ambo	New Member	2.888
44.	Nurdin Bin Alimuiddin	New Member	5.858
45.	Madah Binti Paman	New Member	3.238
46.	Jupri Bin Musi	New Member	5.868
47.	Saruddin Bin Usman	New Member	5.868
48.	Rafiuddin Bin Sulaiman	New Member	6.070
49.	Lakiah Bin Dolangan	New Member	4.650
50.	Abdullah Bin Lakiah (Lakiah Bin Dolangan)	New Member	4.690
51.	Ibrahim Bin Bohar	New Member	3.840
52.	Ermi Binti Abdul Rahman	New Member	5.868
<b>SGR KIN</b>			
1	Suprelite Plantations Sdn Bhd (Devinder Singh Brarr)	New Member	27
2	Cheng Fatt (Sabah) Plantation Sdn Bhd (Liam Sie Fatt)	New Member	74.8
3	Habajaya Sdn Bhd (Wong Chih Tsang)	New Member	270
<b>Paris</b>			
1	Elizabeth binti Kulinting	New Member	6.100
2	Asas Saba bin Ganggang	New Member	5.443
3	Syaripa binti Ganggang (Asas Saba bin Ganggang)	New Member	5.980
4	Saharuddin bin Suali	New Member	5.500
5	Mary binti Angking	New Member	6.125
6	Mansura binti Kertam	New Member	6.000
7	Mohamed Khambali bin Daron	New Member	5.400
8	Laing Ulooi anak Ulooi Ingan	New Member	5.310
9	Kanadi bin Badaruddin	New Member	0.950
10	M. Reman bin Sideng	New Member	5.765
11	M. Abbas bin Hamma	New Member	5.150
12	Sakka bin Mendong	New Member	6.070
13	Jumaisa binti Ali (Sakka bin Mendong)	New Member	4.752
14	Masni bin Sakka (Sakka bin Mendong)	New Member	6.020
15	Hassanuddin bin Sakka (Sakka bin Mendong)	New Member	5.750
<b>Sandakan Bay</b>			
1	Golden Forefront	New Member	281.29
2	Bacho bin Jansie	New Member	41.54
<b>Sukau</b>			
1.	Norinah/Kastan B Braim - (Hamidin Bin Braim)	Certified Member	1.214
2.	Mursalin Bin Abdullah	Certified Member	1.922
3.	Sahrin Bin Abdullah	Certified Member	3.237
4.	Asmar Bin Yusof	Certified Member	5.261
5.	Ardin Bin Lasit	Certified Member	5.261
6.	Azmey Bin Sakong	Certified Member	2.428
7.	Azmey Bin Sakong - (Rusman Bin Sakong)	Certified Member	1.214
8.	Azmey Bin Sakong - (Jamain Irshad Bin Rusdi)	Certified Member	1.214
9.	Azman Bin Sakong	Certified Member	1.215

10.	Bakar Bin Sapiudin	Certified Member	5.666
11.	Dayang Chaina Binti Japar - (Jafar Bin Hamzah)	Certified Member	5.868
12.	Hassan Bin Arsah	Certified Member	5.970
13.	Jamaluddin Bin Lias	Certified Member	4.047
14.	Jais Bin Lepit	Certified Member	5.552
15.	Roslee Bin Oloth	Certified Member	6.070
16.	Zakri Bin Bakri	Certified Member	1.012
17.	Ahmad Sapie Bin Kapar	Certified Member	1.820
18.	Arbani Bin Lambatu	Certified Member	1.011
19.	Ahdah Bin Mohsin@Mokhsen	Certified Member	2.832
20.	Roslen Bin Saharon@Mohd Salleh	Certified Member	6.070
21.	Takrin Bin Abdullah	Certified Member	5.019
22.	Saharon Bin Ahmad	Certified Member	6.070
23.	Munaji Bin Sarodiwiriyo (d.) - (Sumarni Binti Munaji)	Certified Member	5.666
24.	Harizah Binti Saharon	Certified Member	5.666
25.	Abdul Karim Bin Abd Hamid	Certified Member	5.595
26.	Kamsa Bin Mustapa	Certified Member	1.619
27.	Bahrin Bin Abdullah	Certified Member	2.218
28.	Mustara Binti Rangon	Certified Member	1.010
29.	Johor Bin Kiju	Certified Member	2.222
30.	Supiah Binti Sulaiman	Certified Member	5.666
31.	Awang Jaya Bin Lepit	Certified Member	13.750
32.	Majain Bin Adari	Certified Member	1.821
33.	Abdul Gani Bin Kosui	Certified Member	4.130
34.	Awang Bin Azis	Certified Member	2.725
35.	Tammah Binti Abdul Rahman	Certified Member	5.660
36.	Isde Bin Singling	Certified Member	3.030
37.	Isde Bin Singling - (Sahak Bin Singling)	Certified Member	3.030
38.	Saridah Binti Singling	Certified Member	5.698
39.	Mahjur Bin Rabbi	Certified Member	1.270
40.	Harin @ Hasrin Bin Mursidi	Certified Member	5.858
41.	Jamriah Binti Berahim	Certified Member	5.708
42.	Tarsah Bin Ahaw	Certified Member	2.217
43.	Ibnoh bin Kiju	New Member	1.546



MAP



**Legend**

**Smallholders**

- Members certified
- Members
- Planting after year 2005

**Smallgrowers**

- Members

**Other Symbols:**

- Villages
- Mills
- Collection Centers

**Buyers (Collection Centers)**

No.	Buyers (Collection Centers)
1	K.Y.H Sawit Sdn.Bhd
2	Melangking Sdn.Bhd
3	Ladang Kinabatangan Sdn.Bhd
4	Bakara Sdn.Bhd
5	Ansur Maju Sdn.Bhd
6	Pertubuhan Peladang Kg. Paris
7	Polyprestige Sdn.Bhd
8	Gaya Simbolik Sdn.Bhd
9	Sukau Road Collection Center
10	Sukau FFB Collecting Station
11	Prolific Yield Sdn.Bhd
12	Kemajuan Sabah Collecting
13	Kimbell Sdn.Bhd
14	Kemajuan Tanah Jujur

**Collection Centers**

No	Collection Centers
1	Genting Lokan
2	Pertubuhan Peladang (Batu 6)
3	Kunci Permata Sdn. Bhd
4	VC Majumas Sdn. Bhd
5	Gaya Simbolik Sdn. Bhd

**Other Features:**

- Rivers
- Roads
- Sabah subdivisions



<b>RSPO ANNUAL SURVEILLANCE AUDIT PLAN</b>
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**Day 1: 11 October 2016 (Tuesday)**

Time	Auditor	
0800am-0830am	Opening Meeting (at field office): Team introduction and briefing on audit objectives, scope, methodology, criteria, programmes, etc. by audit team leader.	
0830am-0900am	Briefing by organisation on progress of RSPO implementation, including: <ul style="list-style-type: none"> <li>• actions taken to address previous audit findings.</li> <li>• significant changes that could affect conformities to requirements, new acquisition / disposition, structure, infrastructure, facilities, capacity, new planting / replanting hectareage, sales, etc.</li> <li>• issues, such as legal non-compliance / action, disputes, complaint, claims etc.</li> </ul>	
0900am-1200pm	<b>Hazani &amp; Rozaimiee</b> <b>(Coverage area: Sandakan Bay, Gomantong, Sukau)</b>	<b>Zulfakar</b> <b>(Coverage area: Bornion)</b>
	<ul style="list-style-type: none"> <li>• Audit of group management documents and members information.</li> </ul>	
1200pm-1300pm	Lunch break	
1300pm-1700pm	<b>Hazani &amp; Rozaimiee</b> <b>(Coverage area: Sandakan Bay, Gomantong, Sukau)</b>	<b>Zulfakar</b> <b>(Coverage area: Bornion)</b>
	<ul style="list-style-type: none"> <li>• Audit of 3 existing smallholders members at respective site.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit of 3 new smallholders members at respective site.</li> </ul>

**Day 2: 12 October 2016 (Wednesday)**

Time	<b>Hazani &amp; Rozaimiee</b> <b>(Coverage area: Sandakan Bay, Gomantong, Sukau)</b>	<b>Selva</b> <b>(Coverage area: Paris &amp; Batu Puteh)</b>	<b>Zulfakar</b> <b>(Coverage area: Bornion)</b>
0800am-1200pm	<ul style="list-style-type: none"> <li>• Audit of 2 existing smallholders members at respective site.</li> <li>• Stakeholder consultation with Village Head.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit of 2 existing smallholders members at respective site.</li> <li>• Stakeholder consultation with Village Head.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit of 1 new smallgorwer member at site.</li> </ul>
1200pm-1300pm	Lunch break		
1300pm-1700pm	<ul style="list-style-type: none"> <li>• Audit of 3 new smallholders members at respective site.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit of 2 existing smallholders members and 1 new member at respective site.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit of 1 new smallgorwer member at site.</li> </ul>

**Day 3: 13 October 2016 (Thursday)**

<b>Time</b>	<b>Hazani &amp; Rozaimée (Coverage area: Sandakan Bay, Gomantong, Sukau)</b>	<b>Selva (Coverage area: Paris &amp; Batu Puteh)</b>	<b>Zulfakar (Coverage area: Bornion)</b>
0800am-1200pm	<ul style="list-style-type: none"> <li>Audit of 1 new smalloutgrower member at site.</li> </ul>	<ul style="list-style-type: none"> <li>Audit of 3 new smallholders members at respective site.</li> </ul>	<ul style="list-style-type: none"> <li>Audit of 2 existing smallholders members and 1 new member at respective site.</li> <li>Stakeholder consultation with buyer.</li> </ul>
1200pm-1300pm	Lunch break		
1300pm-1700pm	<ul style="list-style-type: none"> <li>Stakeholders consultation with various relevant parties.</li> </ul>	<ul style="list-style-type: none"> <li>Audit of 2 new smallholders members at respective site.</li> <li>Audit of relevant documentation at site office.</li> </ul>	<ul style="list-style-type: none"> <li>Audit of 1 new smallholder members at site.</li> <li>Audit of relevant documentation at site office.</li> </ul>

**Day 4: 14 October 2016 (Friday)**

<b>Time</b>	<b>Hazani &amp; Rozaimée (Coverage area: Sandakan Bay, Gomantong, Sukau)</b>	<b>Selva (Coverage area: Paris &amp; Batu Puteh)</b>	<b>Zulfakar (Coverage area: Bornion)</b>
0800am-1100am	<ul style="list-style-type: none"> <li>Continue of audit of relevant documentation at site office.</li> </ul>		
1100am-1330pm	Lunch break & Friday pray		
1330pm-1500pm	Audit team discussion and concluding of findings, writing of NCR (if any), and preparation for verbal reporting of audit findings.		
1500pm-1600pm	Closing Meeting		

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

**GROUP CERT REQUIREMENT CHECKLIST**

The following elements outline the requirements for the Group Certification System. There are three elements:

Element 1: Group Entity and Group Management requirements

Element 2: The Internal Control System – Policies and management

Element 3: The Internal Control System – Operations

**Element 1 (E1): Group Entity and Group Management Requirements**

Clause	Indicators	Comply Yes/No	Findings
E1.1 The Group Entity shall be legally formed	E1.1.1	Yes	<p>Wild Asia Sdn Bhd is a Malaysian company registered under the Company Act with registration no. of 634446-W. The organisation has established the Wild Asia Group Scheme (WAGS) which is registered under the RSPO with membership no. of 1-0138-13-000-00. The organisation provides support and assistance to independent small oil palm producers which are consist of smallholders and medium outgrower.</p> <p>The WAGS is managed independently by Wild Asia and had appointed a Group Manager, Ms Sheila Senathirajah. This was verified through WAGS Organisation Chart – WMS 1.1.1 G WAGS Organisation Overview_v2_14092016 and WAGS GSM Appointment Letter. The Group Manager is responsible to ensures that the group meet the requirements of RSPO standard for Group Certification.</p> <p>The organisation chart for WAGS Kinabatangan was made available during the audit. The ICS committee included the Group Manager, WAGS Technical Officers, WAGS Regional Field Programme Coordinator, WAGS Field Assistant Coordinator and Technical Support. Mr. Edwell James and Mr. Aloysius are appointed as a person in-charge /Project Coordinator for WAGS Kinabatangan. The job description for each person was established.</p>
	E1.1.2	Yes	<p>Group member who want to joins the WAGS will need to undergo different level of risk assessment (code of conduct (COC)). For example, code of conduct</p> <ol style="list-style-type: none"> <li>1. COC #1 : area below 40 ha</li> <li>2. COC #2 : land ownership is proven and there is no dispute ( based on confirmation by the village chief, department land and surveys or the leader of the scheme)</li> <li>3. COC #3: MPOB license</li> <li>4. COC #4: ensure that all new seedling material is from sources confirmed</li> <li>5. COC#5: being able to maintain the required documentation to the farm, land titles and ownership, license MPOB or other licenses, seed material resources, FFB sales slip and expenses related to the farm.</li> <li>6. COC #6: determined to provide fair labor practices for workers.</li> <li>7. COC # 7: determined to improved crop quality and farm management to maximise the results, reducing waste and protecting the environment and social welfare.</li> </ol>

		<p>each member has received a copy thereof.</p> <ul style="list-style-type: none"> <li>The Group Manager shall retain copies for a minimum of 5 years.</li> </ul>	<ol style="list-style-type: none"> <li>8. COC #8: Determine to learn, attend training and follow WAGS guidelines for corrective action.</li> <li>9. COC#9: cooperation with external and internal auditor and with WAGS representatives.</li> <li>10. COC #10: no open burning, no planting on peat soil, and no disturbing on forest reserve and HCV area.</li> <li>11. COC#11: agreed to follow WAGS grievance resolved.</li> <li>12. COC #12: agreed to follow COC</li> </ol> <p>After the members meet WAGS Risk Assessment Code of Conduct 1-12 only then accepted as the group member.</p> <p>Guidelines on accepting a producer into the WAGS group scheme are available in <b>Wild Asia Group Scheme Guidelines</b> on WAGS Membership dated 22 July 2014. Baseline interviews and farm audits will need to be completed prior to membership sign up including application form, pre-inspection and checking on appropriate documents of farmers and internal approval.</p> <p>Among verified list of members and certification status.</p> <p><u>Bornion area: Kg. Sg. Rotan</u></p> <ol style="list-style-type: none"> <li>1. Salleh Bin Abdullah, new members, Wags id; BOR-249-SML</li> <li>2. Mustamin Bin Aidun, new members, Wags id; BOR-288-SML</li> </ol> <p><u>Bornion area: Kinabatangan small outgrower</u></p> <ol style="list-style-type: none"> <li>1. Cheng Fatt Plantations (S) Sdn Bhd, Member, Wags id;BOR-SGW-269-SGR</li> <li>2. Habajaya Sdn Bhd, members, BOR-SGW-270-SGR</li> </ol> <p><u>Sandakan Bay area: Sandakan Bay</u></p> <ol style="list-style-type: none"> <li>1. Bacho Bin Jansie( kebun Bacho), member. Wags id; SDB-001-SML</li> </ol> <p><u>Lower Kinabatangan: Batu Puteh</u></p> <ol style="list-style-type: none"> <li>1. Bani Bin Asgali, member certified, wags id; KIN-229-SML</li> <li>2. Aripin Bin Lapuang, member certified, Wags id; KIN-242-SML</li> </ol> <p><u>Lower Kinabatangan: Gomantong</u></p> <ol style="list-style-type: none"> <li>1. Awang Bin Sina, member, Wags id; GOM-013-SML</li> <li>2. Puteri Endang Kasturi Bt. Marsuki, member, Wags id; GOM-036-SML</li> </ol> <p><u>Lower Kinabatangan: Paris</u></p> <ol style="list-style-type: none"> <li>1. Asas Saba B. Ganggang, member, Wags id; PRS-002-SML</li> <li>2. Mary Bt. Angking, member, Wags Id; PRS-005-SML</li> </ol> <p><u>Lower Kinabatangan: Sukau</u></p> <ol style="list-style-type: none"> <li>1. Jais B. Lepit, member certified, KIN-253-SML</li> <li>2. Zakri B. Bakri, member certified, KIN-255-SML</li> </ol> <p>Original copies of the agreements were kept at site office and the farmers. The softcopies are kept at the WAGS HQ office in Kuala Lumpur. The records were kept for 5 years according to the WMS: 1.3.1 WAGS Membership Management Guidance, Clause 8.3 and found adequately maintained at HQ office.</p>
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	E1.1.3	The Group Manager shall keep evidence that the nature and structure of the group has been communicated to all members of the Group in an appropriate manner.	Yes	The Group Manager had briefed the nature and structure of the group to all members. This was confirmed through interview with certified smallholders, new smallholders and medium outgrowers. Information on the nature and structure of the group are also displayed at the notice board at the village hall.
E1.2 The Group shall be managed by a Group Manager	E1.2.1	<p>The appointed Group Manager shall be either an identified legal entity or an individual acting on behalf of the legal entity, i.e. the Group Entity (E1.1.1).</p> <p>The Group Manager shall ensure the Group's compliance with this standard and is responsible for the preparation and implementation of the Internal Control System (ICS).</p> <p>If the Group Manager is not an individual but an entity:</p> <ul style="list-style-type: none"> <li>• Then, the entity shall appoint an individual as management representative</li> <li>• And, there shall be a description of the general structure detailing the positions and responsibilities of all personnel involved.</li> </ul>	Yes	WAGS is a legal entity as verified through SSM license. WAGS had appointed a Group Manager as the management representative. Organisation structure detailing the positions and responsibilities of all personnel involved was made available 'WMS 1.1.1 G WAGS Organisation Overview_v2_14092016'.
	E1.2.2	The Group Manager shall be able to demonstrate sufficient resources and capacity for managing Group Certification and performance assessment against this Standard.	Yes	<p>The Group Manager is able to demonstrate sufficient resources and capacity for managing Group Certification and performance assessment against this Standard. Several field staffs were appointed to monitor the performance of the members through site visit, quarterly project site report, internal audit and risk assessment for members. There are also project plan, management plan and project budgets in order to manage the CU.</p> <p>The organization chart for WAGS Kinabatangan was made available during the audit. The ICS committee included the Group Manager, WAGS Technical Officers, WAGS Regional Field Programme Coordinator, WAGS Field Assistant Coordinator and Technical Support. Mr. Edwell James and Mr. Aloysius are appointed as a person in-charge /Project Coordinator for WAGS Kinabatangan. The job description for each person was established.</p>
	E1.2.3	<p>The Group Manager and / or their personnel shall be able to demonstrate competence and knowledge of:</p> <ul style="list-style-type: none"> <li>• Principles and Criteria for the Production of Sustainable Palm Oil 2013</li> <li>• RSPO Management System Requirements and Guidance for Group Certification of FFB Production – March 2016.</li> </ul>	Yes	<p>Based on interview and evidence of implementation collected during site visit, audit team has verified that the Group Manager and their field staffs are able demonstrate competence and knowledge of:</p> <ul style="list-style-type: none"> <li>• Principles and Criteria for the Production of Sustainable Palm Oil 2013 and the MYNI 2014</li> <li>• RSPO Management System Requirements and Guidance for Group Certification of FFB Production – March 2016.</li> <li>• RSPO Supply Chain Certification Standard</li> </ul>

		<ul style="list-style-type: none"> <li>RSPO Supply Chain Certification Standard – Nov 2014</li> <li>Internal group procedures and policies.</li> </ul>		<p>– Nov 2014</p> <ul style="list-style-type: none"> <li>Internal group procedures and policies.</li> </ul> <p>The audit team has also verified the WAGS team training records and TOR WAGS for Group Scheme Manager in order to confirm the competency of the team.</p>
	E1.2.4	<p>The Group Manager shall provide potential and existing Group members with the following:</p> <ul style="list-style-type: none"> <li>An explanation of the RSPO certification process.</li> <li>An explanation of the criteria for group membership.</li> <li>An explanation as to the Group Manager's needs and the rights of the certification body to access the group members' documentation and plantations for the purposes of evaluation and monitoring.</li> <li>An explanation of the certification bodies and RSPO requirements with respect to public information.</li> <li>An explanation of any obligations with respect to group membership, such as: <ul style="list-style-type: none"> <li>Maintenance of information for monitoring purposes;</li> <li>Requirement to conform to conditions or corrective actions issued by the certification body.</li> <li>Explanation of any costs associated with group membership.</li> <li>Other obligations of group membership.</li> </ul> </li> </ul>	Yes	<p>The Group Manager had brief the new members and certified members on RSPO certification process, criteria for group membership, rights of the certification body to access the group members' documentation and plantation for the purposes of evaluation and monitoring, certification bodies and RSPO requirements with respect to public information, annual budget, training, other obligation and etc. The information also had been displayed at the notice board at the village hall.</p> <p>The management keep compliance of the farmers by establishing the SOP WMS 1.3.1 WAGS Membership Management (issue date: 14/9/16), Wild Asia Group Scheme Smallholder Training Summary (dated: 15/9/16) and WAGS Code of Conduct (updated: 15/9/16).</p> <p>The training "WAGS Panduan Pengurusan Kebun Kelapa Sawit Mampan: T02 Guidance for Farm Management of RSPO". The WAGS training records were verified.</p> <ol style="list-style-type: none"> <li>Sumari Bt. Munaji attend on 13/05/2016</li> <li>Bahrin B. Abdullah attend on 13/05/2016</li> <li>Mary Bt. Angking attend on 06/08/2016</li> <li>Saharudin B. Suali attend on 24/08/2016</li> </ol>

## **2.2. Element 2 (E2): Internal Control System – Policies and Management**

Clause	Indicators	Comply Yes/No	Findings
E2.1 The Group Internal Control System shall contain documented policies and procedures for operational management.	<p>E2.1.1 The Group Internal Control System shall contain Procedures for decision-making, and responsibilities within the group (including the authority of the Group Manager) shall be defined.</p> <p>The Group Manager shall manage the Group in a systematic and effective manner by:</p> <ul style="list-style-type: none"> <li>Identifying the geographical area to be</li> </ul>	Yes	<p>The WAGS had standard procedures to manage the group in a systematic and effective manner such as :</p> <ol style="list-style-type: none"> <li>WMS 2.8.1 G Scoping &amp; Baseline Overview_v2_19092016</li> <li>WMS 2.10.1 G Producer Risk Assessment_v2_19092016</li> </ol> <p>The audit team had also confirmed the monitoring system which was done effectively based on the risk assessment report, quarterly progress report, and quarterly meeting with farmers representatives (PGS meetings).</p>

		<p>covered by the Group.</p> <ul style="list-style-type: none"> <li>• Preparing, maintaining and documenting the Group management structure</li> <li>• Clearly identifying the responsibilities of all individuals employed by the Group Manager for the running of the Group.</li> <li>• Prepare and maintain the rules of the Group including the criteria for membership.</li> <li>• Organise at least one group meeting annually (see also 8.1.1 on preparation of group management plan).</li> <li>• Procedure for initial gap audit which can be a self-assessment.</li> </ul>		<p>WAGS has also documented set of procedures and processes that a group member need to implement to achieve its specified requirements. This also includes the Internal Control System (ICS)</p> <ul style="list-style-type: none"> <li>- Conduct the Baseline using the SOP-WMS: 2.8.1 - Scoping &amp; Baseline Overview to identify the geographical area. The baseline Assessment was conducted on 2012 for WAGS Sabah- Kinabatangan by Sheila Senathirajah. This assessment covered the socio-economic background, supply chain, social and environmental impacts and farm audit.</li> <li>- A management was appointed Mr. Edwell James and Mr. Alloysius as the Project coordinator for WAGS Kinabatangan.</li> <li>- The criteria to be a member, they need to pass the risk assessment which have 3 level. This was guide by the SOPWMS 2.10.1 G Producer Risk Assessment. <ul style="list-style-type: none"> <li>a) <u>Level 1:</u> Independent producer-no long term contractual obligation</li> <li>b) <u>Level 2:</u> Documented rights to land, Land dispute, Land developed after 2005, FFB Trading License, New developments</li> <li>c) <u>Level 3:</u> Topography, HCV, Planting on fragile soil, Employments, Facilities, Production records, Usage of banned or restricted chemicals, Fertilizer application.</li> </ul> </li> <li>- WMS 3.1.1.1: WAGS Producer Group Organisation- The meeting was conducted on quarterly basis. The latest was done on 24/08/2016 to discuss on the WAGS Kinabatangan Q1 report 2016. The meeting was involving all the Project partner-Nestle, KKK and WAGS member.</li> <li>-</li> </ul> <p>The initial gap audit was conducted through WAGS Kinabatangan Risk Assessment Checklist as per stated in the WMS 2.10.1: Producer Risk Assessment</p>
	E2.1.2	<p>The Group Internal Control System shall contain Procedures for maintaining records for all Group members.</p> <p>The Group Manager shall implement a system to maintain the following central records and reports:</p> <ul style="list-style-type: none"> <li>• List of names and full contact details of group members and applicable method of communication.</li> <li>• Location maps. Area of oil palm in hectares.</li> <li>• Land titles/right of use of the land.</li> <li>• A copy of the signed declaration of the outgrower becoming a member of the group including the date.</li> </ul>	Yes	<p>The Group Manager had maintained records for all members as per its procedure titled 'WMS 3.1.3.1 G Producer Documentation &amp; Production Records_v1_26072014' and 'WMS 1.3.1 G WAGS Membership Management_v2_14092016'. Besides that Group Manager also has other support procedures such as WMS 2.8 Baseline Farmer &amp; Farm Profile &amp; WMS 2.10 Risk Assessment.</p> <ol style="list-style-type: none"> <li>1. The data monitoring sheet contains information about the farmers including the Producer Registration PG GOM, PRS was included all the information needed for all farmers. E.g. date of compulsory training and monitoring, date joined member, unique member registration (WAGS ID No) and date leaving the WAGS group.</li> <li>2. Kinabatangan Producer Groups Map was established based on land title and GPS. The data base was maintained the area of oil palm in hectare for all the members.</li> <li>3. Verified the Land title and contract between the producer and the WAGS and unique member ID.</li> </ol>



	<ul style="list-style-type: none"> <li>• Unique member registration numbers are assigned to individual members.</li> <li>• The date that the member signed the declaration of intent as stated in the Group Membership Requirements.</li> <li>• Date of leaving the Group if applicable and the reasons why.</li> <li>• Projected and actual FFB production in metric tonnes per annum.</li> <li>• Monitoring and training records.</li> <li>• Any corrective actions raised and actions taken to meet the requirements for compliance.</li> </ul>		<ul style="list-style-type: none"> <li>• Salleh Bin Abdullah, new member, WAGS ID; BOR-249-SML</li> <li>• Mustamin Bin Aidun, new member, WAGS ID; BOR-288-SML</li> <li>• Cheng Fatt Plantations (S) Sdn Bhd, new member , WAGS ID;BOR-SGW-269-SGR</li> <li>• Habajaya Sdn Bhd, members, WAGS ID.BOR-SGW-270-SGR</li> <li>• Bacho Bin Jansie( kebun Bacho), member. WAGS ID. SDB-001-SML</li> <li>• Bani Bin Asgali, member certified, WAGS ID. KIN-229-SML</li> <li>• Aripin Bin Lapuang, member certified, WAGS ID. KIN-242-SML</li> <li>• Awang Bin Sina, member, WAGS ID. GOM-013-SML</li> <li>• Puteri Endang Kasturi Bt. Marsuki, member, WAGS ID. GOM-036-SML</li> <li>• Asas Saba B. Ganggang, member, WAGS ID. PRS-002-SML</li> <li>• Mary Bt. Angking, member, WAGS ID. PRS-005-SML</li> <li>• Jais B. Lepit, member certified, WAGS ID. KIN-253-SML</li> <li>• Zakri B. Bakri, member certified, WAGS ID. KIN-255-SML</li> </ul> <p>4. The hectarage was monitored through Excel Sheet 4: PG Farm Registration_ PG GOM, PRS that covered the information on the farm and issue on monitoring. The total existing certified area was 236.53Ha, and the total area to certify including new members is 1,060.30ha.</p> <p>5. The production records was keep in sheet 5: PG FFB_PG GOM, PRS which updated every quarterly.</p> <p>6. The monitoring and the training records was monitored through PG Activity Log_ PG GOM, PRS.</p> <p>7. The monitoring on the issue raised was monitored through Sheet 4: PG Registration_ PG GOM, PRS, e.g: expired MPOB license, open burning, chemical spillage and etc.</p>
E2.1.3	Relevant group records shall be archived for a minimum of 5 years using an appropriate secure system.	Yes	In accordance with WMS: 1.3.1 WAGS Membership Management Guidance, Clause 8.3, WAGS maintained all records pertaining to RSPO for at least 5 years. Records were also available in electronic form. During on-site visit, each smallholder has its own folder to keep the relevant documents such as land titles, training material and contracts.
E2.1.4	The Group Internal Control System shall include an initial gap audit procedure (i.e. baseline assessment and needs for compliance) for applicants wishing to join the Group.	Yes	<p>WAGS had established documented procedures and processes that the group implements to achieve its specified requirements. This includes the Internal Control System (ICS) to conduct baseline using the SOP-WMS: 2.8.1 - Scoping &amp; Baseline Overview to identify the geographical area. The baseline Assessment was conducted in 2012 for WAGS Sabah- Kinabatangan by Sheila Senathirajah. This assessment covered the socio-economic background, supply chain, social and environmental impacts and farm audit.</p> <p>A risk assessment was conducted before the farmers become a member. The criteria were divided into three level:  <u>Level 1:</u>  Independent producer-no long term contractual obligation</p>

				<p><u>Level 2:</u> Documented rights to land, Land dispute, Land developed after 2005, FFB Trading License, New developments</p> <p><u>Level 3:</u> Topography, HCV, Planting on fragile soil, Employments, Facilities, Production records, Usage of banned or restricted chemicals, Fertilizer application.</p>
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### 2.3. Element 3 (E3): The Internal Control System – Operations

Clause	Indicators	Comply Yes/No	Findings
E3.1 The Group Internal Control System shall develop and implement an internal audit programme of Group members.	<p>E3.1.1 The Group Manager shall develop and implement the internal audit programme, which includes, but not exclusively: timeline, operational plans, monitoring and evaluation records.</p> <p>As a minimum the following shall be included:</p> <ul style="list-style-type: none"> <li>• Establish, implement and maintain a procedure(s) for internal audits which must include (but not be limited to) the methodology, competence of internal auditors, audit criteria, frequency of internal audits, and addressing non-conformity.</li> <li>• Conduct regular (at least annual) internal audits of Group members in order to confirm continued conformance with all the Group Certification requirements.</li> <li>• Maintenance of all internal audit records.</li> </ul>	No	<p>WAGS Internal Audit Guideline (WMS 2.11.1) was established and the internal Audit was last conducted by an approved internal auditor on 24/08/2015. The audit had sampled 18 out of 115 members. In accordance with the indicator, 'Conduct regular (at least annual) internal audits of Group members in order to confirm continued conformance with all the Group Certification requirements'. During this audit, a <b>Minor NCR HO-01</b> was raised as the internal audit was more than 14 months.</p> <p>Records of the internal audits were maintained accordingly.</p>
	<p>E3.1.2 The Group Manager shall carry out a risk assessment of Group members to identify an appropriate sampling intensity of Group members for the certification assessment.</p> <p>The risk assessment shall take into account:</p> <ul style="list-style-type: none"> <li>• The diversity of the Group members (i.e. range of size, management structure, scattered members with diverse plantation landscape such as terrain, etc.)</li> <li>• Any perceived risk relating to the activities being undertaken (e.g. how much replanting or expansion is occurring, how many members are new and, for subsequent</li> </ul>	Yes	<p>WAGS has a procedure that before the farmers become a WAGS member, a risks assessment shall be carried out. Refer to the WMS 2.10.10 Producer Risk Assessment. The latest risks assessment carried out in July 2016 was conducted for all 242 new members. Once becoming a member, an internal audit was supposed to be conducted. The risk assessment has been revised by incorporating the non-conformities from the CB. For example, related to new planting, yield and used of fire.</p>

		assessments, whether there is a history of non-conformities).		
	E3.1.3	The Group Manager and the internal auditors shall jointly declare no conflict of interest for the internal audit process.	Yes	WAGS has developed a procedure about conflict of interest titled as WMS 2.11.1: WAGS Internal Audit Guidelines, clause 2.7- Conflict of interest. The procedure stated that the internal inspectors could not audit farms when there is a conflict of interest and the internal inspectors cannot be members of producer group committee.
	E3.1.4	<p>The Group Manager shall conduct initial gap audits with any potential new member, to assess the following pre-requisites for membership:</p> <ul style="list-style-type: none"> <li>• no plantings have replaced primary forest, or affected one or more HCVs (RSPO P&amp;C 2013 criteria 5.2 &amp; 7.3)</li> <li>• In the case of scheme smallholders, the company (owning/managing the mill) holds the liability for compensation for any new plantings undertaken since Nov 2005 and before 14th May 2014.</li> <li>• Following compliance with the compensation procedure, scheme smallholders may join the group. <ul style="list-style-type: none"> <li>▪ no existing land conflict.</li> <li>▪ land title or right to use the land can be demonstrated.</li> </ul> </li> </ul>	No	<p>WAGS has documented procedures and processes that a group implements to achieve its specified requirements. This also includes the Internal Control System (ICS) Conduct the Baseline using the SOP-WMS: 2.8.1 - Scoping &amp; Baseline Overview to identify the geographical area. The baseline Assessment was conducted on 2012 for WAGS Sabah- Kinabatangan by Sheila Senathirajah. This assessment covered the socio-economic background, supply chain, social and environmental impacts and farm audit. The WAGS risk assessment checklist was conducted before the farmers become a member. The criteria were divided by 3 level:</p> <p><u>Level 1:</u> Independent producer-no long term contractual obligation</p> <p><u>Level 2:</u> Documented rights to land, Land dispute, Land developed after 2005, FFB Trading License, New developments</p> <p><u>Level 3:</u> Topography, HCV, Planting on fragile soil, Employments, Facilities, Production records, Usage of banned or restricted chemicals, Fertilizer application.</p> <p>However, it was found that right to use land and MPOB registration for below members were not explicitly demonstrated.</p> <ul style="list-style-type: none"> <li>- GOM-036-SML</li> <li>- GOM-003-SML</li> <li>- KIN-242-SML</li> </ul> <p>Therefore, <b>Minor NCR HO-02</b> was raised during this audit.</p>
E3.2 The Group Internal Control System shall include a system in place to enable the trading of RSPO certified FFB produced from the Group.	E3.2.1	The Group Manager shall document and implement a system for the tracking and tracing of FFB produced by the group members, and intended to be sold as RSPO certified FFB.	Yes	For FFB tracking the management use the form named "WAGS Kinabatangan RSPO Volumes tracking". Verified the total FFB produce as follow: Total FFB produce from Nov 15 – Oct 16 was 26,913.39mt.

	E3.2.2	<p>There shall be a collective Group procedure for the sale of all certified FFB to ensure that non-certified FFB are not sold as RSPO certified FFB. If certified FFB is combined with non-certified FFB prior to the sale and delivery to a palm oil mill, a mass balance system shall be in place to ensure the quantity of FFB sold as Mass Balance is equal to the quantity of RSPO certified FFB in the mix.</p>	Yes	<p>WAGS Management had established WMS 2.12.1: FFB “Traceability/Chain of Custody” Guidelines. It describes how to ensure that FFB from the farm to the collection center or mill is traceable and a documented system is in place to record and track the volumes of individual FFB producers.</p> <p>The record of selling the FFB is kept by the farmers. The management uses the monitoring sheet 5: PG FFB_PG GOM, PRS to monitor the sales records on quarterly basis between the certified and non-certified FFB suppliers.</p>
	E3.2.3	<p>All sales of FFB originating from the plantations of Group members shall be documented and recorded. This shall include:</p> <ul style="list-style-type: none"> <li>• Invoices and receipts (purchase and sale).</li> <li>• Information on transport (i.e. registration number/number plate).</li> <li>• The relevant group members’ group identification number.</li> <li>• Classification of the FFB sold (i.e. RSPO certified or not), FFB volume and destination.</li> <li>• Information of FFB price.</li> </ul>	Yes	<p>As verified on-site, the farmers kept the receipts of sale or invoices.</p> <p>The management kept copy of the records (quarterly) in the monitoring sheet 5: PG FFB_PG GOM PRS. The records of the following farmers were reviewed:</p> <ul style="list-style-type: none"> <li>• Salleh Bin Abdullah, new members, WAGS ID. BOR-249-SML</li> <li>• Mustamin Bin Aidun, new members, WAGS ID. BOR-288-SML</li> <li>• Cheng Fatt Plantations (S) Sdn Bhd, new member, WAGS ID. BOR-SGW-269-SGR</li> <li>• Habajaya Sdn Bhd, members, BOR-SGW-270-SGR</li> <li>• Bacho Bin Jansie( kebun Bacho), member. WAGS ID. SDB-001-SML</li> <li>• Bani Bin Asgali, member certified, WAGS ID. KIN-229-SML</li> <li>• Aripin Bin Lapuang, member certified, WAGS ID. KIN-242-SML</li> <li>• Awang Bin Sina, member, WAGS ID. GOM-013-SML</li> <li>• Puteri Endang Kasturi Bt. Marsuki, member, WAGS ID. GOM-036-SML</li> <li>• Asas Saba B. Ganggang, member, WAGS ID. PRS-002-SML</li> <li>• Mary Bt. Angking, member, WAGS ID. PRS-005-SML</li> <li>• Jais B. Lepit, member certified, WAGS ID. KIN-253-SML</li> <li>• Zakri B. Bakri, member certified, WAGS ID. KIN-255-SML</li> </ul> <p>The WAGS site team have started to keep records as of October 2016 (i.e: FFB price for Oct RM535).</p>
	E3.2.4	<p>The Group Manager shall maintain copies of all documentation and records mentioned in E3.2.3 related to Group FFB transactions for a period of a minimum of 5 years.</p>	Yes	<p>WAGS management has kept all the records associated with the Group FFB transaction since 2013. The records were maintained and available in the softcopy at the WAGS HQ office in Kuala Lumpur.</p>
	E3.2.5	<p>Traders of FFB shall be either part of the Group management system following this guidance or be RSPO Supply Chain certified in order to sell certified FFB. Traders of FFB are encouraged to be included within the Group certification control rather than obtain their own supply chain certification.</p>	Yes	<p>There is no trader included in this certification.</p>

		The Group Manager will ensure that the trader has clear procedures to ensure that mass balance calculations are accurate if applicable and that all FFB sold by the trader is traceable back to the Group members.		
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## RSPO P&C CHECKLIST (up to 50ha of plantation size)

### Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
C 1.1 Outgrowers 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 outgrowers 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. 1.1.2 (M) Records of requests for information and responses shall be maintained.	GM: <ul style="list-style-type: none"> <li>The Group Manager shall inform all Group members that all requests for information are referred to the Group Manager.</li> <li>The Group Manager shall provide adequate information on (Environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making (1.1.1).</li> <li>The Group Manager shall establish and maintain a system to keep records of requests for information and corresponding responses. (1.1.2)</li> </ul>	Yes	<p>WAGS Kinabatangan continued to implement the procedure for responding to any communication as outlined in their document WMS2.2.1 Managing Public Transparency (item no.5 &amp; 6). The records of communication were identified and maintained in Logbook with details of requests for information and responses (including closing dates) for each site. The relevant information on Group and details of contact persons were displayed on Public Notice Board for each site.</p> <p>The GM continues to maintain the Stakeholder List which included the contractors, vendors/suppliers, government agencies, schools and local communities. The list was displayed at the public noticeboard for each site. The Stakeholders list was reviewed in January 2016.</p> <p>WAGS Kin had identified personnel responsible for complaints and records of communication were maintained in Logbook. As of to date there was no request on social information from stakeholders.</p>
		IG: Demonstrate an understanding that all visitors and all requests for information are referred to the Group Manager.	Yes	Individual members were aware that all requests for information are to be referred to the Group manager. It was noted that there had been no request for information.

<p>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.</p>	<p>1.2.1 Land titles/user rights (Criterion 2.2); Occupational health and safety plans (Criterion 4.7); Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) HCV documentation summary (Criteria 5.2 and 7.3); Pollution prevention and reduction plans (Criterion 5.6); Details of complaints and grievances (Criterion 6.3); Negotiation procedures (Criterion 6.4); Continual improvement plans (Criterion 8.1); Public summary of certification assessment report; Human Rights Policy (Criterion 6.13).</p>	<p>GM: Group Managers shall list the following documents as publically available and keep copies centrally: Land titles/user rights (Criterion 2.2); Occupational health and safety plans (Criterion 4.7); Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); HCV documentation (Criteria 5.2 and 7.3); Pollution prevention and reduction plans (Criterion 5.6); Details of complaints and grievances (Criterion 6.3); Negotiation procedures (Criterion 6.4); Continuous improvement plans (Criterion 8.1); Public summary of certification assessment report; Human Rights Policy (Criterion 6.13).</p>	<p>Yes</p>	<p>Land titles/user rights was available at WAGS Kinabatangan Office and at each farmer. (cross refer to criterion 2.2).</p> <p>OSH plan was available in the file name Group Management Plan WAGS GROUP 14092016. (cross refer to criterion 4.7).</p> <p>Management documents related to environmental plans and impact assessments were made available to auditors, (Cross refer to 5.1) Among the documents were:</p> <ul style="list-style-type: none"> <li>• Environmental Impact Assessment (EIA)</li> <li>• Group Management Plan WAGS GROUP 14092016 (E-Impacts, Pollution &amp; GHG &amp; Fossil Fuel use, Slope Areas and Waste &amp; Disposal).</li> </ul> <p>Pollution prevention and reduction plans was available in Group Management Plan WAGS GROUP 14092016 (E-Impacts, Pollution &amp; GHG &amp; Fossil Fuel use, Slope Areas and Waste &amp; Disposal) (Cross refer to Criterion 5.6).</p>
<p>C 1.3 Outgrowers and millers commit to ethical conduct in all business operations and transactions.</p>	<p>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.</p>	<p>GM: The Group Manager shall develop a written policy committing the Group to a code of ethical conduct and integrity in all operations and transactions.</p>	<p>Yes</p>	<p>A written policy committing to a code of ethical conduct and integrity in all operations and transactions has been established in the WAGS Group Policy Statement (ethical conduct). On top of that, there were also specific policies on social and humanity management, gender, and children's rights. These policies demonstrated the company's respect for fair conduct of business, prohibition of all forms of corruption, bribery and fraudulent use of funds and resources. These policies have been communicated to all the Farmers and Outgrowers through display on notice boards at each site and during trainings (as evident in the training files). The policies were also made accessible to the public. This showed the Group's commitment to a proper disclosure of information in accordance with applicable regulations and accepted industry practices.</p>

		<p>IG: Individual members shall show that they have accepted and agreed the group's policy on ethical conduct.</p>	<p>All group members had signed an agreement, "Perjanjian di antara pengeluar dan WAGS: Dokumen Kod WAGS ICS 009 versi: 2", which also included the group's policy on ethical conduct.</p> <p>The members visited and contract signed dates are as follow:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Farm No</th> <th>Member's Name</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>12</td> <td>Bani Bin Asgali</td> <td>17.07.2014</td> </tr> <tr> <td>2.</td> <td>13</td> <td>Aripin Bin Lapaung</td> <td>17.07.2014</td> </tr> <tr> <td>3.</td> <td>18</td> <td>Ramneh Binti Otoh</td> <td>14.05.2015</td> </tr> <tr> <td>4.</td> <td>19</td> <td>Nasip Bin Sapary</td> <td>08.07.2015</td> </tr> <tr> <td>5.</td> <td>26</td> <td>Bulla Bin Biahi</td> <td>14.07.2015</td> </tr> <tr> <td>6.</td> <td>27</td> <td>Rosdah Binti Jukrana</td> <td>14.05.2015</td> </tr> <tr> <td>7.</td> <td>5</td> <td>Asas Saba Bin Ganggang</td> <td>24.08.2015</td> </tr> <tr> <td>8.</td> <td>4</td> <td>Saharuddin Bin Suali</td> <td>24.08.2015</td> </tr> <tr> <td>9.</td> <td>6</td> <td>Mary Binti Angking</td> <td>06.08.2016</td> </tr> </tbody> </table>	No	Farm No	Member's Name	Date	1.	12	Bani Bin Asgali	17.07.2014	2.	13	Aripin Bin Lapaung	17.07.2014	3.	18	Ramneh Binti Otoh	14.05.2015	4.	19	Nasip Bin Sapary	08.07.2015	5.	26	Bulla Bin Biahi	14.07.2015	6.	27	Rosdah Binti Jukrana	14.05.2015	7.	5	Asas Saba Bin Ganggang	24.08.2015	8.	4	Saharuddin Bin Suali	24.08.2015	9.	6	Mary Binti Angking	06.08.2016
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## Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	<p>2.1.1 (M) Evidence of compliance with relevant legal requirements shall be available.</p> <p>2.1.2. A documented system, which includes written information on legal requirements shall be maintained.</p> <p>2.1.3 A mechanism for ensuring compliance shall be implemented.</p> <p>2.1.4 A system for tracking any changes in the law shall be implemented.</p>	<p>GM: Group Managers shall:</p> <ul style="list-style-type: none"> <li>• Have a list/'legal register' of all applicable laws and regulations and state: <ul style="list-style-type: none"> <li>▪ Where the laws were obtained from.</li> <li>▪ How they are circulated and how often and record this communication.</li> <li>▪ Who and how ensures that the laws are being implemented.</li> <li>▪ Who monitors and updates the list and how often.</li> <li>▪ Who records when updates are communicated.</li> </ul> </li> <li>• Ensure you can demonstrate to a third party that the laws are understood and complied with by Group members.</li> <li>• Develop tools such as checklists or booklets that your group members can use to help them implement the legal requirements.</li> <li>• Demonstrate evidence of training on legal requirements such as record or handouts/</li> </ul>	No	<p>WAGS Kinabatangan have a documented system for identifying and updating the changes of legal requirements and to monitor the status of legal compliance. The mechanism was documented in G06 WAGS Guidelines on Legal Compliance (OR WMS2.3.1 Managing Group Legal Compliance). WAGS HQ based in Kuala Lumpur is responsible in tracking any changes to the Acts and Regulations. This was done through communicating with the publisher of the documents. This mechanism was outlined in its SOP. The updating of the legal register was carried out on a periodical basis. Any change in the legal register is communicated to the respective Unit. As at to date, new act like Minimum Wages Order 2016 was update into the legal register. The legal register was last updated by Ming Yee from HQ in September 2016.</p> <p>Among the applicable laws identified includes the Malaysian Palm Oil Board (License) Regulation 2005, Wildlife Conservation Enactment 1997 and Wildlife Conesvation Act 2010, Environment Quality Act 1974 (act 127), Workmen Compensation Act 152 (Act 273),</p>

		<p>printed materials/ softcopy.</p>		<p>Employees Provident fund Act 1991, etc..</p> <p>However, the legal register has not included the following:</p> <ol style="list-style-type: none"> <li>1. EQ (Scheduled Wastes) 2005 Regulation</li> <li>2. EQ (Clean Air) 2014 Regulation</li> </ol> <p>Thus, a <b>Minor HO-03 is raised</b> for Indicator 2.1.2 was raised as per Group Certification System – RSPO-GUI-T06-008 V1.0 ENG.</p> <p>Members of WAGS were made aware of the legal requirements through training session. Members were also regularly reminded during the meetings with WAGS staffs. This was confirmed through interview conducted with the smallholders</p> <p>Guided by the established SOP, the annual evaluation of compliance has been carried out concurrently with the review of legal register updated by WAGS HQ e/d: 18 September, 2016. The list of applicable legal and other requirements was made available during the assessment. The following legal requirements sampled for review :</p> <ul style="list-style-type: none"> <li>• MPOB License no 275909 – 701000 Salleh Bin Abdullah</li> <li>• MPOB License no 318274 – 061000 Mustamin Bin Abdullah</li> <li>• MPOB License no 407879- 701000 (valid till 30/6/17) Mohd Tahir</li> <li>• MPOB License no 466998 - 101000 (Valid till 31/3/2021) Suprelite Plantation Sdn Bhd</li> <li>• MPOB License no 503510702000 (Valid till 31/3/2021) Cheng Fatt Plantations Sdn. Bhd.</li> <li>• MPOB License no 406521-101000 (Valid till 31/5/2017) Tanrang bin Lunggut</li> </ul>								
		<p>IG:</p> <ul style="list-style-type: none"> <li>• Fulfil the requirements laid out by the Group Manager, such as attending relevant training, filling in the checklist/tools provided to guarantee legal compliance.</li> <li>• Maintain corresponding physical documents according to provided checklist, e.g. relevant licenses.</li> </ul>	<p>Yes</p>	<p>Group Manager has conducted a briefing on list of legal compliance to all members which need to be complied by annual basis.</p> <p>All members, except for Ramneh binti Otoh, had valid MPOB permits.</p> <table border="1" data-bbox="1424 1305 2060 1420"> <thead> <tr> <th>No</th> <th>Member's Name</th> <th>MPOB No</th> <th>Valid Until</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Bani Bin Asgali</td> <td>322784-101000</td> <td>31.07.2021</td> </tr> </tbody> </table>	No	Member's Name	MPOB No	Valid Until	1.	Bani Bin Asgali	322784-101000	31.07.2021
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<p>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</p>	<p>2.2.1 (M) Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised NCR land and the actual legal use of the land shall be available.</p> <p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>2.2.3 Where there are or have been disputes,</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>The Group Manager shall demonstrate documentary evidence of legal ownership or lease, history of land tenure and the actual legal use of the land according to local laws.</li> <li>Maps showing the legal boundaries shall be kept.</li> <li>Check that boundaries are demarcated.</li> <li>If there are conflicts: The Group Manager shall ensure that there is an ongoing process to resolve the conflict and ensure records of meetings are being kept by the group member.</li> </ul>	<p>Yes</p>	<p>All audited members had valid land titles. In the folders of each member the GPS maps and sketched maps of each plot showing boundary, roads, drains and bridges and year of planting were also available.</p> <p>Evidence of legal ownership of the land including history of land tenure was verified. Each smallholder has provided with legal use of the land through a Land Grant or Land Application. Among the land titles sighted were:</p> <ul style="list-style-type: none"> <li>- Cheng Fatt (Sabah) Plantation Sdn. Bhd. (MPOB license: 503510702000) Land Title : 095310562(Chang Sui Yin) – country lease 98 years (1/1/1979-31/12/2077).</li> <li>-Mustamin bin Aidun- Land Title (waiting Land Application from Sabah Government) but approve by MPOB (license no: 318274-001000) for 6.07 ha.</li> <li>- Salleh bin Abdullah Land Title : NT 093022256 (3.047 ha).</li> </ul>																																

	<p>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 FPIC.</p> <p>2.2.4 (M) 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.</p> <p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p>			<p>- Mustamin bin Abdullah- Land Title (waiting Land Application from Sabah Government) but approve by MPOB (license no: 318274 – 061000) for 4.43 ha.</p> <p>- Mohd Tahir Land Title (waiting Land Application from Sabah Government) but approve by MPOB (license no: 407879- 701000) for 4.69 ha.</p> <p>- Awang bin Sina Land Title (waiting Land Application from Sabah Government) but approve by MPOB (license no: 401259-101000) for 1.092 ha.</p> <p>- Tanrang bin Lunggut Land Title (waiting Land Application from Sabah Government) but approve by MPOB (license no: 406521-101000) for 2.87 ha.</p> <p>The audit team had verified boundary stone / trenching / marking at 25 smallholders and 2 outgrowers at Wags Kinabatangan. The boundary stone and trenching/markings have been monitored and visibly maintained along the boundary adjacent to neighboring estate. The audit team had also verified the sketch map in the Farmer Folder.</p> <p>There was no conflict or dispute concerning land observed and also WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.</p>
	<p>2.2.6 (M) 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.</p>	<p>IG:</p> <ul style="list-style-type: none"> <li>• Individual members shall demarcate the boundaries of their land.</li> <li>• If there are conflicts: Explain why and what is the current status. Update this status every quarter until finalised. Record all meetings and who attended.</li> <li>• In each case, open a case file starting with a statement regarding the boundaries under dispute outlining the issues and the scope. Check that the titles or deeds allow the growing of oil palm where this is required by country legislation.</li> </ul>	Yes	<p>All members visited had demarcated the boundaries of the land. Some had identified the boundary stones, others used painted pegs while some stacked cut fronds.</p> <p>There was no evidence of any conflicts among all the members visited.</p>
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other	2.3.1 (M) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and	GM: Group Manager has to: 2.3.1. Carry out the participatory mapping with involved parties (including neighbouring communities where applicable, and relevant	Yes	WAGS maintains copy of land map, land titles and land application documents showing the status of lands held by all smallholders and showed that those lands are not claimed or contested by third parties with legitimate claims. The list of all 127 members location is available in WAGS-

<p>users without their free, prior and informed consent.</p>	<p>7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).  2.3.2 Copies of negotiated agreements detailing the process of FPIC (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:  a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;  b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;  c) Evidence that the legal, economic, environmental and social implications for permitting operations on their 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.  2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts,</p>	<p>authorities).  2.3.2 Keep copies of negotiated agreements between individual members and affected stakeholders in appropriate languages.  2.3.3 &amp; 2.3.4: For these processes appropriate local language will be used and negotiations conducted with appropriate representatives.</p> <p>IG:  Demonstrate that they have the right to use the land and or have customary rights over the land they farm.</p>	<p>014 PG Farm Register (WAGS Kinabatangan list of all members &amp; certification status).</p> <p>Land ownership was proven and there is no dispute (based on confirmation via interview with the village chief, Jabatan Perhutanan, or the leader of the scheme).</p> <p>There was no conflict or dispute concerning land observed and also WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management</p> <p>Yes</p>	<p>014 PG Farm Register (WAGS Kinabatangan list of all members &amp; certification status).</p> <p>Land ownership was proven and there is no dispute (based on confirmation via interview with the village chief, Jabatan Perhutanan, or the leader of the scheme).</p> <p>There was no conflict or dispute concerning land observed and also WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management</p> <p>All members visited, except for 2, were owners of the plots managed by them. The farm of Saharuddin Bin Suali was owned by his father Suali Bin Bacho. The farm of Ramneh Binti Otoh was managed by her mother. Both had letters of Authorisation, "Surat Kebenaran untuk Menyertai Skim Kumpulan Wild Asia (WAGS).</p>
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	<p>proposed benefit sharing, and legal arrangements. 2.3.4 (M) Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p>			
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**Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY**

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
<p>C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>	<p>3.1.1 (M) A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. 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.</p>	<p>This Criterion is not applicable to independent smallholders. However, it is recommended for groups of smallholders to have a business plan for long-term economic viability of their operation, considering among others, cost of annual maintenance, replanting, potential expansion and long term sustainability of certification.</p>		

**Principle 4: USE OF APPROPRIATE BEST PRACTICES BY OUTGROWERS AND MILLERS**

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
<p>C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored</p>	<p>4.1.1 (M) SOPs for estates and mills shall be documented. 4.1.2 A mechanism to check consistent implementation of procedures shall be in place. 4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. 4.1.4 (M) The mill shall record the origins of all third-party sourced FFB.</p>	<p>GM: 4.1.1 Group Manager develops appropriate SOPs for the group: • Ensure through a set procedure any pre-existing SOPs for BMP by current members, are compliant &amp; consistent with the group SOPs • Keep a register of members who have pre-existing non-group SOPs that are accepted as compliant and consistent with group SOPs. 4.1.2 The Group Manager has regular checks using procedures set at group level for SOP implementation.</p>	<p>No</p>	<p>WAGS Kinabatangan has revised the training / SOP in March 2015. The following were sighted available in softcopy at the field coordinator and hardcopies at farmers' record file, 1)T01-introduction to Wild Asia &amp; RSPO 2)T02-guidance on farm management of RSPO 3)T03-introduction to documentation training 4)T04-health and safety training 5)T05-environmental management training for small farms 6)T06-code of conduct &amp; membership requirements 7)T07-social training 8)T08-New planting training 9)T09-FFB pricing &amp; grading</p>

		<p>4.1.3 Group Manager oversees the individual record keeping by members.  4.1.4 Group Manager is responsible to identify where all individual member farms are located as a means to identify FFB origin.</p>		<p>10)T10-BMP (harvesting)  11)T11-common pest and disease  12)T12-Fertilizer management  13)T13-weed management</p> <p>During the on-site audit, it was found that the SOP for good agriculture practices T10-BMP harvesting and T13-Weed Management was not fully implemented by the farmers. Sighted during field visit at farm of BOR-SGW-270-SGR, BOR-SGW-269-SGR, KIN-NEW-003, KIN-512-SML, and KIN-496-SML found that loose fruits have not been collected and the farms of members was scruffy with noxious weed and woody growth. Therefore, a <b>Minor NCR # STK / RR 02 2016</b> was raised</p> <p>WAGS Group Manager had in place the mechanism to check consistent implementation of procedures. Reports on internal audit made in WAGS Kinabatangan on 24 August 2015 by Christopher Andel. The issue had been raised in the audit report such as:</p> <ol style="list-style-type: none"> <li>1) membership awareness regarding issues of code of conduct, detail of membership sanctions, and grievance and appeal procedure.</li> <li>2) chemical and fertilizer are rarely fill up</li> <li>3) farm maintenance</li> <li>4) domestic waste issues</li> <li>5) labelling on empty containers</li> <li>7) riparian zone.</li> </ol> <p>WAGS had continued to assist the farmers to record the information in the Monthly Activity Form provided in WAGS_KIN and subsequently transferred to the Producer Production Info Form (WAGS-004). The information is then transferred to an Excel document known as <i>WAGS-012 Data from Farmer's Logbook</i> for monitoring.</p> <p>The requirement for mill to record the origins of all third-party sourced FFB is not applicable because there is no mill included in this group.</p>
		<p>IG:  4.1.3 Responsibility of individual members to keep record of their own SOP implementation as per defined in group SOPs.</p>	<p>Yes</p>	<p>Records of FFB harvested &amp; despatched, Invoices of receipts of payment for FFB, receipts of payment of wages to workers, receipts of purchases of items like chemicals, fertilisers, spray pumps, etc, were kept in each member's Log Books. The Log Books also recorded the date of harvesting and weight of harvested FFB, date of</p>

				maintenance work such slashing, spraying and application of fertilisers, etc.
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 SOPs, are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. 4.2.2 Records of fertiliser inputs shall be maintained. 4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. 4.2.4 A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues.	GM: 4.2.1 Group Manager to maintain regular records of soil fertility practices by all members as per SOPs. 4.2.2 Group Manager to provide template to record fertilizer usage and mill by-products usage. 4.2.3 Group Manager conducts periodic tissue and soil sampling at minimum for a representative sample of group membership. 4.2.4 Group Manager oversees and ensures implementation of nutrient recycling for the group.	Yes	<p>WAGS had established training material, <i>WAGS Penjagaan Tanah (Soil Management)</i> that is presented to all members. The document explain best practices to maintain soil fertility and the importance to ensure optimal or sustained yield. To monitor and verify implementation, each farmers need to fill a form known as 'Monthly Record of Farm Activity (Rekod aktiviti Kebun) in the Farmer Record file that has a section on Manuring Record ( Rekod Penggunaan Baja).</p> <p>The Group manager had developed template and provided to Logbook to members to monitor the monthly Farm Activity (Rekod aktiviti Kebun) that includes</p> <ul style="list-style-type: none"> <li>• Sales of FFB ( Rekod Penjualan BTS )</li> <li>• Expenditure records ( Rekod perbelanjaan )</li> <li>• Agrochemical Usage( Rekod penggunaan Racun )</li> <li>• Manuring Record ( Rekod Penggunaan Baja )</li> </ul> <p>A programme for soil and foliar sampling is being implemented in order to generate fertilizer recommendation program. Group management plan had included the need to conduct soil sampling and tissue sampling. As part of the BMP and Outreach program conducted by WAGS in quarter 4 2016, WAGS have a planning with project partners which is KLK Plantation (Bornion Estate and Bornion Mill) to establish of soil and foliar assessment together with the KLK Estate</p>
		IG: 4.2.2 Responsibility of individual members to maintain fertilizer records.	Yes	<p>All members with mature oil palm, except for Saharuddin, had not applied any fertilisers in 2015 and 2016.</p> <p>Records in the Log Book of Saharuddin showed he had applied 40 X 50 kg of NK mixture and 44 X 50 kg of SOA mixed at a rate of 2.5 kg/palm in August 2016.</p> <p>The member, Bulla Bin Biahi, though replanting had been carried out by MPOB (on behalf of smallholders), also had not carried out any fertiliser application for the immature palms since becoming a member in July 2015.</p> <p>However, members, Nasip Bin Sapary and Mary Binti Angking whose replanting was carried out by MPOB had</p>

				records to show that fertilisers had been applied to the immature palms. The fertilisers had been supplied free of charge by MPOB.
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1 (M) Maps of any fragile/marginal soils shall be available. 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. 4.3.3 A road maintenance programme shall be in place. 4.3.4 (M) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. 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. 4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils).	GM: 4.3.1 Group Manager shall compile and maintain an overall soil map for the group. 4.3.2 Group Manager develops a policy and procedure for planting on slopes. 4.3.3 A road maintenance programme is maintained at Group level, this includes an approval process for any new roads being developed by individual members. 4.3.4 Group manage to have monitoring procedure for peat subsidence and water management for plantings on peat where relevant 4.3.5 Group Manager develops regular drainability assessment schedule for the group and implements this 4.3.6 There is a group level policy and plan for managing fragile and problem soils occurring in the group. The Group Manager shall ensure implementation by individual group members.	No	An overall soil map "WAGS KIN Soil Map dated 4.10.2016" was made available. There were no fragile soils. All were mineral soils.  The policy and procedure for planting on slopes were in T02 & T08. It advocated that terracing was to done for slopes of between 10 and 20 degrees. Planting above 20 degrees was not advocated. For slopes of 5 to 10 degrees' platform planting was advocated.  It was observed that this policy had been adhered to in the replants carried out by MPOB on the farms of Nasip, Bulla and Mary.  At site there were no road maintenance program available. Road conditions were poor. During visited at BOR-SGW-269-SGR and BOR-SGW-270-SGR road was blocked by landslide and soil erosion while others were full of port hole making it difficult to vehicle maneuver. Therefore, a <b>Minor NCR # STK / RR 03 2016</b> was raised.  The indicator 4.3.6 was not applicable as from the soil map provided it was established there was no peat soils in WAGS KIN.  Drain-ability assessment was not applicable as from the soil map provided it was established there was no peat soils in WAGS KIN.  From the soil map provided, it was established that there were no fragile and problem soils in WAGS KIN.
		IG: 4.3.1 Where available individual members shall provide soil maps of their own farm to the Group Manager. 4.3.4 Individual members shall record water levels at regular basis as specified within group SOP.	NA	An overall soil map "WAGS KIN Soil Map dated 4.10.2016" was made available. There were no fragile soils. All were mineral soils.  No peat soils observed during assessment and also see from map provided there is no trace of peat soils in WAGS Kinabatangan. Therefore this indicator was not applicable.

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. 4.4.2 (M) 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. 4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). 4.4.4 Mill water use per tonne of FFB (see Criterion 5.6) shall be monitored.	GM: 4.4.1 & 4.4.2 are the responsibility of Group Manager (4.4.3 and 4.4.4 are not applicable). 4.4.1 Group Manager shall have Map of all water ways and water bodies and have procedures as part of water management plan.	Yes	Protection of water course and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at the WAGS Kinabatangan.										
		IG: 4.4.2 Where applicable individual members shall demonstrate maintaining and restoring riparian and other buffer zones as specified within group SOPs.	NA	There were no wetlands and water streams in all farms visited. As such this indicator was not applicable.										
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate IPM techniques.	4.5.1 (M) Implementation of IPM plans shall be monitored. 4.5.2 Training of those involved in IPM implementation shall be demonstrated.	GM: 4.5.1 is the responsibility of the Group Manager. Have a written procedure on IPM. 4.5.2 Group Manager to provide IPM training.	Yes	Integrated pest management is already being used by WAGS GM to reduce the use of pesticides. Auditors have found that the following IPM measures to reduce pests had been written in SOP/ training T02 and T11: <ul style="list-style-type: none"> <li>- to maintain farm hygiene such as remove potential breeding sites for pest. (LCC, proper frond stacking)</li> <li>- biological control using a natural insect pest predator</li> <li>- planting beneficial plants to attracted parasitoids and predator's species</li> </ul> Training procedure had been provided to farmers in poster and slides show on IPM established was T02 (guidance on farm management of RSPO) and T11 (common pest and disease).										
		IG: 4.5.2 Individual members must attend training.	Yes	The following attendance for farmers who attended the IPM training were sighted: <table border="1" data-bbox="1413 1193 2040 1415"> <thead> <tr> <th>No.</th> <th>Name (farmers)</th> <th>Training</th> <th>date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sumari Bt. Munaji</td> <td>T02- Panduan Pengurusan Kebun Kelapa Sawit Mampan</td> <td>13/05/2016</td> </tr> <tr> <td>2</td> <td>Bahrin Abdullah</td> <td>T02- Panduan Pengurusan</td> <td>13/05/2016</td> </tr> </tbody> </table>	No.	Name (farmers)	Training	date	1	Sumari Bt. Munaji	T02- Panduan Pengurusan Kebun Kelapa Sawit Mampan	13/05/2016	2	Bahrin Abdullah
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C 4.6 Pesticides are used in ways that do not endanger health or the environment	<p>4.6.1 (M) 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.</p> <p>4.6.2 (M) 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.</p> <p>4.6.3 (M) Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.</p> <p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in</p>	<p>GM:</p> <p>4.6.1 Group Manager to develop manual for pest &amp; chemical use and relevant training.</p> <p>4.6.11 Group Managers to monitor occurrence of illnesses and health conditions of members and their workers that are handling agrochemicals, to identify needs for medical check-up.</p> <p>4.6.3; 4.6.4; 4.6.7; 4.6.8 &amp; 4.6.9 are the responsibility of the Group Manager.</p> <p>For 4.6.2; 4.6.5; 4.6.6; 4.6.10 &amp; 4.6.12 Group Manager has oversight responsibility.</p>	Yes	<p>A written justification in Standard Operating Procedure (SOP) of all the agrochemical used was available in the T02-Guidance on farm management of RSPO and T04-WAGS Health &amp; Safety _Training_v2_Malay. The use of selective products that are specific to the targeted pest, weed or disease were demonstrated. The procedures also covered the use of PPE when handling the chemicals. The medium outgrowers used pesticides as per the SOPs.</p> <p>During site visits, sighted that all farmers 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). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and that paraquat, had been used. Most pesticides used were class III &amp; class IV.</p>												
		<p>IG:</p> <p>4.6.1 Individual members shall be able to demonstrate knowledge of pest &amp; applicable chemical use.</p> <p>4.6.2 Individual members keep records of pesticides use.</p> <p>4.6.5 Individual members ensure that anyone handling chemicals has attended relevant training.</p>	No	<p>During the visit, it was observed that all chemical handlers were not using chemicals as required by the product label.. The following were observed:</p> <ol style="list-style-type: none"> <li>1. Chemical glyphosate was used to spray the grass <i>Eleusine indica</i>, when the common knowledge was that it was not effective on it.</li> <li>2. No spraying was carried out for RB attack on Bulla Bin Biah farm even though there was severe damaged and the required chemical was supplied to him by MPOB.</li> </ol>												

	<p>specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).</p> <p>4.6.5 (M) 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.</p> <p>4.6.6 (M) 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.</p> <p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>4.6.8 (M) Pesticides shall be applied aially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant</p>	<p>4.6.6 Individual members store pesticides consistent with Group SOPs.</p> <p>4.6.10 Individual members must dispose of waste materials according to group SOPs.</p> <p>4.6.12 Individual members ensure no pregnant or breastfeeding women are handling pesticides.</p>	<p>Furthermore no MSDS or SDS sighted at the sites Therefore, a <b>Major NCR # STK / RR 01 2016</b> was raised. This issues were repeated issues from previous audit NCR.</p> <p>Records of pesticides used were recorded in the Log Book "Rekod Aktiviti Kebun" which is stated:</p> <ul style="list-style-type: none"> <li>- date of spraying</li> <li>- chemical name</li> <li>- chemical quantity</li> <li>- area cover (Ha)</li> <li>- number of palms</li> <li>- total cost</li> </ul> <p>WAGS had training material, "T02 Panduan Pengurusan Kebun Kelapa Sawit Mampan &amp; T04 Kesihatan &amp; Keselamatan ketika menggunakan racun" (Health and Safety during chemical usage) that is presented to the farmers as part of their annual awareness training.</p> <p>The latest training conducted by the field assistant was on 17/08/16. This was reflected in the farmers' log book.</p> <p>Most of farmers have storage of chemicals in an area with proper ventilation and locked. Other potentially hazardous items, such as sprayers, buckets, and PPE used for mixing pesticide also were stored at the same place.</p> <p>The chemical storage areas were isolated and away from flood, houses, ponds, and playground areas. There should be no chance that runoff from the site could contaminate surface or groundwater.</p> <p>During on-site visit to the farmers chemical storage, it was noted that the design of some of the store was not as per the Group SOP T04- WAGS health &amp; safety training. The chemical store belonging to Bulla and Mary, although was locked and ventilated, it was noted that the floor was only bare ground. At Nasip's chemical store, there was no door that secure the area. <b>Minor NCR # STK / RR 07 2016</b></p> <p>Individual members did not dispose of domestic waste materials and chemical containers according to group SOPs. None of the members visited had landfills for burying domestic waste while chemical containers were used for planting pots. In Ramneh's farm domestic waste</p>
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	<p>information within reasonable time prior to application.</p> <p>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.</p> <p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated.</p> <p>4.6.11 (M) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>4.6.12 (M) No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p>			<p>was observed being burnt. Refer to <b>Minor NCR #STK / RR 06 ( indicator 5.3.3)</b></p> <p>Individual members interviewed were aware that no pregnant or breastfeeding women should handle pesticides. There was no evidence of any and from interviews it was established that sprayers were all men.</p>
<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>	<p>4.7.1 (M) 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.</p> <p>4.7.2 (M) 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.</p> <p>4.7.3 (M) 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,</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>• Group Manager shall conduct a risk assessment in collaboration with members.</li> <li>• Based on the identified risks, an Occupational Health and Safety policy and/or plan shall be documented and implemented, including the need for medical insurance for workers appropriate to scale.</li> <li>• Group Managers shall develop OHS / First Aid manual and distribute to all individual members.</li> <li>• Group Manager shall hold regular training based on Group OHS / First Aid manual for members and/or workers.</li> <li>• Group Manager shall record members' accidents on the farm.</li> <li>• Group Manager reviews the manual periodically.</li> <li>• Appropriate to scale, consider forming an Occupational Health Committee.</li> </ul>	<p>No</p>	<p>WAGS Kinabatangan continued to adopt WAGS Group Policy Statement on Healthy &amp; Safety. The policy had been communicated to all members through briefings, training and being displayed on the farmers' notice boards.</p> <p>The 2016 safety and health plan for WAGS Kinabatangan was implemented and monitored every month by the Supervisor and Regional Program Coordinator. The plan was presented to the auditors during the audit. It was noted that the plan included activities for spraying, harvesting and pruning. The implementation was also monitored during internal audits conducted by WAGS Headquarters.</p> <p>WAGS Kinabatangan had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records were verified during this audit. HIRARC was established for activities such as chemical mixing, spraying, chemical storage, harvesting, FFB collection and vehicle maintenance. Full review for the HIRARC was conducted by the WAGS HQ and Regional Program Coordinator.</p> <p>Training and briefing on the operations were provided to all</p>

	<p>machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>4.7.4 (M) 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.</p> <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.</p> <p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident metrics.</p>		<p>members to educate them on safe working practices and to ensure applicable precautions are adhered. The training was conducted from time to time based on needs and carried out through various method such as on the job training, briefings and meetings. The farmers and outgrowers workers such as the storekeepers, sprayers and fertilizer workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner.</p> <p>Appropriate PPEs have been identified through the HIRARC exercise and training module T04 Health &amp; Safety training. Observed spraying at farms belonging to Mohd Tahir, Suprelite Plantations, Awang bin Sina and Tanrang bin Lunggut were carried out with appropriate PPE. They were aware of all precautions and safety requirements.</p> <p>WAGS Kinabatangan had appointed Edwell James as the responsible person for all health and safety issues. Meeting and training were conducted on 30 Sept 2016 and 15 Aug 2016, but only talk about general safety and health.</p> <p>There were no records for OSH committee has been established or OSH meeting has been conducted, Therefore <b>Minor NCR MZK 02 2016</b> was raised.</p> <p>WAGS Kinabatangan adhered to the documented SOP named 'D 4.1.5.1 G Accident SOP_v1_Rev_18062014. Contact numbers and names of the staffs and the responsible person for ESH were exhibited at the notice boards. Telephone numbers of the Police Station, Fire Brigade, and Hospital were also exhibited.</p> <p>During the assessment, it was noted that there were no personnel responsible for monitoring of the First Aid Kit and recording of all accident was not available. Thus, <b>Minor NCR MZK 03 2016</b> was raised.</p> <p>During site assessment at WAGS Kinabatangan, and interviewed with farmers' workers, there was no evidence that medical care and accident insurance has been register for their workers, Therefore <b>Minor NCR MZK 04 2016</b> was raised.</p> <p>It was also found that there were no record established to monitor the farmer accident and Lost Time Accident. Thus, <b>Minor NCR MZK 05 2016</b> was raised.</p>
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<p>C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>	<p>4.8.1 (M) 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. 4.8.2 Records of training for each employee shall be maintained.</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>Group Manager shall ensure that all members are trained on the RSPO P&amp;C and records of such training shall be kept.</li> <li>Appropriate to scale, Group Manager shall prepare a training plan.</li> <li>Appropriate to scale, training records shall be kept.</li> </ul>	Yes	<p>Group Manager had ensured that all members are trained on the RSPO P&amp;C and records of such training were kept as verified through attendance sheet in the farmer's folder.</p> <p>Group Manager has prepared a training plan for the whole year 2016.</p> <p>Given upon acceptance as a newly joined member through induction. Compulsory training is T02 <i>Pengurusan Kebun Kelapa Sawit Mampan</i>. Awareness training include:</p> <ol style="list-style-type: none"> <li>T01-introduction to Wild Asia &amp; RSPO</li> <li>T02-guidance on farm management of RSPO</li> <li>T03-introduction to documentation training</li> <li>T04-health and safety training</li> <li>T05-environmental management training for small farms</li> <li>T06-code of conduct &amp; membership requirements</li> <li>T07-social training</li> <li>T08-New planting training</li> <li>T09-FFB pricing &amp; grading</li> <li>T10-BMP (harvesting)</li> <li>T11-common pest and disease</li> <li>T12-Fertilizer management</li> <li>T13-weed management</li> </ol>																														
		<p>IG:</p> <ul style="list-style-type: none"> <li>Anyone working on the farm shall be briefed on best practices relevant to the job they are doing.</li> <li>Members and workers shall participate in the trainings where appropriate.</li> <li>Members inform the Group Manager on participation of workers in training.</li> </ul>	Yes	<p>Following sampled farmers at site were verified to have attended the training:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name</th> <th>Training</th> <th>date</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Sumari Bt.munaji</td> <td>T01 &amp;T02</td> <td>13/5/16</td> </tr> <tr> <td>2.</td> <td>Bahrin B. Abdullah</td> <td>T01&amp;T02</td> <td>13/5/16</td> </tr> <tr> <td rowspan="2">3.</td> <td rowspan="2">Rafidah Bt. Sarayon</td> <td>T01</td> <td>17/6/16</td> </tr> <tr> <td>T02</td> <td>17/8/16</td> </tr> <tr> <td rowspan="2">4.</td> <td rowspan="2">Puteri Endang Kasturi</td> <td>T01</td> <td>23/8/16</td> </tr> <tr> <td>T02</td> <td>17/8/16</td> </tr> <tr> <td rowspan="3">5.</td> <td rowspan="3">Asas Saba Bin Ganggang</td> <td>T01</td> <td>04/02/2016</td> </tr> <tr> <td>T02</td> <td>24/08/2016</td> </tr> <tr> <td>T03</td> <td>22/06/2016</td> </tr> </tbody> </table>	No	Name	Training	date	1.	Sumari Bt.munaji	T01 &T02	13/5/16	2.	Bahrin B. Abdullah	T01&T02	13/5/16	3.	Rafidah Bt. Sarayon	T01	17/6/16	T02	17/8/16	4.	Puteri Endang Kasturi	T01	23/8/16	T02	17/8/16	5.	Asas Saba Bin Ganggang	T01	04/02/2016	T02	24/08/2016
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		T03	22/06/2016																															

				6.	Saharudin Bin Suali	T01 T02 T03	04/02/2016 24/08/2016 22/06/2015
				7.	Mary Bt. Angking	T01 T02 T03	04/02/2016 06/08/2016 21/06/2015

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

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	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 (M) An EIA shall be documented. 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. 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.	GM: <ul style="list-style-type: none"> <li>Group Managers shall identify all activities that have an impact on the environment.</li> <li>Group Managers shall develop a mitigation plan to reduce environmental risks and review the plan every two years.</li> <li>Group Managers shall organise training for members on environmental risks and mitigation measures.</li> <li>Group Managers shall monitor implementation of mitigation plan.</li> </ul>	Yes	Identification of the environmental aspect and impact at WAGS Kinabatangan was carried out through a Social and Environmental Impact Assessment (SEIA). The EIA was carried out by Wild Asia in 2015. The assessment report contained the identified adverse environmental impacts caused by the estate activities. Among the identified environmental impacts are soil erosion, water pollution, ecological impact, traffic & transportation, waste generation, and open burning.  WAGS Kinabatangan had established action plan namely "Group Management Plan for managing the Environment impacts". The action plan was reviewed on 14/9/2016. Relevant person-in-charge had been identified and appointed by the WAGS management. Regular reports to the management was carried out accordingly. Mitigation measures are translated into Training and Work Instruction. These among others included work instruction for Soil erosion, management of waste, etc.
		IG: <ul style="list-style-type: none"> <li>Individual members shall demonstrate an understanding of the environmental risks of their operations.</li> <li>Individual members shall demonstrate an understanding of the mitigation plan to reduce the environmental impacts.</li> <li>Individual members shall contribute to the reduction of environmental impacts.</li> </ul>	Yes	Based on interview with smallholders, they understood the environmental risks of their operations. At all 8 plots visited, there was no riparian zone. No application of agrochemicals into waterways, non-littering of plastic containers and no open burning were sighted at the field. Plastic containers were brought back home, washed and punctured at bottom and disposed to recycle dealer.
C 5.2 The status of RTE species other HCV habitats, if any, that exist in the plantation	5.2.1 (M) Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations	GM: <ul style="list-style-type: none"> <li>HCV assessments shall be conducted by an independent party, or where applicable, an internal assessment can be facilitated by the Group Manager (refer to</li> </ul>	No	The report of "HCV Assessment at WAGS Lower and Greater Kinabatangan" was made available to the auditor. The Assessment was prepared by the Wild Asia in August 2015. No RTE species and HCV area was identified at WAGS Kinabatangan area.

<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>	<p>(such as wildlife corridors).  5.2.2 (M) Where 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.  5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.  5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the action plan.</li> </ul> <p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p>	<p>generic P&amp;Cs or NIs where available; see guidance).</p> <ul style="list-style-type: none"> <li>• Group Managers shall develop action plans and SOPs (e.g. for RTE species, riparian areas) based on the HCV management and monitoring plan.</li> <li>• Group Managers shall implement a mechanism for individual members to report on threats to HCVs.</li> <li>• In cases where there is an overlap of local community rights and HCV areas, the Group Manager shall initiate the negotiation of an agreement that optimally safeguards both the HCVs and these rights.</li> <li>• Group Manager conducts training for their individual members and their workers about the status of HCV and RTE species and the applicable disciplinary measures.</li> </ul> <p>IG:</p> <ul style="list-style-type: none"> <li>• Individual members shall demonstrate basic understanding of HCVs and RTEs and the need to protect them.</li> <li>• Individual members shall check with the Group Manager status of HCVs and RTEs of their farm based on the HCV assessment report.</li> <li>• Individual members shall participate in the HCV assessment.</li> <li>• Individual members shall be involved in the implementation of the HCV management and monitoring plan (to maintain and/or enhance HCVs).</li> <li>• Individual members shall make their workers aware of the status of RTE species and the applicable disciplinary measures.</li> <li>• Individual members shall be aware of the rights of other local communities that are related to identified HCVs and RTEs.</li> </ul>	<p>No</p>	<p>There were no RTE species identified in WAGS Kinabatangan, but WAGS still provided training on T05 Environmental training focusing on RTE and HCV's. However during site visit at BOR-288-SML, BOR-SGW-270-SGR the audit team found RTE birds named White-crowned sharma has been kept by the Medium Outgrowers in the cage without proper documentation from the Wildlife Department. Thus, a <b>Minor NCR HO-04</b> was raised.</p> <p>WAGS Kinabatangan conducted training on HCV and wildlife on 23 August 2016. WAGS also has established a disciplinary measure according to the Malaysian Law.</p> <p>From the interview with the farmers gathered during the audit revealed that the understanding was good, The farmers were consulted on this and they were aware of the responsibility to protect endangered, rare and threatened species of forest flora and fauna in their areas. There were also posters put up at all farmer's noticeboards.</p> <p>There were no RTE species identified in WAGS Kinabatangan, but WAGS still provided training on T05 Environmental training focusing on RTE and HCV's. However during site visit at BOR-288-SML, BOR-SGW-270-SGR the audit team found RTE birds named White-crowned sharma has been kept by farmer in the cage without proper documentation from the Wildlife Department. Refer to <b>Minor NCR HO-04</b> was raised.</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>	<p>5.3.1 (M) All waste products and sources of pollution shall be identified and documented. 5.3.2 (M) All chemicals and their containers shall be disposed of responsibly. 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>• Appropriate to the scale, the Group Manager shall ensure that there is a documented waste management and disposal plan in place.</li> <li>• Group Manager shall communicate to all members on the waste management and disposal plan.</li> <li>• The Group Manager shall ensure that all chemical containers are properly handled and disposed</li> <li>• The Group Manager shall ensure that the members are trained on waste management and disposal. Records of such training shall be kept.</li> </ul>	No	<p>WAGS Kinabatangan had documented identification of all waste product and sources of pollution. The environmental management plan was established to mitigate the identified waste product and source of pollution. The most significant environmental receptors were: Air – Open Burning, Water – Manuring and weeding operation, Land – Scheduled waste, domestic waste and land clearing. For empty chemical containers, the triple rinsing had been implemented. The cleaned containers were then punch with holes before storage at the farmers store. The WAGS management had given training to farmer regarding disposal chemical containers, titled as WAGS Guidance for Farm Management of Sustainable Palm Oil _Training_v2_Malay, T05 Environmental management and T04 Health and Safety.</p> <p>WAGS Kinabatangan had developed an SOP titled as WAGS Guidance for Farm Management of Sustainable Palm Oil _Training_v2_Malay to guide the waste disposal activities and to reduce pollution on the routine operation.</p> <p>Domestic waste was managed by the farmers, either dispose through landfill or dump into big bin at town. On the scheduled wastes, currently in the plan, WAGS management will review with receiving mill/project partners on ways to establish a better way of managing waste from the group. Noted that the implementation on the wastes was lacking at farm KIN-242-SML, KIN-351-SML and KIN-355-SML, Thus, <b>Minor NCR STK/RR 06 2016</b> was raised.</p>
		<p>IG:</p> <ul style="list-style-type: none"> <li>• Appropriate to the scale, members shall have a documented waste management and disposal plan.</li> <li>• Members shall communicate to all workers the waste management and disposal plan.</li> <li>• Members shall ensure that all chemical containers are properly handled and disposed.</li> <li>• Members shall ensure that the workers are trained on waste management and disposal. Records of such training shall be kept.</li> </ul>	No	<p>Smallholders has a documented waste management and disposal plan as per established by WAGS. The members had implemented the triple rinse for chemical containers and punch with holes and stored in the farmer's store.</p> <p>WAGS management also has given training to farmers regarding Management and Disposal chemical container named WAGS Guidance for Farm Management of Sustainable Palm Oil _Training_v2_Malay, T05 Environmental management and T04 Health and Safety.</p> <p>Noted that the implementation on the wastes was lacking at farm KIN-242-SML, KIN-351-SML and KIN-355-SML, Thus, <b>Minor NCR STK/RR 06 2016</b> was raised</p>



C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.	GM: Appropriate to scale, Group Manager shall have a plan for improving and monitoring the efficiency of the use of fossil fuels and to optimise renewable energy.	No	WAGS Kinabatangan had a plan for environmental titled as E- Impact in the Group management plan WAGS GROUP 14092016. However, plan for improving efficiency of the use of fossil fuels and to optimise renewable energy was not complete. Thus, <b>Minor NCR MZK 06 2016</b> was raised.
		IG: Appropriate to the scale, members shall implement the actions as outlined in the Group's plan for improving and monitoring the efficiency of the use of fossil fuels and to optimise renewable energy.	No	During audit, a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy was not complete. Therefore, smallholders cannot implement any action for improving and monitoring the efficiency of the use of fossil fuels and to optimise renewable energy. Refer to <b>Minor NCR MZK 06 2016</b> .
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 (M) 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' 2003</i> . 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' 2003</i> .	GM: 5.5.1 The Group Manager shall: <ul style="list-style-type: none"> <li>• Provide evidence of a no use of fire policy in group SOPs.</li> <li>• Demonstrate that individual farms have been visited for this requirement.</li> <li>• Explain how all the above is socialised to individual members of the Group.</li> </ul> 5.5.2 The Group Manager shall: <ul style="list-style-type: none"> <li>• Demonstrate that any use of fire by any individual member has been assessed to be justified under the ASEAN guidelines ASEAN Policy on Zero Burning' 2003.</li> <li>• Provide written approval from the relevant environment authority on the use of fire in certain situations as prescribed by the ASEAN guidelines.</li> </ul>	Yes	There was no land prepared by burning in WAGS Kinabatangan. The farmers had adhered to the SOP WAGS New Planting Training English and T05 Environmental Management Training for Small Farms v1 also, the WAGS management has handout the new circular title "Penggunaan Api di Dalam Ladang untuk Penanaman Semula atau Penanaman Baru (Pembakaran Terbuka)" the circular stated to ban the use of fire in replanting or new planting.  WAGS management had issued a circular named "Penggunaan Api di Dalam Ladang untuk Penanaman Semula atau Penanaman Baru (Pembakaran Terbuka)" which stated in there, no use of fire in replanting or new planting. If farmers are caught for doing this, the management will terminate the members from WAGS scheme.
		IG: 5.5.1 Individual members shall provide evidence that they understand the No Burning Policy of the group. 5.5.2 Individual members shall provide proposals for use of fire to the Group Manager for assessment and approval prior to burning.	Yes	There was no open burning sighted in WAGS Kinabatangan. During interview, farmers were understand the no burning policy by WAGS. And they also have been informed that If the farmers get caught, the management will terminate their membership from WAGS scheme.
C 5.6 Preamble Outgrowers and millers commit to reporting on operational greenhouse gas	5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/ soot emissions and effluent. 5.6.2 (M) Significant pollutants and GHG emissions shall be	GM: The Group Manager shall: <ul style="list-style-type: none"> <li>• List significant pollutants and identify sources of emissions.</li> <li>• Identify options to reduce pollutants and emissions and consider whether the group can implement any of these.</li> </ul>	No	WAGS Kinabatangan had conduct an assessment titled as Social and Environmental Impact Assessment (SEIA). The SEIA was carried out by Wild Asia in 2015. However, in the SEIA the polluting activities that have an impact on the environment including GHG, and emissions was not address. Therefore, <b>Minor NCR MZK 07 2016</b> was raised.

<p>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 it is not always feasible or practical to reduce or minimise these emissions. Outgrowers 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. Outgrowers 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>	<p>identified, and plans to reduce or minimise them implemented. 5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p>	<ul style="list-style-type: none"> <li>• Based on the above, where possible, mitigation measures shall be developed and implemented.</li> <li>• Socialise the information to the group members.</li> </ul>		<p>WAGS Kinabatangan had a plan for environmental titled as E- Impact in the Group management plan WAGS GROUP 14092016. Greenhouse gas emissions was identified through Land Conversation, Crop Sequestration, Fertiliser, N2O from fertiliser, Fuel Consumption, Peat Oxidation (if any). However, plans to reduce or minimize GHG was not available during the audit. Refer to Minor NCR MZK 08 2016 was raised.</p> <p>There is no specified GHG calculator for smallholders/outgrowers, but WAGS Kinabatangan still working on to collect the data from the smallholder for GHG, plan has been developed and verified by the Auditor and the calculation will be done on 2017.</p>
		<p>IG: Note on smallholder context: The RSPO Emissions Reduction Working Group (ERWG) and the RSPO SHWG agree that there should be a simplified mechanism for smallholders for compliance on the GHG matters and that smallholders should not be overburdened due to their limited capacity. Further details will be developed.</p>	<p>Yes</p>	<p>There is no specified GHG calculator for smallholders, but WAGS Kinabatangan still working on to collect the data from the smallholder for GHG, plan has been developed and verified by the Auditor and the calculation will be done in 2017.</p>

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

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.1 (M) A social impact assessment (SIA) including records of meetings shall be documented. 6.1.2 (M) There shall be evidence that the assessment has been done with the participation of affected parties. 6.1.3 (M) 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.	GM: <ul style="list-style-type: none"> <li>Group Managers shall identify all activities that have social impacts with the participation of affected parties.</li> <li>Group Managers shall develop a mitigation plan (with clear timetable) to reduce social risks and review the plan every two years in consultation with the affected parties.</li> <li>Group Managers shall organise training for members on social risks and mitigation measures.</li> <li>Group Managers shall monitor implementation of mitigation plan.</li> </ul>	Yes	WAGS-Kinabatangan had conducted social assessment as documented in SEIA-HCV Assessment, 28/8/15. The assessment had identified relevant social impacts including replanting stage. The assessment were conducted with participation of affected parties, such as farmers, communities, relevant local palm oil supply chain and authorities.  Mitigation plan had been established as documented in Group Management Plan. The implementation of plan observed monitored and reviewed annually.  Social aspects observed communicated through posters at local public areas as well as during on-site visits.
	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. 6.1.5 Particular attention shall be paid to the impacts of smallholder schemes.	IG: <ul style="list-style-type: none"> <li>Individual members shall demonstrate an understanding of the social risks of their operations.</li> <li>Individual members shall demonstrate an understanding of the mitigation plan to reduce the social impacts.</li> <li>Where applicable, individual members shall help to address negative social impacts in a consultative manner.</li> </ul>	Yes	Members observed were aware of social aspects related to their operation and plan implemented by the group.
C 6.2 There are open and transparent methods for communication and consultation between outgrowers and/or millers, local communities and other affected or interested parties	6.2.1 (M) Consultation and communication procedures shall be documented. 6.2.3 A management official responsible for these issues shall be nominated. 6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected	GM: <ul style="list-style-type: none"> <li>The Group Manager shall develop a documented procedure for consultation and communication with local communities and other affected or interested parties. (6.2.1)</li> <li>The Group Manager shall ensure that individual group members are informed of the consultation and communication procedure.</li> <li>The Group Manager shall nominate an</li> </ul>	Yes	The Group Manager had established documented "TSP: D1.2.1: Stakeholders Participation and Consultation Procedure" for consultation and communication with local communities and other affected or interested parties. The Group Manager observed had informed to members pertaining the procedure.  The Technical Manager was appointed as responsible person overseeing the social aspects. The manager is assisted by Project Coordinator, who conducted routine visit members at sites.

	parties, and records of actions taken in response to input from stakeholders, shall be maintained.	<p>official responsible for these issues (6.2.2)</p> <ul style="list-style-type: none"> <li>The Group Manager shall make a list of stakeholders or construct a "stakeholder register" and keep records of all communication and actions taken. (6.2.3)</li> </ul>		List of stakeholders observed available and records of communication observed retained.
		<p>IG:</p> <p>The individual members shall demonstrate understanding of the group's consultation and communication procedures.</p>	Yes	The members observed understand pertaining the communication procedure.
<p>C 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>	<p>6.3.1 (M) The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle blowers, where requested.</p> <p>6.3.2 (M) Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>The Group Manager shall have a documented grievance mechanism in place.</li> <li>The procedure shall provide documentation of both how the process of the dispute was resolved and the outcome.</li> <li>The Group Manager shall ensure members are familiar with the grievance procedure.</li> <li>Where necessary, the Group Manager shall support members to put in place documented grievance mechanism.</li> </ul>	Yes	<p>The Group Manager had established documented "WMS 2.5.1: Managing Feedback, Complaint, Grievances and Action (FCGA) Procedure" concerning handling of grievance.</p> <p>Members observed aware of the procedure.</p> <p>There was no case of grievance observed.</p>
		<p>IG:</p> <ul style="list-style-type: none"> <li>Appropriate to the scale, member shall have a documented grievance mechanism in place.</li> <li>The workers shall understand the process.</li> <li>Appropriate to scale, the procedure shall provide documentation of both how the process of the dispute was resolved and the outcome.</li> </ul>	Yes	The established FCGA procedure observed aware by members, of which they may apply if there is any grievance. However, there was no case of grievance raised by members.
<p>C 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with</p>	<p>6.4.1 (M) A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>6.4.2 A procedure for calculating and distributing fair compensation</p>	<p>GM:</p> <p>6.4.1 &amp; 6.4.2: The Group Manager develops a procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation and a procedure for calculating and distributing fair compensation.</p>	Yes	<p>The Group Manager had established documented "TSP D.2.1.1: Identification of Customary Land Rights and Compensation Procedure" concerning compensation and calculating and distributing fair compensation..</p> <p>There was no case of compensation observed.</p>

<p>through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	<p>(monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. 6.4.3 (M) 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.</p>	<p>6.4.3: The Group Manager documents the process and outcome of any negotiated agreements and compensation claims with evidence of the participation of affected parties, and makes this publicly available. The Group Manager assists individual group members in these situations upon request by the member.</p>		
		<p>IG: Individual group members formally request assistance by the Group Manager in this process to assure compliance with the procedures.</p>	<p>Yes</p>	<p>There was no case of compensation observed.</p>
<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>	<p>6.5.1 (M) Documentation of pay and conditions shall be available. 6.5.2 (M) 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.</p>	<p>GM: Appropriate to the scale, the Group Manager shall ensure that members comply with labour laws and conditions (6.5.2, 6.5.3 &amp; 6.5.4).</p> <ul style="list-style-type: none"> <li>The Group Manager shall be aware of the legal or industry standards minimum wage.</li> </ul>	<p>Yes</p>	<p>The Group Manager aware of the legal or industry standards minimum wage. The information was communicated to its members to ensure they comply with labour laws and conditions, should they engage any labour.</p>
		<p>IG:</p> <ul style="list-style-type: none"> <li>Appropriate to the scale, the members shall keep their documentation of pay and conditions.</li> <li>The pay shall meet at least the legal or industry standards minimum wage.</li> </ul>	<p>Yes</p>	<p>Where there were works outsourced, noted that pay and conditions recorded by members. Works normally on casual basis, i.e. based on availability of works and agreed payment. The outsource workers were generally from the same local areas. They normally buy food from the shops nearby.</p>

	<p>6.5.3 Outgrowers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).</p> <p>6.5.4 Outgrowers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.</p>	<ul style="list-style-type: none"> <li>• If individual members employ workers or sub-contractors: <ul style="list-style-type: none"> <li>• employment contracts and conditions (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be explained in the language they understand (6.5.2),</li> <li>• appropriate to scale, members shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible (6.5.3),</li> <li>• appropriate to scale, members shall make efforts to ensure access to food to workers, including providing allotment (space) for growing food.</li> </ul> </li> </ul>		
<p>C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of</p>	<p>6.6.1 (M) A published statement in local languages recognising freedom of association shall be available.</p> <p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p>	<p>GM: The Group Manager shall be aware of the statement, if applicable.</p>	<p>Yes</p>	<p>The Group Manager noted aware of the requirements concerning recognising freedom of association.</p>

independent and free association and bargaining for all such personnel.		IG: If individual members employ workers: <ul style="list-style-type: none"> <li>• A published statement shall be available in local languages recognising freedom of association (to form and join trade unions) (6.6.1)</li> <li>• Minutes of the meeting with main trade unions or workers' representatives shall be documented and kept (6.6.2)</li> </ul>	Yes	Published statement concerning recognising freedom of association noted available in local language.  Members observed aware concerning recognising freedom of association. Workers employed by members generally on casual basis. There were no union been formed. Payment and conditions normally discussed and agreed between them.
C 6.7 Children are not employed or exploited.	6.7.1 (M) There shall be documentary evidence that minimum age requirements are met.	GM: <ul style="list-style-type: none"> <li>• Write a policy on Child Labour and keep records of documented evidence of awareness raising on child labour.</li> <li>• The policy shall be clear that children can only work under supervision, are family members and not doing hazardous work.</li> </ul>	Yes	Policy concerning child labour observed documented and noted communicated to members. There is clear statement in the policy concerning work by children.
		IG: <ul style="list-style-type: none"> <li>• Member shall be aware of the child labour policy and implement it.</li> <li>• Member shall keep records of their employees including age, including copies of birth certificate/national identification card/passport.</li> </ul>	Yes	Members noted aware of the policy, and no non-compliance was observed.  Information related to casual workers noted available.
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 (M) A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. 6.8.2 (M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. 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.	GM: Write a policy on equal opportunities and keep records of documented evidence of awareness raising on it.	Yes	Policy concerning equal opportunities observed documented and noted communicated to members.
		IG: Members shall be aware of the equal opportunities policies and implement it.	Yes	Members noted aware of the policy, and no issue concerning this policy was observed.

<p>C 6.9</p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>	<p>6.9.1 (M) A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>6.9.2 (M) A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>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.</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>• Group Manager shall develop the Policy/Polices and procedure to prevent sexual, and all other forms of harassment, violence and protection of reproductive rights.</li> <li>• The Group Manager shall make sure that all members are aware of the policies and procedures to prevent sexual, and all other forms of harassment, violence and protection of reproductive rights.</li> <li>• The Group Manager shall ensure members are aware of the policy/polices and procedure for handling sexual and all other forms of harassment, violence and the protection of reproductive rights, in the language which the workers can understand (linked to 6.3).</li> </ul>	<p>Yes</p>	<p>Policy concerning sexual harassment observed documented. Procedure for handling concerning sexual harassment and protect of reproductive right issues contained in the FCGA procedure.</p> <p>Members noted aware of the policy and procedure. The document noted available in the language understand by them.</p>
		<p>IG:</p> <ul style="list-style-type: none"> <li>• Appropriate to the scale, members shall develop the policy/polices and procedure to prevent sexual, all other forms of harassment, violence and protection of reproductive rights.</li> <li>• Members shall make sure that all staff/workers are aware of the policies and procedures to prevent sexual, and all other forms of harassment and violence as well as of the policy of the protection of reproductive rights.</li> <li>• Members shall be aware of the policy/policies and procedures for handling sexual and all other forms of harassment, violence and the protection of reproductive rights, in the language which the workers can understand (linked to 6.3).</li> </ul>	<p>Yes</p>	<p>Members and their workers noted are aware to the established policy and procedure. Members also noted are subscribed to the established policy and procedure.</p>



C 6.10 Outgrowers 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. 6.10.2 (M) Evidence shall be available that outgrowers/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). 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. 6.10.4 Agreed payments shall be made in a timely manner.	GM: 6.10.1: Where Group Managers sell the FFB on behalf of the group members, the Group Manager shall inform group members of the price of FFB obtained. 6.10.2: The Group Manager shall record the general pricing mechanisms used by the purchaser/s of the FFB. The Group Manager shall record the corresponding information provided to the group members. 6.10.3: Where Group Managers have the mandate to enter into contractual agreements on behalf of the group, the Group Manager shall inform group members about their content and make them available. These contracts shall also be fair, legal and transparent for the contractors. Where no such mandate exists, the Group Manager has to seek agreement from group members prior to entering contractual agreements with third parties. These contracts shall also be fair, legal and transparent for the contractors. 6.10.4 Agreed payments to local businesses shall be made in a timely manner. If the Group Manager receives payment for the FFB produced by group members, the Group Manager shall make payments to the individual group members in a timely manner.	No	The Group Manager noted not sell the FFB on behalf of members. Members are free to sell their FFB. However, no evidence that Group Manager has recorded the general pricing mechanism used by the purchasers of FFB. Thus, <b>Minor HO-07</b> is raised.
		IG: 6.10.2 The individual member understands the pricing mechanism of the purchaser. 6.10.4 Agreed payments to local businesses shall be made in a timely manner.	Yes	Members noted understand the pricing mechanism of the purchaser. Agreed payment also noted made in timely manner.
C 6.11 Outgrowers 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. 6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.	GM: 6.11.1: <ul style="list-style-type: none"> <li>Evidence of consultation with local communities and stakeholders.</li> <li>Where contributions have been identified as necessary based on the consultation carried out, the Group Manager shall ensure that these are implemented.</li> </ul>	Yes	Consultation with stakeholders observed that the Group Manager had consulted local communities and stakeholders.  There were no contributions identified as necessary based on the consultation conducted by the Group Manager. However, observed efforts and resources have been allocated to improve smallholder productivity, which performed by on-site Project Coordinator, particularly on GAP.

		IG: The responsibility for meeting this requirement lies with the Group Manager.	Yes	Members acknowledged the efforts and resources have been allocated to improve their productivity.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1 (M) There shall be evidence that no forms of forced or trafficked labour are used. 6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. 6.12.3 (M) Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.	GM: <ul style="list-style-type: none"> <li>The Group Manager shall write a policy on no forms of forced or trafficked labour.</li> <li>The Group Manager shall ensure that members/workers are aware of the policy and that no forms of forced or trafficked labour are used.</li> </ul>	Yes	Policy concerning forced or trafficked labour observed documented and noted communicated to members. No case concerning this policy was observed.
		IG: <ul style="list-style-type: none"> <li>Appropriate to scale, members shall have a policy on no forms of forced or trafficked labour.</li> <li>Members/workers shall be aware of the policy and ensure that no forms of forced or trafficked labour are used.</li> <li>Members shall keep relevant records of employment contracts. Where applicable, copies of post-arrival orientation programme and records of participation shall be kept.</li> </ul>	Yes	Members noted subscribed to the policy. No case concerning this policy was observed.
C 6.13 Outgrowers and millers respect human rights	6.13.1 (M) A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). 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.	GM: 6.13.1 Group Manager to develop policy to respect human rights i.e. that workers are treated with respect and dignity, and ensure that this is communicated through group members.	Yes	Policy concerning respect human rights observed documented and noted communicated to members.
		IG: 6.13.1 Individual members to show evidence that they understand the policy.	Yes	Members acknowledged that they understand the policy.

**Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
<p>C 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>	<p>7.1.1 (M) An independent SEIA, undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. 7.1.2 Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. 7.1.3 Where the development includes an Medium Outgrowers scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p>	<p>GM:</p> <ul style="list-style-type: none"> <li>• A comprehensive SEIA shall be conducted by an independent party, or where applicable, an internal assessment can be facilitated by the Group Manager (refer to generic P&amp;Cs or NIs where available).</li> <li>• Group Managers shall confirm land ownership and user rights within the new planting area.</li> <li>• Group Managers shall identify all activities that have environmental and social impacts (positive and negative) with the participation of affected parties.</li> <li>• Group Managers shall develop a plan to avoid or mitigate environmental and social risks in consultation with the affected parties.</li> <li>• Group Managers shall organise training for members on environmental and social risks and mitigation measures.</li> <li>• Group Managers shall monitor implementation of SEIA management plan.</li> </ul>	<p>Yes</p>	<p>SEIA for WAGS Kinabatangan document dated August 2015 is available and covering new development areas at project site. WAGS has also compiled the development history for each sites highlighting farmers with new development post 2005 name Land Use Change Analysis (LUCA)</p> <p>WAGS Kinabatangan has developed procedure for SEIA identification potential negative impact and implemented and also Group Management Plan - Plan to mitigate negative impacts derived from SEIA (if exists)</p>
		<p>IG:</p> <ul style="list-style-type: none"> <li>• Individual members shall demonstrate an understanding of the environmental and social risks of their operations.</li> <li>• Individual members shall demonstrate an understanding of the management plan to avoid or mitigate the social and environmental impacts.</li> <li>• Where applicable, individual members shall help to address negative social and environmental impacts in a consultative manner.</li> </ul>	<p>Yes</p>	<p>Group members have land use history and evidence of the previous use. Previously this land was from secondary forest or other forms of agriculture crops such as fruit trees and rubber. A baseline assessment incorporating the SEIA was conducted by Wild Asia, in August 2015 through a participatory approach of group members and surrounding community.</p> <p>The significant positive impact identified is increase in family and worker's income. Since oil palm is less labour intensive, the group members have more time to spend with family and better quality of life. Through SEIA study, the group members are also made aware of the possible negative impacts such as contamination of agrochemical if not used appropriately. To reduce the impact to environmental, the farmers are choosing to do grass cutting rather using herbicides.</p>

C 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations	7.2.1 (M) Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. 7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.	GM: 7.2.1 The Group Manager shall: <ul style="list-style-type: none"> <li>• compile and maintain an overall soil map for the group.</li> <li>• provide required information and or training for individual members.</li> </ul> 7.2.2 Overall soil map to include topographic information.	Yes	WAGS Kinabatangan has established maps which included the information related to soil type and topographic condition of all farmers. Based on identified soil type, all farmers site are located on mineral soil, no tracing of peat soil and steep slope (>25).  It is WAGS policy not to plant on 25 <sup>0</sup> , Based on field visit and document review, the current management for area with slope up to 25 <sup>0</sup> is to apply terrace contour and platform. Based on field visit, there is no opening up area with slope more than 25 <sup>0</sup> .
		IG: 7.2.1 and 7.2.2 individuals' members can show appropriate understanding of soil type and suitability.	Yes	Good agriculture practices had been implement by all farmers which follows the group Agriculture Manual to ensure soil fertility is managed to a level that ensures optimal and sustained yield.
C 7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values	7.3.1 (M) There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more HCVs, since Nov 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced. 7.3.2 (M) A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since Nov 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. 7.3.3 Dates of land preparation and commencement shall be recorded. 7.3.4 (M) An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the outgrower's relevant	GM: <ul style="list-style-type: none"> <li>• The Group Manager shall demonstrate basic understanding of primary forest and HCV and inform individual members of the need to avoid clearing of such areas.</li> <li>• Prior to new plantings, a comprehensive HCV assessment shall be conducted by an independent party, or where applicable, an internal assessment can be facilitated by the Group Manager (refer to generic P&amp;Cs or NIs where available).</li> <li>• The Group Manager shall develop SOPs for recording land preparation and commencement of farms by individual members.</li> <li>• The Group Manager shall develop action plans and SOPs (e.g. for RTE species, riparian areas) based on the HCV management and monitoring plan.</li> <li>• The Group Manager shall implement a mechanism for individual members to report on threats to HCVs.</li> <li>• The Group Manager shall collate dates of land preparation and commencement of individual farms.</li> <li>• The Group Manager conducts training for their individual members and their workers about the status of HCV.</li> </ul>	Yes	HCV Identification was conducted by 'Wild Asia' in August 2015. No planting has replaced primary forest or HCV areas was noted in the assessment report and during field visit.  WAGS Kinabatangan has Record of land clearing and planting areas in the Land Use Change Analysis (LUCA).

	operational procedures. 7.3.5 Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans.	IG: <ul style="list-style-type: none"> <li>Individual members shall demonstrate basic understanding of primary forest and HCV and the need to avoid clearing of such areas.</li> <li>Individual members shall check with the Group Manager the primary forest and HCV status of their farm within the landscape (see guidance) based on the HCV assessment report.</li> <li>Individual members shall participate in the HCV assessment.</li> <li>Individual members shall be involved in the implementation of the HCV management and monitoring plan (to maintain and/or enhance HCVs).</li> <li>Individual members shall record dates of land preparation and commencement of their own farm.</li> </ul>	Yes	The farms were developed after 2005 and were converted either from other forms of agriculture or secondary forest. No conversions from primary forest or protected areas had occurred. The areas converted fall within the scope of the HCV assessment carried out for WAGS Kinabatangan hence the same HCV management plan shall be implemented with no further amendments.
C 7.4 Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.	7.4.1 Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation. 7.4.2 (M) Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.	GM: 7.4.1 Group Manager shall: <ul style="list-style-type: none"> <li>compile and maintain an overall soil map for the group, including marginal and fragile soils - this can be part of the HCV map and assessment.</li> <li>provide required information and or training for individual members.</li> </ul> 7.4.2 The Group Manager maintains and oversees plans for new development based on overall soil map.	Yes	No fragile soil and peat land was noted in WAGS Kinabatangan area.
		IG: 7.4.1 and 7.4.2 individuals' members can show appropriate understanding of marginal and fragile soil, to be consistent with group SOP .	Yes	Reviewed of the overall soil map provided, WAGS KIN Soil Map dated 4.10.2016 there were no marginal or fragile soils observed. Despite of that the farmers were able to demonstrate sufficient understanding of marginal and fragile soil.

<p>C 7.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>	<p>7.5.1 (M) Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the outgrower/miller is signed by these local peoples.</p>	<p>GM: The Group Manager shall develop a documented system detailing how FPIC is implemented and shall ensure that new group members are included in this. The Group Manager shall retain documentary evidence of participation by affected local peoples and their understanding of the right to say 'no'.  IG: --</p>	<p>Yes          -</p>	<p>7.5.1 WAGS Kinabatangan has a procedure for Code of conduct regarding land dispute named (D 2.3.1 G FPIC SOP_29052014) and for Customary right named (D 2.1.1 G Customary Rights SOP_v1_Rev_18032014) – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land dispute. No any land dispute was noted during audit. WAGS Kinabatangan has implemented the FPIC prior to select the members to join the Group</p>
<p>C 7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	<p>7.6.1 (M) Documented identification and assessment of demonstrable legal, customary and user rights shall be available. 7.6.2 (M) A system for identifying people entitled to compensation shall be in place. 7.6.3 (M) A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. 7.6.4 Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. 7.6.5 The process and outcome of any compensation claims shall be documented and made publicly available. 7.6.6 Evidence shall be available</p>	<p>GM: The Group Manager shall:  <ul style="list-style-type: none"> <li>• Document identification and assessment of demonstrable legal, customary and user rights (7.6.1).</li> <li>• Establish a procedure for identifying people entitled to compensation. (7.6.2)</li> <li>• Establish a procedure for calculating and distributing fair compensation. (7.6.3)</li> <li>• Document the process and outcome of any compensation claims and make publicly available (7.6.5)</li> <li>• Have documentary evidence that the affected communities and right holders have been informed that they have the right to access information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. (7.6.6)</li> </ul> </p>	<p>Yes</p>	<p>WAGS has established a procedure for the Code of Conduct regarding land dispute titled as D 2.3.1 G FPIC SOP_29052014 and for Customary right titled as D 2.1.1 G Customary Rights SOP_v1_Rev_18032014 – as guidelines to identify legal, customary or user rights for land and for compensation, as well for land dispute. No land dispute was noted during the audit. WAGS Kinabatangan has implemented the FPIC process prior to select the members to join the Group.</p>

	that the company has made adequate efforts to enable affected communities and rights holders to have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.	IG: Individual members shall retain copies of the documentary evidence of the process and outcome of compensation claims. (7.6.5)	Yes	There was no compensation claims observed.
C 7.7 No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	7.7.1 (M) 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' 2003</i> , or comparable guidelines in other regions. 7.7.2 In exceptional cases where fire has to be used for preparing land for planting, 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' 2003</i> , or comparable guidelines in other regions.	GM: 7.7.1 The Group Manager shall: <ul style="list-style-type: none"> <li>• Provide evidence of a no use of fire policy in group SOPs.</li> <li>• Demonstrate that individual farms have been visited for this requirement.</li> <li>• Explain how all the above is socialised to individual members of the group.</li> </ul> 7.7.2 The Group Manager shall: <ul style="list-style-type: none"> <li>• Demonstrate that any use of fire by any individual member has been assessed to be justified under the ASEAN guidelines ASEAN Policy on Zero Burning' 2003.</li> <li>• Provide written approval from the relevant environment authority on the use of fire in certain situations as prescribed by the ASEAN guidelines.</li> </ul>	Yes	WAGS management had established and circulated to all members a policy titled as "Penggunaan Api di Dalam Ladang untuk Penanaman Semula atau Penanaman Baru (Pembakaran Terbuka)". The policy clearly stated the banning of using fire in replanting or new planting. If members are caught, the management will terminate the members from WAGS scheme.  During the field visits, noted that there was no land prepared by burning in WAGS Kinabatangan.
		IG: 7.7.1 Individual members shall provide evidence that they understand the No Burning Policy of the group. 7.7.2 Individual members shall provide proposals for use of fire to the Group Manager for assessment and approval prior to burning.	Yes	Members acknowledge that they understand the No Burning Policy. There was no proposal for use of fire observed.
C 7.8 <i>Preamble</i> New plantation developments are designed to minimise net greenhouse gas emissions.	7.8.1 (M) The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. 7.8.2 There shall be a plan to minimise net GHG emissions	GM: <u>Maps:</u> The use of maps shall be expected which highlight the avoidance of peat areas and primary forests and where possible mineral soils have been selected for planting. <u>Reporting:</u> Demonstrate to a third party that new plantings	Yes	WAGS Kinabatangan has identified the carbon stock and major potential sources of emissions in the document titled as WAGS Carbon stock and major potential sources of emissions Register (and estimated and included in SEIA assessment). Currently WAGS is in progress for data collection, expected on 2017 completed.  There is no planting in high carbon stock area in WAGS

	which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.	which occurred after April 2013 have where possible been designed to minimise GHG emissions. Groups will need to report confidentially to the RSPO on actions taken to mitigate GHG emissions. After 31. December 2016 these documents will need to be publically available and linked to 1.2. <u>Training:</u> The Group Manager shall provide training in relation to this indicator and its relevance for individual members (e.g. peat, high carbon stocks) and record this training.		Kinabatangan. Besides that, WAGS had also a Group Management Plan> Plan for managing GHG emissions for the Kinabatangan Group.
		IG: Individual members shall be able to explain how you know where not to plant.	Yes	During site visit individual members know that new planting and replanting in areas such as 25 degrees and peat soil is prohibited for this scheme.

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

Clause	Indicators	Requirements for Group Manager (GM) & Individual Outgrowers (IG)	Comply Yes/No	Findings
C 8.1 Outgrowers 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 (M) The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the outgrower/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:  a) Reduction in use of pesticides(Criterion 4.6); b) Environmental impacts (Criteria 4.3, 5.1 and 5.2); c) Waste reduction (Criterion 5.3); d) Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); e) Social impacts (Criterion 6.1);	GM: <ul style="list-style-type: none"> <li>Group Managers shall record information on environmental impacts, waste reduction, pollution and GHG and social impacts.</li> <li>Group Managers shall periodically (e.g. quarterly) collate the records of individual members.</li> <li>Group Managers shall facilitate the development of the Group Action Plan through an annual group meeting.</li> <li>Group Managers shall be responsible for the continuous improvement in key operations.</li> </ul>	Yes	a) WAGS Kinabatangan committed to reduce the usage of chemicals and now have implemented grass cutting for farmers below 3 acres, Farmers interviewed were satisfied using grass cutting due to low cost of maintenance for weeds. Some members also stacked chipped palm materials at replanting in flat areas to contain water in the replants in order to minimise/prevent breeding of Rhinoceros Beetle thus reducing chemical control. Farmers were also encourage to apply EFB in their farm at palm inter-row.  b) Identification of the environmental aspect and impact at WAGS Kinabatangan was carried out by in the Social and Environmental Impact Assessment (SEIA). The SEIA was carried out by Wild Asia in 2015. They had also established the action plan titled as "Group Management Plan>Plan for managing E impacts". The action plan was reviewed in 14/9/2016 and is being monitored. It consists of a general time table with the identification of the necessary function responsible.  c) Waste products and source of pollution has been



	f) Encourage optimising the yield of the supply base.			<p>identified. 'Group Management Plan&gt;Plan for managing E impacts and Waste &amp; Disposal Plan – is used to identify the waste products and sources of pollution, Plan is in place and review it accordingly.</p> <p>d) 'Group Management Plan&gt;Plan for managing E impacts, Pollution &amp; GHG &amp; Fossil Fuel use and Waste &amp; Disposal Plan – is used to identify the waste products and sources of pollution, Plan is in place and review it accordingly. 'Group Management Plan&gt;Plan for managing Pollution &amp; GHG &amp; Fossil Fuel use– Potential sources are being identified using data collection and now waiting for data calculation, plan to complete in 2017.</p>
		<p>IG:</p> <ul style="list-style-type: none"> <li>• Members shall provide inputs to the Group Action Plan for continual improvement.</li> <li>• Members shall keep individual records of pesticide use, fertiliser application, FFB production etc. according to a standard template provided by the Group Manager.</li> <li>• Discuss with the Group Manager the timing of the replanting programme.</li> </ul>	Yes	<p>The group members have provided inputs to the Group Action Plan for continual improvement during training and briefing on management of oil palm. They have recorded the applied fertilizer, pesticide use, FFB production etc. using logbook.</p> <p>For the time being, there is no plan for replanting programme from smallholders and medium outgrower.</p>

## RSPO P&amp;C AUDIT CHECKLIST AND FINDINGS (For outgrower with more than 50ha)

**Principle 1: COMMITMENT TO TRANSPARENCY**

Clause	Indicators	Comply Yes/No	Findings
C 1.1 Outgrowers 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 outgrowers 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	WAGS Kinabatangan continued to implement the procedure for responding to any communication as outlined in WMS2.2.1 Managing Public Transparency (item no.5 & 6). Record of communication was identified and maintained in Logbook. WAGS Kinabatangan also displayed relevant information on Group and details of contact persons displayed on Public Notice Board at Cheng Fatt Plantation and Habajaya Sdn Bhd. The Stakeholders list was reviewed in January 2016. Among the stakeholders identified were the Government agencies, schools and the local communities. WAGS Kinabatangan had identified personnel responsible for handling of complaints. As of the date of the audit, there was no request on social information from stakeholders. Both Cheng Fatt Plantation and Habajaya Sdn Bhd. were aware that all request for information will be referred to the Group Manager.
	1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	Yes	The medium outgrowers continued to maintain stakeholders list which included the contractors, vendors/suppliers, government agencies, schools and local communities. The list is displayed at the public noticeboard at Cheng Fatt Plantation and Habajaya Sdn Bhd.  Records of requests for information from stakeholders and responses by the WAGS Kinabatangan were sighted documented and relevant information on Group and details of publicly available documents displayed on Public Notice Board at Cheng Fatt Plantation and Habajaya Sdn Bhd. As of to date there was no request on social information from stakeholders.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1 Land titles/user rights (Criterion 2.2);	Yes	Land titles/user rights was available at WAGS Kinabatangan Office and at Cheng Fatt Plantation and Habajaya Sdn Bhd. (cross refer to criterion 2.2).
	Occupational health and safety plans (Criterion 4.7);	Yes	OSH plan was available in the file name Group Management Plan WAGS GROUP 14092016. (cross refer to criterion 4.7).
	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Management documents related to environmental plans and impact assessments were made available to auditors, (Cross refer to 5.1) Among the documents were: <ul style="list-style-type: none"> <li>Environmental Impact Assessment (EIA)</li> <li>Group Management Plan WAGS GROUP 14092016 (E-Impacts, Pollution &amp; GHG &amp; Fossil Fuel use, Slope Areas and Waste &amp; Disposal).</li> </ul>
	HCV documentation summary (Criteria 5.2 and 7.3);	Yes	HCV documentation was adequately maintained. (See 5.2 and 7.3).
	Pollution prevention and reduction plans (Criterion 5.6);	Yes	Pollution prevention and reduction plans was available in Group Management Plan WAGS GROUP 14092016 (E-Impacts, Pollution & GHG & Fossil Fuel use, Slope Areas and Waste & Disposal) (Cross refer to Criterion 5.6);

		Details of complaints and grievances (Criterion 6.3);	Yes	There was no grievance recorded. Nevertheless, WAGS Kinabatangan maintains its procedure for handling complaints and grievances. Cross refer to 6.3
		Negotiation procedures (Criterion 6.4);	Yes	Relevant negotiation procedure was established and maintained. (See 6.4).
		Continual improvement plans (Criterion 8.1);	Yes	WAGS Kinabatangan is committed to utilize the established system to regularly monitor the medium outgrower. Relevant action plans were initiated to continuously improve its key areas of operations, environmental, safety and health, welfare and social contribution to farmers and community. Details of the CU continual improvement plans has been reported in the indicator 8.1.
		Public summary of certification assessment report;	Yes	The previous public summary of certification assessment report can be refer at below link: <a href="https://rspo.org/uploads/default/pnc/SGS_WAGS_Kinabatangan_SV2_Approved.pdf">https://rspo.org/uploads/default/pnc/SGS_WAGS_Kinabatangan_SV2_Approved.pdf</a>
		Human Rights Policy (Criterion 6.13).	Yes	A WAGS Group Policy which included the need to respect human rights has been established by WAGS.
C 1.3 Outgrowers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	Yes	A written policy committing to a code of ethical conduct and integrity in all operations and transactions had been established through the WAGS Group Policy Statement (ethical conduct). Besides that, other policy such as policy on Social and Humanity management, Gender, and Children Rights are also available. These policy has been communicated to all workforce in Cheng Fatt Plantation and Habajaya Sdn Bhd. The policies have been briefed to the outgrowers and recorded in training files.

## **Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

<b>Clause</b>	<b>Indicators</b>		<b>Comply Yes/No</b>	<b>Findings</b>
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	Cheng Fatt Plantation and Habajaya Sdn Bhd continue to comply with legal requirements as per indicator. Guided by the established SOP, the annual evaluation of compliance has been carried out concurrently with the review of legal register updated by WAGS HQ e/d : 18 September, 2016. The list of applicable legal and other requirements was made available during the audit.  The following was review : <ul style="list-style-type: none"> <li>• MPOB License no 503510702000 (Valid till 31/3/2021) Cheng Fatt Plantations Sdn. Bhd.</li> <li>• MPOB License no 503923402000 (Valid till 30/4/2017) Habajaya Sdn. Bhd</li> </ul>

	2.1.2	A documented system, which includes written information on legal requirements shall be maintained Minor Compliance	No	<p>WAGS Kinabatangan had identified, documented and maintained their legal register with written information on legal requirements which related to their operation in the legal register 'WAGS v1 Rev 18092016'. The WAGS headquarters, Ms.Sheila Senathirajah and Ms.Ying Ying are responsible to track changes and disseminate the information to all WAGS Members. The applicable laws identified included the Pesticides Act 1974, Employment Act 1955, and MPOB Regulations (Licensing) 2005 and the Minimum Wages Order 2016. The acts and its regulations were evaluated for compliance annually.</p> <p>However, the following legal requirements were found not in the legal register:</p> <ol style="list-style-type: none"> <li>1. EQ (Scheduled Wastes) 2005 Regulation</li> <li>2. EQ (Clean Air) 2014 Regulation</li> </ol> <p>Thus, a <b>minor NCR HO-03</b> was raised on this indicator.</p>
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	<p>WAGS Kinabatangan had a documented system for identifying and updating the changes of legal requirements and to monitor the status of legal compliance. The mechanism was documented in G06 WAGS Guidelines on Legal Compliance (OR WMS2.3.1 Managing Group Legal Compliance). WAGS HQ and the WAGS Kinabatangan representative have undertaken the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance [ref.: G06 WAGS Guidelines on Legal Compliance (OR WMS2.3.1 Managing Group Legal Compliance)].</p> <p>There was evidence of compliance to legal requirements which has been evaluated on an annual basis. These compliances are ensured by Internal &amp; External Audits, and by RSPO Audits. WAGS Kinabatangan has conducted internal audit in order to check status of compliance with legal requirements dated 9-12.08.2015.</p>
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	<p>WAGS HQ, which is based in Kuala Lumpur is responsible in tracking any changes to the Acts and Regulations. This was done through communicating with the publisher of the documents. This mechanism was outlined in its SOP. The updating of the legal register was carried out on a periodical basis. Any change in the legal register is communicated to the respective Unit. During this audit noted that new act such as the Minimum Wages Order 2016 was updated in the legal register.</p>
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance	Yes	<p>Evidence of legal ownership of the land including history of land tenure was verified during this audit. This document was made available by the Cheng Fatt Plantation and Habajaya Sdn Bhd.</p>

	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	Yes	The audit team has verified boundary stone / trenching / marking at Cheng Fatt Plantation and Habajaya Sdn Bhd. The boundary stone and trenching/markings have been monitored and visibly maintained along the boundary adjacent to neighbouring estate.
	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	There is no conflict or dispute concerning land observed at both the medium outgrowers. WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.
	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	There is no conflict or dispute concerning land observed at the medium outgrowers. WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance	Yes	There is no conflict or dispute concerning land observed at Cheng Fatt Plantation and Habajaya Sdn Bhd. and also WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.
	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	Site visit to Cheng Fatt Plantation and Habajaya Sdn Bhd found no any evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.

<p>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.</p>	2.3.1	<p>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</p>	Yes	<p>There is no conflict or dispute concerning land observed at Cheng Fatt Plantation and Habajaya Sdn Bhd. WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.</p>
	2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their 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</p>	Yes	<p>There is no conflict or dispute concerning land observed at Cheng Fatt Plantation and Habajaya Sdn Bhd. WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.</p>

	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	There is no conflict or dispute concerning land observed at Cheng Fatt Plantation and Habajaya Sdn Bhd. WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.
	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	There is no conflict or dispute concerning land observed at Cheng Fatt Plantation and Habajaya Sdn Bhd. WAGS Kinabatangan has developed an SOP on Land matters title WMS 2.3.2.1 Managing Legal Land Matters and WMS 2.3.2.2 Legal land Conflict Management.

**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	Habajaya Sdn. Bhd and Cheng Fatt Plantations has followed the WAGS Kinabatangan budget. WAGS Kinabatangan continued to persevere to make commitment to long-term economic and financial viability. The annual budgets for 2013 to 2017 were sighted. The budget provisions covered activities for training, baseline interview for farmer, farm audit, Agronomist visit, etc. The budget included projections on FFB/mt, and total cost per certified group members.																	
	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	The replanting programme for the next five years had been prepared as sighted at each outgrower's record. This programme is reviewed once a year and incorporated in their annual financial budget. The five year replanting programmes in Hectares were as follows: <table border="1" data-bbox="1153 1026 1872 1200"> <thead> <tr> <th>Year</th> <th>Habajaya</th> <th>Cheng Fatt</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>0</td> <td>0</td> </tr> <tr> <td>2017</td> <td>0</td> <td>0</td> </tr> <tr> <td>2018</td> <td>0</td> <td>0</td> </tr> <tr> <td>2019</td> <td>0</td> <td>0</td> </tr> <tr> <td>2020</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Year	Habajaya	Cheng Fatt	2016	0	0	2017	0	0	2018	0	0	2019	0	0	2020	0
Year	Habajaya	Cheng Fatt																			
2016	0	0																			
2017	0	0																			
2018	0	0																			
2019	0	0																			
2020	0	0																			

**Principle 4: USE OF APPROPRIATE BEST PRACTICES BY OUTGROWERS 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	No	<p>Habajaya Sdn. Bhd and Cheng Fatt Plantation had adopted the WAGS SOP. WAGS Kinabatangan has revised the training / SOP in March 2015. Review of training records (at the field coordinator and the farmers' record file), the following training were sighted for the farmers' reference.</p> <ol style="list-style-type: none"> <li>1)T01-introduction to Wild Asia &amp; RSPO</li> <li>2)T02-guidance on farm management of RSPO</li> <li>3)T03-introduction to documentation training</li> <li>4)T04-health and safety training</li> <li>5)T05-environmental management training for small farms</li> <li>6)T06-code of conduct &amp; membership requirements</li> <li>7)T07-social training</li> <li>8)T08-New planting training</li> <li>9)T09-FFB pricing &amp; grading</li> <li>10)T10-BMP (harvesting)</li> <li>11)T11-common pest and disease</li> <li>12)T12-Fertilizer management</li> <li>13)T13-weed management</li> </ol> <p>However, existing training / SOP for good agriculture practices T10-BMP harvesting and T13-Weed Management was not fully compliant and consistent implemented by outgrowers. Sighted during field visit at farm of BOR-SGW-270-SGR, BOR-SGW-269-SGR, found that loose fruits have not been collected and the farms of members was scruffy with noxious weed and woody growth. Therefore, a <b>Minor NCR # STK / RR 02 2016</b> was raised</p>
	4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Yes	<p>WAGS group manager had in place the mechanism to check consistent implementation of procedures. Report on internal audit made in WAGS Kinabatangan on 24 August 2015 by Christopher Andel was available. Among the issues raised included:</p> <ol style="list-style-type: none"> <li>1)membership awareness regarding issues of code of conduct, detail of membership sanctions, and grievance and appeal procedure.</li> <li>2)chemical and fertilizer are rarely fill up</li> <li>3)farm maintenance</li> <li>4)domestic waste issues</li> <li>5)labelling on empty containers</li> <li>7)riparian zone.</li> </ol>
	4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	<p>WAGS had continued to assist the farmers to record the information in the Monthly Activity Form provided in WAGS_KIN and subsequently transferred to the Producer Production Info Form (WAGS-004). The information is then transferred to an Excel document known as <i>WAGS-012 Data from Farmer's Logbook</i> for monitoring.</p>



	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	NA	Not Applicable since the RSPO certification is only for the independent smallholders and medium outgrowers.
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	WAGS had established training material, <i>WAGS Penjagaan Tanah (Soil Management)</i> that is presented to all the members. The document explain best practices to maintain soil fertility and the importance to ensure optimal or sustained yield. To monitor and verify implementation, each farmers need to fill a form known as 'Monthly Record of Farm Activity (Rekod aktiviti Kebun) in the Farmer Record file that has a section on Manuring Record (Rekod Penggunaan Baja).  Records of monitoring and actions taken by both Cheng Fatt Plantation and Habajaya Sdn Bhd were maintained and kept in WAGS Kin office and in the logbook. Among the records sighted at both outgrowers included record of selling FFB, fertilizer record, chemical usage record, and expenditure records. The Log Books also had records of dates of harvesting and kilos harvested, dates of maintenance work like slashing, spraying and application of fertilisers, etc.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Group manager has provided a logbook to the medium outgrowers. Logbook monitoring sheet which isa Monthly Record of Farm Activity (Rekod aktiviti Kebun) that includes <ul style="list-style-type: none"> <li>• Sales of FFB ( Rekod Penjualan BTS )</li> <li>• Expenditure records ( Rekod perbelanjaan )</li> <li>• Agrochemical Usage( Rekod penggunaan Racun )</li> <li>• Manuring Record ( Rekod Penggunaan Baja )</li> </ul> Records of programs and applications of fertilisers were made available to auditors. In Habajaya, records showed that in 2015, 620 tonnes were applied which is 2 kg per palm and 8kg per year per palm. The 2016 fertilizer application programme was on going.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Yes	A programme for soil and foliar sampling is being implemented in order to generate a fertilizer recommendation program. Group management plan has included the need to conduct soil sampling and tissue sampling as part of the BMP and Outreach program conducted by WAGS in quarter 4 2016. WAGS also had a plan to review with receiving estate/project partners on ways to establish a tag on in terms of soil and foliar assessment together with the estate (Taiko Plantation Sdn. Bhd. @ KLK ).
	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	WAGS had included in their management plan to promote Best Management Practices (BMP) for both outgrowers to conduct a programme for use of EFB and POME. The activities of this programme will be review with receiving mill/project partners on ways to establish a better way of enabling members to use organic waste from the mill in their farms. It will be conducted on quarter 4 2016 by WAGS and their partnership such as Bornion Palm Oil Mill (KLK) and Sandakan Bay Palm Oil Mill (Sime Darby).
C 4.3 Practices minimize	4.3.1	Maps of any fragile/marginal soils shall be available.	Yes	An overall soil map "WAGS KIN Soil Map dated 4.10.2016" was made available to the audit team. There were no fragile soils available at WAGS Kinabatangan. All were mineral soils.

and control erosion and degradation of soils.		Major Compliance		
	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	The policy and procedure for planting on slopes were defined in T02 & T08. It advocated that terracing was to done for slopes of between 10 and 20 degrees. Planting above 20 degrees was not advocated. For slopes of 5 to 10 degrees' platform planting was advocated. No replanting was observed in WAGS Kinabatangan medium outgrowers.  Both outgrowers Habajaya Sdn. Bhd. & Cheng Fatt Plantation (sabah) Sdn. Bhd. continued the strategy of terracing for slopes between 6 and 25 degrees. This was as per WAGS policy "TIDAK MENGGANGU KAWASAN HUTAN PEMELIHARAAN TINGGI." and as per training/SOP "T02 Panduan Pengurusan Kebun Kelapa Sawit Mampan" Item "penjagaan Tanah". It was observed that this policy was adhered to and areas that were undulating and hilly had been terraced. No bare grounds were sighted in both outgrowers during the visit.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	No	At the visited sites there was no road maintenance program available. Roads to both outgrowers' were full of port holes making it difficult to vehicle maneuverer. However, WAGS already included a road maintenance programme in their group management plan. Therefore, <b>Minor NCR # STK / RR 03 2016</b> was raised.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	Yes	There were no peat soil or other fragile and problem soils in both Habajaya Sdn Bhd and Cheng Fatt Plantation
	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 observed during this audit. This was also confirmed from the map provided. There is no trace of peat soils in WAGS Kinabatangan. Therefore, this indicator was not applicable.
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Yes	No fragile and problem soils observed in WAGS Kinabatangan. Therefore, this indicator was not applicable.
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	Water management plan to ensure efficient water usage, minimise water contamination, prevent the degradation of natural and man-made water systems and reduce water costs for the farmer. Such issues can be resolved through appropriate management practices through installation of important infrastructure, communication with workers and implementing good field practices and management techniques.

				<p>WAGS established an SOP on 'Penjagaan Sumber air (Water Source Management)' that was presented to the out outgrowers to ensure that they maintained the riparian buffer zones and not contributing to water quality degradation. Interview with the outgrowers, noted they were aware that there should not be any spraying or manuring within the riparian area. In both outgrower's farm, fronds were stacked against the slope to reduce soil erosion and water run-off.</p> <p>No construction of bunds/weirs/dams across the main rivers or waterways, was observed in Habajaya Sdn. Bhd. &amp; Cheng Fatt Plantation (Sabah) Sdn. Bhd.</p>
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated Major Compliance	Yes	There is no river or stream in the medium outgrower's land.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	NA	Not applicable since there is no mill included in this certification
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	NA	Not applicable since there is no mill included in this certification
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	No	<p>Integrated pest management is already being used by WAGS to reduce the use of pesticides. Auditors have found that the following IPM measures to reduce pests had been written in SOP/ training T02 and T11:</p> <ul style="list-style-type: none"> <li>- to maintain farm hygiene such as remove potential breeding sites for pest. (LCC, proper frond stacking)</li> <li>- biological control using a natural insect pest predator</li> <li>- planting beneficial plants to attracted parasitoids and predator's species</li> </ul> <p>However, during field visit to farm BORN-SGW-270-SGR and BOR-SGW-269-SGR there was no any beneficial plant implemented and planted. Therefore, a <b>Major NCR # STK / RR 04 2016</b> was raised.</p>
	4.5.2	Training of those involved in IPM	Yes	Medium outgrowers at WAGS Kinabatangan had attended training named T02-Guidance on farm

		implementation shall be demonstrated. Minor Compliance		management of RSPO and T11-Common pest and disease. The latest training attended was on 17.08.2016
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	Yes	A written justification in Standard Operating Procedure (SOP) of all the agrochemical used was available in the T02-Guidance on farm management of RSPO and T04-WAGS Health & Safety _Training_v2_Malay. The use of selective products that are specific to the targeted pest, weed or disease were demonstrated. The procedures also covered the use of PPE when handling the chemicals. The medium outgrowers used pesticides as per the SOPs.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	Yes	Both medium outgrowers had documented records for spraying pesticides. Pesticide application was implemented only as and when required/programmed. The outgrowers were committed to reduce usage of chemicals and have implemented only spray Circles and selective spraying on noxious weeds. Soft weeds and <i>Nephrolepis bisserata</i> are maintained and encouraged in the inter rows. This is to minimize pesticide use.  Information in the Log Book "Rekod Aktiviti Kebun" included the date of spraying, name of chemical used, the quantity used, area cover (Ha), number of palms and the total cost.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	Yes	Medium outgrowers were committed to reduce using chemicals. Only circles spray (Strip) and selective spray for noxious weeds were implemented. Soft weeds and <i>Nephrolepis bisserata</i> are maintained and encouraged in the inter rows. Spraying of noxious was only carried out as and when required and some were only slashed. Pesticides are used only when justified and areas used are recorded in log book which is provided by WAGS. Among the type of pesticides used include - round up - sentry - starane 200 - garlon 250 - suria 41.0 - supremo 41.0 - Typhoon - ally 20DF - Semic - chlorpyrifos  The list of agrochemicals used by the group members was posted on the notice board of the 'Dewan' / Training Stations where meetings conducted. They also have established notice board at the community hall in at a) Kedai Akbar Trading, Gomantong Jaya and b) Rileaf – Nestle Office
	4.6.4	Pesticides that are categorised	Yes	Cheng Fatt Plantation and Habajaya only used pesticides that are officially registered under the

		as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance		Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used. The chemical store had none of the chemicals. Most pesticides used were class III & class IV.
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the SDS of the pesticide. As mentioned under Indicator 4.6.1 above, WAGS Kinabatangan had in place SOPs for safe-handing of pesticides titled T02-Guidance on farm management of RSPO and T04-WAGS Health & Safety _Training_v2_Malay for handling of chemical/pesticide.  The medium outgrowers and their workers have been trained and understood the hazards involved 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 Safety Data Sheet (SDS) training. It was also noted that the SDS are available at medium outgrowers site during the audit.  The medium outgrowers had adopted the WAGS SOP T02-Guidance on farm management of RSPO and T04-WAGS Health & Safety _Training_v2_Malay for use of PPE during working. Workers in medium outgrower involved in pesticide application had used appropriate PPE and replaced when damaged. PPE such as gloves, apron, mask and rubber boot were provided to the workers  The latest training was conducted for farmers on 17/08/16. In addition, onsite training also had been conducted by field assistant which is can be refer in logbook of farmers.
	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	Yes	Both outgrowers had a chemical store with proper ventilation and locked. Other potentially hazardous items, such as sprayers, buckets, and PPE used for mixing pesticide also be stored as well. The site for storage was located downhill from sensitive areas such as flood prone area, houses, ponds, and play areas. There should be no chance that runoff or drainage from the site could contaminate surface or groundwater.

		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		
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Yes	Pesticide applications in both outgrowers were guided by WAGS Kinabatangan SOP T02-Guidance on farm management of RSPO and T04-WAGS Health & Safety _Training_v2_Malay. And Field Conductor from WAGS always visit the farm to guide the medium outgrowers to minimise risk and impacts when using pesticide.
	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 spraying was not practiced by the medium outgrowers and there was no evidence to show that any had been carried out.
	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 medium outgrower's workers were trained and they understood the hazards involved and how the chemicals should be used in a safe manner. Sighted records showed that training had been carried out for SOP T02-Guidance on farm management of RSPO and T04-WAGS Health & Safety _Training_v2_Malay. Suitable PPE has been given to the workers appropriate for their daily routine task. The PPE includes safety boots, helmets, goggles, rubber boot, cotton gloves, aprons and breathing masks (dusk mask and cartridge type respirator). Records of PPE issuance were available and were presented to auditor during the audit. Workers interviewed understood the reasons and importance why they were required to wear the PPE.
	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	Disposal of waste materials related to pesticide containers are being carried out as per established procedures. Triple rinsing activities was continually implemented for empty pesticide container. The rinsed containers were pierced and stored.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health	Yes	WAGS management do encourage the medium outgrowers to do Medical surveillance by their own if them continue use of chemical annually. The medical surveillance has not been conducted since both outgrowers did not use organophosphate chemical such as paraquat and monocrotophos.

		conditions, shall be demonstrated. Major Compliance		
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	Individual members interviewed were aware that no pregnant or breastfeeding women should handle pesticides. There was no evidence of any and from interviews it was established that sprayers were all men.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.  The occupational health and safety plan shall cover the following:	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Yes	Cheng Fatt and Habajaya adopted the WAGS Group Policy Statement on Health & Safety. The policy had been communicated to them through briefings, training and being displayed on their notice board.  The 2016 safety and health plan for WAGS Kinabatangan was implemented and monitored every month by the Supervisor and Regional Program Coordinator. The plan included activities for spraying, harvesting and pruning. The implementation was also monitored by internal audits conducted by WAGS Headquarters.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	Yes	WAGS Kinabatangan had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records were verified during the assessment. Among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. Full review for the HIRARC was conducted by the WAGS HQ and Regional Program Coordinator.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	No	Training and briefing on the operations were provided to medium outgrowers to educate them on safe working practices and to ensure applicable precautions are adhered to. Training for medium outgrowers is conducted from time to time. The medium outgrower's workers such as the harvesters, sprayers and fertilizer workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. However, during the assessment, there was no training records related to safety for all the workers. Only safety training records for the outgrowers were available. The PPE used was also found not appropriate for pesticide application and harvester. Hence, <b>Major NCR MZK 01 2016</b> was raised.
	4.7.4	The responsible person/persons	No	At WAGS Kinabatangan, Edwell James has been identified as the responsible person for all the

		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		health and safety aspects. Meeting and training has been conducted in Aug 2016. Meeting and training were conducted on 30 Sept 2016 and 15 Aug 2016, but only talk about general safety and health.  There were no records for OSH committee has been established or OSH meeting has been conducted, Therefore, <b>Minor NCR MZK 02 2016</b> was raised
	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	No	Cheng Fatt and Habajaya have adhered to the documented WAGS SOP named 'D 4.1.5.1 G Accident SOP v1 Rev 18062014. Telephone numbers and names of the staffs and responsible person for ESH were displayed at the notice boards. Telephone numbers of the Police Station, Fire Brigade, and Hospital were also included.  During the assessment, it was found that there were no personnel responsible for monitoring of the First Aid Kit and recording of all accident was not available. Thus, Minor NCR MZK 03 2016 was raised.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	No	During audit at Cheng Fatt Plantation and Habajaya, it was noted that the workers were not covered by medical care and accident insurance. This was also confirmed through interviews with the workers. Hence, a <b>Minor NCR MZK 05 2016</b> was raised.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	No	WAGS Kinabatangan including Cheng Fatt Plantation and Habajaya Sdn. Bhd have identified responsible person for all health and safety aspects and displayed on notice board with details. Meeting and training have been conducted on 30 Sept 2016 and 15 Aug 2016. However, records of record of accident and the Lost Time Accident metrics (LTA) weres not available during the audit. Thus, <b>Minor NCR MRS 05 2016</b> was raised.
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	Group Manager had ensured that all members are trained on the RSPO P&C and records of such training were kept as verified through attendance sheet in the farmer's folder. Group Manager has prepared a training plan for year 2016.  Compulsory training is T02 <i>Pengurusan Kebun Kelapa Sawit Mampan</i> . Awareness training includes: 1)T01-introduction to Wild Asia & RSPO 2)T02-guidance on farm management of RSPO



				3)T03-introduction to documentation training 4)T04-health and safety training 5)T05-environmental management training for small farms 6)T06-code of conduct & membership requirements 7)T07-social training 8)T08-New planting training 9)T09-FFB pricing & grading 10)T10-BMP (harvesting) 11)T11-common pest and disease 12)T12-Fertilizer management 13)T13-weed management
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Records of training were kept at the WAGS Kinabatangan site office as verified by auditors. The employees training records for both outgrowers have been maintained at each site.

**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	Identification of the environmental aspect and impact at at WAGS Kinabatangan including Cheng Fatt Plantation were carried out through a Social and Environmental Impact Assessment (SEIA). The SEIA was carried out by Wild Asia in 2015. The assessment report contained the identified adverse environmental impacts caused by the estate activities. Among the identified environmental impacts are <ul style="list-style-type: none"> <li>• soil erosion</li> <li>• water pollution</li> <li>• ecological impact</li> <li>• traffic &amp; transportation</li> <li>• waste generation</li> <li>• open burning</li> </ul>
	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	WAGS had established the action plan namely "Group Management Plan>Plan for managing E impacts". The action plan was reviewed on 14/9/2016. Relevant person-in-charge had been identified and appointed by the WAGS management. Regular reports to the management was carried out accordingly.

	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	The action plan was reviewed in 14/9/2016. The management had monitored the progress of the action plan by appointed person in-charge for each action plan. Mitigation measures are translated into training and work instruction. These among others included work instruction for soil erosion, management of waste, etc.
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	Yes	The report of "HCV Assessment at WAGS Lower and Greater Kinabatangan" was made available to the auditor. The assessment was carried out in August 2015 by Wild Asia. No RTE species and HCV area were identified at WAGS Kinabatangan area.
	5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	NA	There was no RTE species identified in the WAGS Kinabatangan including Cheng Fatt Plantation and Habajaya. Therefore, this indicator is not applicable.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	Yes	Although there was no RTE identified, WAGS Kinabatangan had conducted training on RTE and HCV for the medium outgrowers titled T05 Environmental training focusing on RTE and HCV's on 23 August 2016. It was observed that understanding was good for each of farmers interviewed. The farmers were also consulted on this and they were aware of the responsibility to protect endangered, rare and threatened species of forest flora and fauna in their areas. There were also posters put up at all farmer's noticeboards. WAGS also has established a disciplinary measure according to the Malaysian Law.

	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>Outcomes of monitoring shall be fed back into the action plan.</li> </ul> Minor Compliance	NA	There was no RTE species identified in the WAGS Kinabatangan including Cheng Fatt Plantation and Habajaya. Therefore, this indicator is not applicable.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	NA	There is no HCV identified at WAGS Kinabatangan including Cheng Fatt Plantation and Habajaya. Therefore, this indicator was not applicable.
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	Yes	WAGS Kinabatangan had documented identification of all waste product and sources of pollution. The environmental management plan was then established to mitigate applicable identified waste product and source of pollution.  The most significant environmental receptors were: Air – Open Burning, Water – Manuring and weeding operation, Domestic waste and land clearing Land – Scheduled waste, domestic waste and Land Clearing.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Cheng Fatt Plantation and Habajaya Sdn. Bhd. have implemented the triple rinse for empty chemical containers. The rinsed containers were then punch with holes and stored in the outgrower's store. WAGS management also has given training to farmer regarding Disposal chemical container named WAGS Guidance for Farm Management of Sustainable Palm Oil _Training_v2_Malay, T05 Environmental management and T04 Health and Safety.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	Yes	Cheng Fatt Plantation and Habajaya Sdn. Bhd. had managed the identified wastes and pollutants following the SOP titled 'WAGS Guidance for Farm Management of Sustainable Palm Oil' to guide the waste disposal activities and to reduce pollution on the routine operation.  Domestic waste was either dispose through landfill or dump into big bin at the town. On the scheduled waste management, currently in the plan, WAGS management will review with receiving mill/project partners on ways to establish a better way of managing waste from group.

C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	No	WAGS had a plan for environmental titled as E- Impact in the Group management plan WAGS GROUP 14092016. However, plan for improving efficiency of the use of fossil fuels and to optimise renewable energy was not complete. Refer to <b>Minor NCR MZK 06 2016</b> was raised.
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' 2003.</i> Major Compliance	Yes	There was no land prepared via open burning in WAGS Kinabatangan including Cheng Fatt Plantation and Habajaya Sdn. Bhd.. The medium outgrowers had adhered to the SOP WAGS New Planting Training English and T05 Environmental Management Training. The WAGS has given a handout on new circular titled "Penggunaan Api di Dalam Ladang untuk Penanaman Semula atau Penanaman Baru (Pembakaran Terbuka)" the circular stated to ban the use of fire in replanting or new planting.
	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' 2003.</i> Minor Compliance	Yes	WAGS management had issued a circular named "Penggunaan Api di Dalam Ladang untuk Penanaman Semula atau Penanaman Baru (Pembakaran Terbuka)" which highlighted no use of fire in replanting or new planting.
C 5.6 Preamble Outgrowers 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 it is not always feasible or practical to reduce or minimise these emissions.	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	No	WAGS Kinabatangan has conducted an assessment titled 'Social and Environmental Impact Assessment (SEIA)'. The SEIA was carried out by Wild Asia in 2015. However, in the SEIA the polluting activities that have an impact on the environment including GHG, and emissions was not address. Refer to <b>Minor NCR MZK 07 2016</b> was raised.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	No	WAGS Kinabatangan has a plan for environmental name E- Impact in the Group management plan WAGS GROUP 14092016. Greenhouse gas emissions was identified through Land Conversation, Crop Sequestration, Fertilizer, N2O from fertilizer, Fuel Consumption, Peat Oxidation (if any). However, plans to reduce or minimize GHG was not available during the audit. Refer to <b>Minor NCR MZK 08 2016</b> was raised.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.	Yes	There is no specific GHG calculator for medium outgrowers, but WAGS Kinabatangan still working on to collect the data from the medium outgrowers for GHG. The plan has been developed and verified by the assessor and the calculation will be done in 2017.

<p>Outgrowers 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. Outgrowers 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>		<p>Minor Compliance</p>		
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**Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY OUTGROWERS 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>	<p>6.1.1</p>	<p>A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	<p>Yes</p>	<p>Group Manager had identified all activities that have social impacts as verified its assessment report titled 'SEIA-HCV'. The 2015 report had covered in blanket all the members areas in Kinabatangan.</p>

	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	Based on the assessment report, all affected parties had been assessed.
	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	Group Manager has developed a mitigation plan titled 'Group Management Plan WAGS Group – Social Impacts'.
	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 plan has been reviewed in June 2016. Group Manager has organised training for members on social risks and mitigation measures in July and August 2016 – Panduan Amalan Pengurusan Kebun Kelapa Sawit Mampan. and August 2016 – Latihan Sosial (T07) related women, gender, children, workers and human right issues.  Group Manager has monitored implementation of mitigation plan through PGC meeting.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	NA	The WAGS Kinabatangan is a Group Certification for the smallholders and Medium Outgrowers.
C 6.2 There are open and transparent methods for communication and consultation between outgrowers and/or millers, local communities and other affected or	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	Yes	The Group Manager has developed a documented procedure for consultation and communication with local communities and other affected or interested parties titled 'D1.2.1 G Stakeholder & Consultation SOP_v1_02122014'.  The Group Manager has informed all individual group members of the consultation and communication procedure by displaying the procedure at public notice board at the medium outgrowers premises.
	6.2.2	A management official	Yes	The Group Manager had nominated the Technical Manager as the official responsible for social

interested parties		responsible for these issues shall be nominated. Minor Compliance		issues as displayed at public notice board.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	Yes	The Group Manager has made a stakeholder register for each site and keep records of all communication and actions taken in the logbook for records.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	Yes	The Group Manager has a documented grievance mechanism in place titled 'WMS 2.5.1 G Grievance Overview_v1_27012015 OR D 1.5.1 G GP & Dispute Reso SOP_v1_Rev_02062014'. The procedure included the process of resolving dispute and the outcome. The Group Manager has conducted a training TO2 focussing on grievance mechanism to members.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	Yes	No case of dispute or complaint made against the medium outgrowers.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	Yes	The Group Manager has developed a procedure for identifying legal, customary or user rights and procedure for identifying people entitled to compensation.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.	Yes	A procedure for calculating and distributing fair compensation titled '2.3.2.2 G Legal Land Conflict Management (see 3.5 on fair compensation)' and 'D 2.1.1 G Customary Rights SOP_v1_Rev_18032014' were made available.

representative institutions.		This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	Yes	There was no claim or compensation by stakeholders during the audit.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	No	During field visit to both the medium outgrowers (i.e. BOR-SGW-270-SGR and BOR-SGW-269-SGR) noted that there was no documentation of pay. Hence, a <b>Major NCR HO-05</b> was raised
	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	No	During field visit at both sampled outgrowers, there was no contract of employment. Therefore, <b>Major NCR MZK 10 2016</b> was raised
	6.5.3	Outgrowers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers'	No	The medium outgrowers have provided housing facilities to their workers. However, water for drinking for workers in BOR-SGW-270-SGR and BOR-SGW-269-SGR is from rainwater harvesting, which do not comply to the national standards. Thus, <b>Minor HO-06</b> was raised.



		Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance		
	6.5.4	Outgrowers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	NA	There was no sundry shop in the medium outgrower's farm. Therefore, this indicator was not applicable.
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 employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	Yes	A published statement in local languages recognising freedom of association (to form and join trade unions) titled 'WAGS Group Policy Statement (FOA)' was available at the medium outgrowers' notice board.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	Members observed aware concerning recognising freedom of association. Workers employed by members generally on casual basis. There were no union been formed. Payment and conditions normally discussed and agreed between them.
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	No child labor was seen used.
C 6.8 Any form of discrimination based on race, caste,	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment	Yes	Group Manager has developed a policy titled 'WAGS Group Policy Statement (Equal Opportunity)'.

national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		shall be documented. Major Compliance		
	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	Based on interview with workers at the medium outgrowers, there was no discrimination among workers.
	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	Recruitment selection and hiring of workers at medium outgrowers was based on medical examination.
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	Group Manager has developed a policy to prevent sexual, and all other forms of harassment, violence and protection of reproductive rights titled 'WAGS Group Policy Statement (Womens Reproductive Rights)'.  The Group Manager has displayed the policy at the medium outgrower's notice board as awareness to members and workers.
	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	Group Manager has developed a policy to prevent sexual, and all other forms of harassment, violence and protection of reproductive rights titled 'WAGS Group Policy Statement (Womens Reproductive Rights)'.  The Group Manager has displayed the policy at the medium outgrower's notice board as awareness to members and workers.
	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	A specific grievance mechanism which respects anonymity and protects complainants where requested has been established. The medium outgrower and workers were aware on this mechanism as verified during interview.
C 6.10 Outgrowers and millers deal fairly and transparently with	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	NA	Palm oil mill is not in the certification scope. Therefore, this indicator was not applicable.

smallholders and other local businesses.	6.10.2	Evidence shall be available that outgrowers/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	NA	Palm oil mill is not in the certification scope. Medium outgrowers managed the farm and FFB by its own with their workers. There was no inputs/services for FFB with third parties. Therefore, this indicator was not applicable.
	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	NA	Palm oil mill is not in the certification scope. Medium outgrowers have managed the farm and FFB by its own with their workers. There were no inputs/services for FFB with third parties. Therefore, this indicator was not applicable.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	NA	Palm oil mill is not in the certification scope. Medium outgrowers have managed the farm and FFB by its own with their workers. There was no inputs/services for FFB with third parties. Therefore, this indicator was not applicable.
C 6.11 Outgrowers 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 Group Manager has conducted a meeting with local communities and stakeholders to join the group in order to improve in management of FFB crop and good agriculture practices.
	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	NA	There were no scheme smallholders in the certification scope. Therefore, this indicator was not applicable.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	Yes	Based on interview with medium outgrowers and workers, they were aware of the policy on no forms of forced or trafficked labour titled 'WAGS Group Policy Statement (Voluntary Employment)'. There was no forms of forced or trafficked labour are used.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	Based on interview with medium outgrower and workers, there was no contract substitution has occurred.

	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	WAGS Kinabatangan adopted the policy and procedures from WAGS including orientation programme if the medium outgrower has employed a temporary or foreign workers titled 'WAGS Group Policy Statement (Voluntary Employment)'.
C 6.13 Outgrowers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance	Yes	The Group Manager has established a policy on no forms of forced or trafficked labour titled 'WAGS Group Policy Statement (Human Rights respected)'. The Group Manager has communicated to all members by displaying the policy at their notice board.
	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	NA	There was no children of foreign workers at the medium outgrowers site. Therefore, this indicator was not applicable.

**Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

The medium outgrowers in WAGS Kinabatangan have no plan for any new planting and no new development of area was observed during the visit. Thus, Principle 7 is not applicable.

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

Clause	Indicators	Comply Yes/No	Findings
C 8.1 Outgrowers 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 outgrower/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	WAGS Kinabatangan was committed to reduce the usage of chemicals and now have implemented grass cutting and encourage to apply EFB in the farm at palm inter-row.
b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	Identification of the environmental aspect and impact at WAGS Kinabatangan was carried out through Social and Environmental Impact Assessment (SEIA). The SEIA was carried out by a Wild Asia in 2015. They also have established the action plan namely "Group Management Plan>Plan for managing E impacts". The action plan was reviewed in 14/9/2016 and is being monitored. It consists of a general time table with the identification of the necessary function responsible.
c)	Waste reduction (Criterion 5.3);	Yes	Waste products and source of pollution have been identified. 'Group Management Plan>Plan for managing E impacts and Waste & Disposal Plan were used to identify the waste products and sources of pollution. Plan is in place and review it accordingly.
d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	Group Management Plan>Plan for managing Pollution & GHG & Fossil Fuel use– Potential sources are being identified using data collection and now waiting for data calculation. Plan to complete in 2017.
e)	Social impacts (Criterion 6.1);	Yes	Group Manager has developed a mitigation plan titled 'Group Management Plan WAGS Group – Social Impacts'. The plan has been reviewed in June 2016. Group Manager shall monitor implementation of mitigation plan through PGC meeting.
f)	Encourage optimising the yield of the supply base	Yes	In order to optimise yields, WAGS Kinabatangan was committed to implement best agricultural practices. This included the following: <ul style="list-style-type: none"> <li>- timely and proper fertiliser application, EFB and compost application</li> <li>- improving the road accessibility to maximise crop evacuation</li> <li>- expanding mechanised collection of FFB in the fields</li> </ul>

## DETAILS OF NON-CONFORMITIES AND CORRECTIVE ACTIONS TAKEN

Clause	Nonconformity	Corrective Action	Status
HO-01 E3.1.1 Minor	The internal audit was not conducted at regular interval (at least annually) to confirm continued conformance with all the Group Certification requirements. The last internal audit was conducted more than 14 months ago, i.e. on 24/8/15.	Wild Asia to conduct Internal Audit at least once a year – by August 2017	<b>Status: ACCEPTED.</b>  <b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.
HO-02 E3.1.4 Minor	The right to use land and MPOB registration for below members not explicitly demonstrated. GOM-036-SML (b) GOM-003-SML (c) KIN-242-SML.	Wild Asia has communicated with the 3 highlighted members on 9 <sup>th</sup> Dec 2016 and explained the importance of obtaining accurate land use rights and MPOB license. All 3 highlighted members have agreed to follow up with MPOB and land district office to ensure their documents are updated. This will be addressed by end Feb and monitored by our field staff  For all other WAGS members, we will review data recorded on monitoring sheets: i. Review land title & right to use land – Q2 2017 ii. To ensure all farmers have own MPOB license - no sharing allowed – Q3 2017 iii. Update baseline info/monitoring sheets – Q2 2017	<b>Status: ACCEPTED.</b>  <b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.
HO-03 2.1.2 Minor	The written information on requirements of EQ (Scheduled Wastes) 2005 Regulation and EQ (Clean Air) 2014 Regulation yet to include.	WA to update legal register: i. TSU to come up with list of all applicable laws and regulations – Q2 2017 ii. PC to print and keep all applicable laws and regulations for reference in the field office. – Q2 2017	<b>Status: ACCEPTED.</b>  <b>Verification:</b> Corrective Action Plan accepted. The updated written information will be verified during next Surveillance assessment for effective of closing.
HO-04 5.2.2 Minor	White-crowned shama birds found in captivity of members of (a) BOR-288-SML (b) BOR-SGW-270-SGR.	Wild Asia has communicated with the 2 highlighted members on the 15 <sup>th</sup> Dec and explained the importance of obtaining correct regulatory permits for maintaining endemic species. Members have decided to follow up with Sabah Wildlife Department to ensure their permits are obtained. This will be concluded by end March and monitored by our field	<b>Status: ACCEPTED.</b>  <b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.

		<p>staff</p> <p>For all WAGS members, WA will</p> <ol style="list-style-type: none"> <li>i. To give awareness training to members about endangered and protected species</li> <li>ii. Create a poster showing pictures of endangered/protected species – Complete</li> </ol>	
HO-05 6.5.1 Major	Medium Outgrowers (e.g. BOR-SGW-270-SGR, BOR-SGW-269-SGR) have no evidence of documentation of pay and conditions available for employees.	<p>For BOR-SGW-270-SGR, necessary pay slip has been provided to the auditor.</p> <p>For BOR-SGW-269-SGR, the owner is currently away in KL for medical reasons and unable to provide necessary documents immediately. We have spoken to the manager on 12<sup>th</sup> Jan and they have indicated this will be done by March once the owner is back.</p> <p>For All other members, Wild Asia will work to ensure:</p> <ol style="list-style-type: none"> <li>a. Improvement of Record Keeping of Workers on-site. Immediate. <ol style="list-style-type: none"> <li>i. Identify for each small grower, the list of workers (permanent/ casual/temporary) on-site and type of activities being performed. – Q1 2017</li> <li>b. Formalize/ Document for each permanent/ casual / temporary contract (or similar document) detailing out provisions of work conditions.- Q2/2017 <ol style="list-style-type: none"> <li>i. WA to work with each small grower to establish a contract for all types of workers and ensure they meet requirement of local laws (i.e: Sabah labour Ordinance/ Minimum Wage 2016) - Complete</li> <li>ii. Ensure each contract translated to applicable languages. - Complete</li> <li>iii. Ensure contracts signed by both parties and copy kept as reference by each party.- Q1 2017</li> </ol> </li> </ol> </li> </ol>	<p><b>Status: CLOSED.</b></p> <p><b>Verification:</b> Sample of pay slip and contract of employment for the worker.</p>
HO-06 6.5.3 Minor	Water for drinking for workers in BOR-SGW-270-SGR and BOR-SGW-269-SGR is from rainwater harvesting, which not to national standards or above.	Implement water management plan incorporating water quality monitoring for all Small growers– Q3 2017	<p><b>Status: ACCEPTED.</b></p> <p><b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.</p>
HO-07	No evidence that Group Manager has recorded the	i. WA to conduct another round of Pricing and	<b>Status: ACCEPTED.</b>

6.10.2 Minor	general pricing mechanism used by the purchasers of FFB.	Grading Training for all members, possibly at partner's mills – Q2 2017 ii. To get the pricing and grading mechanism from the mill and provide a copy to all members - Q2 2017 iii. WA to approach relevant Collecting Centres to get their pricing mechanism. – Q2 2017	<b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.
MZK 01 2016 4.7.3 Major	- No training record for workers at BOR-SGW-269-SGR and BOR-SGW-270-SGR. - Sighted during assessment at BOR-SGW-269-SGR and BOR-SGW-270-SGR the face mask for pesticide application was not appropriate and harvesters was not use helmet during harvesting.	Wild Asia has begun to conduct training for members and their workers. These training are on-going. Attached is a Meeting of Minutes depicting pictures of workers being trained including details of attendance This was conducted on 2 Feb 2017 for both BOR SGW-269 and BOR-SGW-270 workers.  For all other WAGS members, the following will be conducted periodically in Q1. 1. Training of Small growers previously carried out. Extend training the workers' members – Q1, 2017 2. WA to update significant risk register with mitigation measures (including required PPE) for each activity on site – Q1 2017 3. Identify for each small grower, the list of workers (permanent/casual/temporary) on-site and type of activities being performed. Include details of current PPE made available for each worker. – Q1 2017 4. Each small grower to ensure the adequate PPE is provided to workers for each stated activity as detailed in the WA Significant Risk Register. – Q1 2017	<b>Status: CLOSED</b>  <b>Verification:</b> Evidence of training records to workers and picture of workers using PPE.
MZK 02 2016 4.7.4 Minor	No records/evidence records of regular meeting and records of OSH committee.	<ul style="list-style-type: none"> <li>- WA to assign an OSH Officer and send for OSH course/training – Q1 2017, monitoring every Quarter</li> <li>- PGC to be assigned as OSH Committee</li> <li>- Conduct OSH Meeting with all committee every quarter</li> <li>- Provide every OSH Committee in every PG a logbook to record any OSH related issue (a master logbook kept in the field office to compile all records)</li> </ul>	<b>Status: ACCEPTED</b>  <b>Verification:</b> Corrective Action Plan accepted. The effectiveness monitoring will be verified during next Surveillance assessment for effective of closing.
MZK 03 2016 4.7.5	No records of First Aid Kit, Assigned operator for First Aid Kit and Records of all Accident	<ul style="list-style-type: none"> <li>- Ensure all SGR have their own first aid kits – Q2 2017</li> </ul>	<b>Status: ACCEPTED</b>



Minor		<ul style="list-style-type: none"> <li>- Invite Jab Kesehatan to provide first aid training – Q2 2017</li> </ul>	<b>Verification:</b> Corrective Action Plan accepted. The effectiveness monitoring will be verified during next Surveillance assessment for effective of closing.
MZK 04 2016 4.7.6 Minor	No evidence of medical care and accident insurance	<p>Wild Asia has conducted a participatory discussion with all WAGS members to explain the outcome of the audit findings and the importance of medical coverage for all workers. This was done on the 7-14<sup>th</sup> of Jan (small growers) and 3-9<sup>th</sup> Dec 2016 (small holders). Members have agreed to ensure workers are covered in some form of medical coverage and WA to ensure this happens in Q1.</p> <p>For all members, WAGS will work with members to :</p> <ol style="list-style-type: none"> <li>Update workers register – Q1 2017</li> <li>provide all members with sample of workers contract that include all benefits – Complete</li> <li>Ensure compliance to contract signing implementation – Q1 2017</li> </ol>	<b>Status: ACCEPTED.</b>  <b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.
MZK 05 2016 4.7.7 Minor	During assessment there is no record of Lost Time Accident metrics (LTA).	<p>WA to create a form for members to record accidents involving activities conducted in the field.</p> <ul style="list-style-type: none"> <li>- Q1 2017, on a quarterly basis</li> <li>- all accidents will be recorded in monitoring sheet</li> </ul>	<b>Status: ACCEPTED</b>  <b>Verification:</b> Corrective Action Plan accepted. The effectiveness monitoring will be verified during next Surveillance assessment for effective of closing.
MZK 06 2016 5.4.1 Minor	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy was not complete.	Develop plan to address GHG emissions reduction once EIA report is updated with activities contributing to pollution and GHG emissions and data is collected to understand current levels of emissions – Q2 2017	<b>Status: ACCEPTED</b>  <b>Verification:</b> Corrective Action Plan accepted. The effectiveness monitoring will be verified during next Surveillance assessment for effective of closing.
MZK 07 2016 5.6.1 Mino	Environmental impact Assessment was not addressed all the polluting activities that have an impact on the environment including GHG, and emissions	<ul style="list-style-type: none"> <li>- WA to create a list of all activities that contribute to pollution and GHG emission in the farm – Q2 2017</li> <li>- Field team will collect data – Q2 2017</li> <li>- Finding to be included in EIA report – Q2 2017</li> </ul>	<b>Status: ACCEPTED</b>  <b>Verification:</b> Corrective Action Plan accepted. The effectiveness monitoring will be verified during next Surveillance assessment for effective of closing.
STK / RR 01 4.6.1	During the field visit observe that all pesticide handler (KIN-539-SML and KIN-253-SML) was not using	Wild Asia has begun to conduct training for members and their workers. These training are on-	<b>Status: CLOSED.</b>

Major	<p>chemical as required by product label and furthermore did not have the MSDS.</p> <p>No spraying was carried out for RB attack on KIN-496-SML farm even though there was severe damage and the required chemical had been supplied to him by MPOB.</p>	<p>going. <u>Attached</u> is the Meeting of Minutes depicting pictures of workers being trained including details of attendance. This was conducted on 2 Feb 2017 for casual workers that work on multiple farms including the farms of the 3 audited farmers.</p> <p>For all other WAGS members, the following will be conducted periodically in Q1.</p> <p>a. Improvement of Record Keeping on types of chemicals used</p> <p>i. Improve information gathering from each farmer on types of chemicals currently in use and corresponding volumes - Complete</p> <p>1. Refresher training on Chemical Handling and Application training (including mixing). Training to include workers.- Q1, 2017</p> <p>2. Refresher Training on Pest &amp; Disease controls and IPM methods. Training to include workers. – Q1, 2017</p>	<p><b>Verification:</b></p> <p>Evidence that WAGS had conducted refresher training and pictures to farmers and workers of handling chemical.</p> <p>.</p>
STK / RR 02 4.1.1 Minor	<p>During the field visited at farm of BOR-SGW-270-SGR good agriculture practices, as contained in Standard Operating Procedures (T10 BMP Harvesting) was not fully followed and implemented by outgrower to collect all the loose fruits.</p> <p>BOR-SGW-270-SGR, BOR-SGW-269-SGR, KIN-NEW-003, KIN-512-SML, and KIN-496-SML the plots of five members scruffy with noxious weed and woody growths.</p>	<p>a. To conduct training on BMP</p> <p>i. Update training material that includes; BMP - harvesting, weeding – Q1 2017</p> <p>ii. Conduct training with members and workers. – Q2 2017</p> <p>iii. Develop schedule with more frequent agronomist visits and activities – Q2 2017</p>	<p><b>Status: ACCEPTED.</b></p> <p><b>Verification:</b></p> <p>Corrective Action Plan accepted. The effectiveness training will be verified during next Surveillance assessment for effective of closing.</p>
STK / RR 03 4.3.3 Minor	<p>During visited at BOR-SGW-269-SGR and BOR-SGW-270-SGR road are blocks by landslide and soil erosion while others were full of port hole making it difficult to vehicle maneuver.</p>	<p>i. Create a maintenance form that include road maintenance program – Q1 2017</p> <p>ii. Information collected to be recorded to monitoring sheet – Q1 2017</p>	<p><b>Status: ACCEPTED.</b></p> <p><b>Verification:</b></p> <p>Corrective Action Plan accepted. The effectiveness maintenance programme will be verified during next Surveillance assessment for effective of closing.</p>
STK / RR 04 4.5.1 Major	<p>During field visit on farms BOR-SGW-270-SGR and BOR-SGW-269-SGR there is no any beneficial plant was implemented and planted.</p>	<p>a. Participatory discussion with each small grower on types of biological measures that can be applied in each listed situation</p> <p>i. Develop schedule for Small grower participatory meetings and field scoping for IPM measures: - Complete</p> <p>i. WA to work with each small grower to identify and</p>	<p><b>Status: ACCEPTED</b></p> <p><b>Verification:</b></p> <p>Corrective Action Plan accepted. The effectiveness implementation of IPM plan will be verified during next Surveillance assessment for effective of closing.</p>

		<p>record potential biological mitigation measures. – Q1 2017</p> <p>ii. These measures will need to be monitored on a quarterly basis by the WAGS field team. – Q1 2017</p>	
<p>STK / RR 05 6.5.2 Major</p>	<p>No evidence available for contract of employment, detailing payments and conditions of employment for foreign workers from Indonesian which were employed by BOR-036-SML and BOR-SGW-269-SGR have been made.</p>	<p>For BOR-SGW-270-SGR, necessary pay slip has been provided to the auditor. For BOR-SGW-269-SGR, the owner is currently away in KL for medical reasons and unable to provide necessary documents immediately. We have spoken to the manager on 7<sup>th</sup> Jan and they have indicated this will be done by March once the owner is back.</p> <p>a. Improvement of Record Keeping of Workers on-site</p> <p>i. Identify for each small grower, the list of workers (permanent/casual/temporary) on-site and type of activities being performed. – Q1 2017</p> <p>b. Establish a contract for each permanent/ casual/ temporary contract detailing out provisions of work conditions.</p> <p>i. WA to work with each small grower to establish a contract for all types of workers and ensure they meet requirement of local laws (i.e: Sabah labour Ordinance/ Minimum Wage 2016) - Complete</p> <p>ii. Ensure each contract translated to applicable languages. - complete</p> <p>iii. Ensure contracts signed by both parties and copy kept as reference by each party. – Q1 2017.</p>	<p><b>Status: CLOSED.</b></p> <p><b>Verification:</b> Sample of pay slip and contract of employment for the worker.</p>
<p>STK / RR 06 5.3.3 Minor</p>	<p>Waste management plan has been established to dispose scheduled waste. However, the implementation was lacking at farms KIN-242-SML, KIN-351-SML and KIN-355-SML.</p>	<p>Wild Asia has conducted a participatory discussion with all WAGS members to explain the outcome of the audit findings and the importance of waste management. This was done on the 7-14<sup>th</sup> of Jan (small growers) and 3-9<sup>th</sup> Dec 2016 (small holders). Members have agreed to ensure workers actions will be taken to work as a community to improve this. WA is already drafting a plan on how to ensure this happens in Q1.</p> <p>For all members, WAGS will work with members to :</p> <p>i. To do inventory on empty chemical containers (scheduled waste) from every members – Q1 2017</p> <p>ii. A collection center in every PG – Q2 2017</p>	<p><b>Status: ACCEPTED.</b></p> <p><b>Verification:</b> Corrective Action Plan accepted. The implementation will be verified during next Surveillance assessment for effective of closing.</p>

		iii. Out-source company/contractor to come and collect all empty chemical container – Q2 2017	
STK / RR 07 4.6.6 Minor	Store which is are easily accessible to all examples at farms KIN-545-SML and GOM-306-SML have not been locked and had no door at all.	To conduct training (T04) – Q1 2017 ii. To provide all WAGS members with hazard sign (if they have a store, paste on the door) – Q2 2017 iii. To ensure all store follow WAGS SOP on chemical handling – Q2 2017	<b>Status: ACCEPTED</b>  <b>Verification:</b> Corrective Action Plan accepted. The effectiveness of training will be verified during next Surveillance assessment for effective of closing.