



**PUBLIC SUMMARY REPORT**  
**INITIAL RSPO CERTIFICATION ASSESSMENT**

**SIME DARBY PLANTATION Sdn Bhd**  
**Management Unit SOU7**  
**Jeram, Selangor Darul Ehsan, Malaysia**

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## SUMMARY

BSi Group Singapore Pte Ltd (BSi) has conducted an assessment of Sime Darby Plantation Sdn Bhd Management Unit SOU7 (SOU7) operations comprising one (1) Mill, four (4) Estates, support services and infrastructure. BSi concludes that SOU7 operations comply with the requirements of RSPO Principles & Criteria: 2007 and MY-NI Indicators and Guidance : 2010.

The Initial Certification Assessment was conducted between 28 and 31 July 2009, but the submission of this Report to RSPO was delayed until SOU7 closed out the Nonconformities assigned to Major Compliance Indicators.

BSi recommends that SOU7 be approved as a producer of RSPO certified sustainable palm oil.

## ABBREVIATIONS

AMESU	All Malayan Estates Staff Union
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
ERP	Emergency Response Plan
ESH	Environment Safety and Health
FFB	Fresh Fruit Bunch
HCV	High Conservation Values
HIRAC	Hazard Identification Risk Assessment Control
LCC	Legume Cover Crop
MAPA	Malayan Agricultural Producers Association
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
OSH	Occupational Safety & Health
OSHAS	Occupational Safety & Health Assurance System
PCD	Pollution Control Device
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
R&D	Research and Development
SIA	Social Impact Assessment
SOP	Standard Operating Procedures
SPMS	Sustainable Plantation Management System
TQEM	Total Quality Environmental Management

## 1.0 SCOPE OF CERTIFICATION ASSESSMENT

### 1.1 National Interpretation Used

The operations of the Mill and its supply base of FFB were assessed against the Malaysian National Interpretation (MY-NI : 2010) of the RSPO Principles and Criteria : 2007.

## 1.2 Certification Scope

The scope of certification is the production from the Bukit Kerayong Palm Oil Mill that is sourced from four (4) company owned oil palm Estates.

## 1.3 Location and Maps

The SOU7 Mill and Estates are located at Selangor, Malaysia (Figure 1). Additional maps are included (Figures 2 and 3) showing the boundaries and layout of infrastructure at the two Estates that were assessed. The GPS location of the Mill is shown in Table 1.

**Table 1: Mill GPS Location**

MILL	EASTING	NORTHING
Bukit Kerayong	101° 22'36.66" E	3° 11' 24.58"N

## 1.4 Description of Supply Base

The supply base consists of FFB from four (4) Company owned Estates that supply more than 99% of the FFB processed at the Mill. A small quantity of FFB that was supplied by adjacent Sime Darby Estates and Smallholders during the previous two years, but none is expected in the 2010/11 year. The FFB production from the Company owned Estates, adjacent Sime Darby Estates and Smallholders, for the 01 July 2008 to 30 June 2009 reporting period, is listed in Table 2.

**Table 2: Mill Supply Base**

Source	Actual at time of Assessment 01/07/2008 30/06/2009	Actual 01/07/09 – 30/06/10	Projected 01/07/10 – 30/06/11
<b>SOU7 Estates</b>			
Bukit Kerayong	42,944	40,294	38,267
Bukit Cheraka	79,696	71,967	78,723
Elmina	38,110	34,078	34,494
Bukit Rajah	14,137	13,114	13,919
<b>Sub Total</b>	<b>174,887</b>	<b>159,453</b>	<b>165,403</b>
<b>Adjacent Sime Darby Estates</b>			
SOU6 Tennamaram	26	147	–
SOU 13 – Labu	1,525	–	–
SOU 8 - East	–	148	–
<b>Sub Total</b>	<b>1,551</b>	<b>295</b>	
<b>Smallholders</b>			
Eng Soon Estate	774	42	–
Lambourne Estate	849	–	–
Island & Peninsular	–	166	–
Kajang Rubber PLC	–	127	–
<b>Sub Total</b>	<b>1,623</b>	<b>335</b>	
<b>OVERALL TOTAL</b>	<b>178,061</b>	<b>160,083</b>	<b>165,403</b>

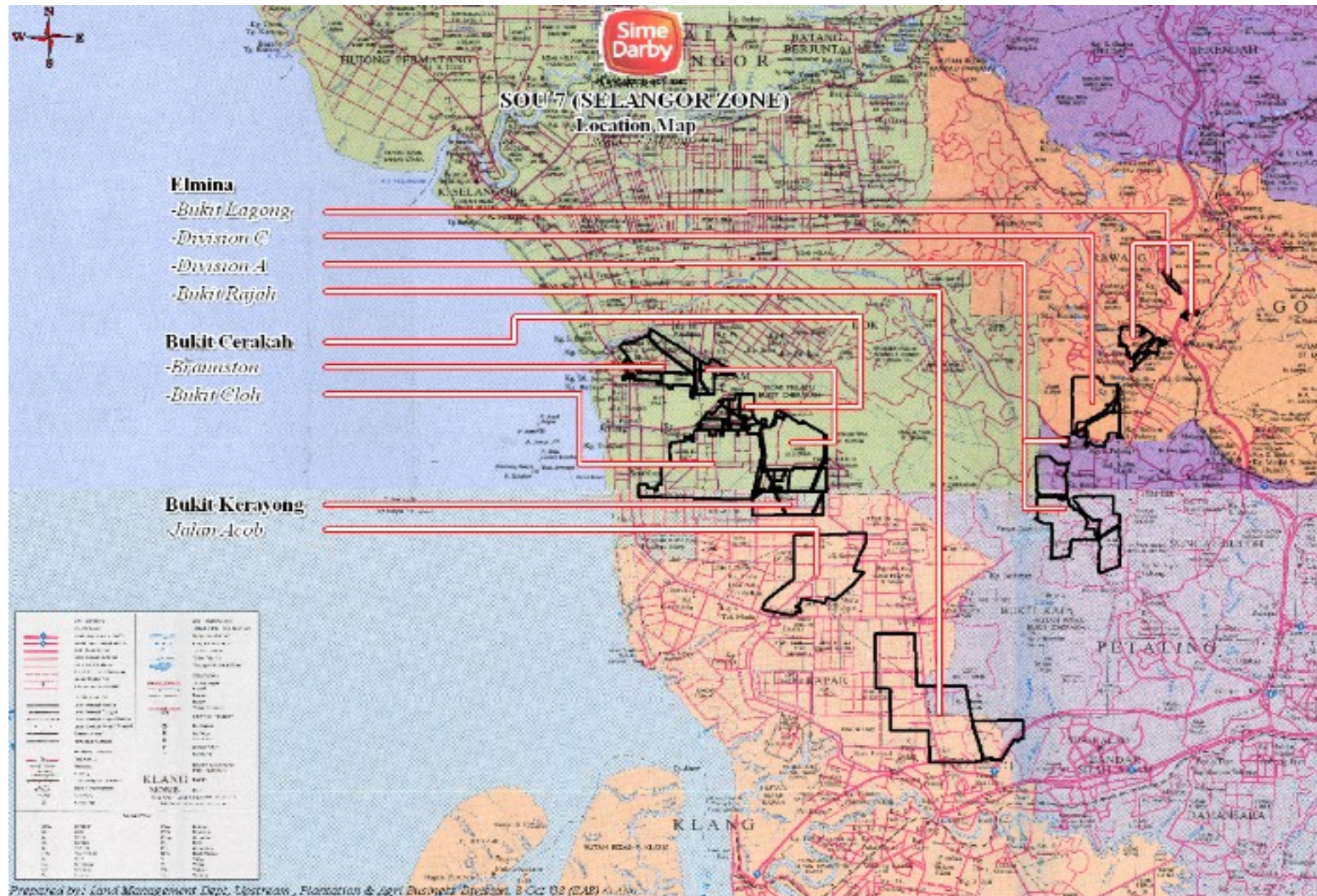


Figure 1: SOU7 Location Map







# LADANG BUKIT CHERAKA

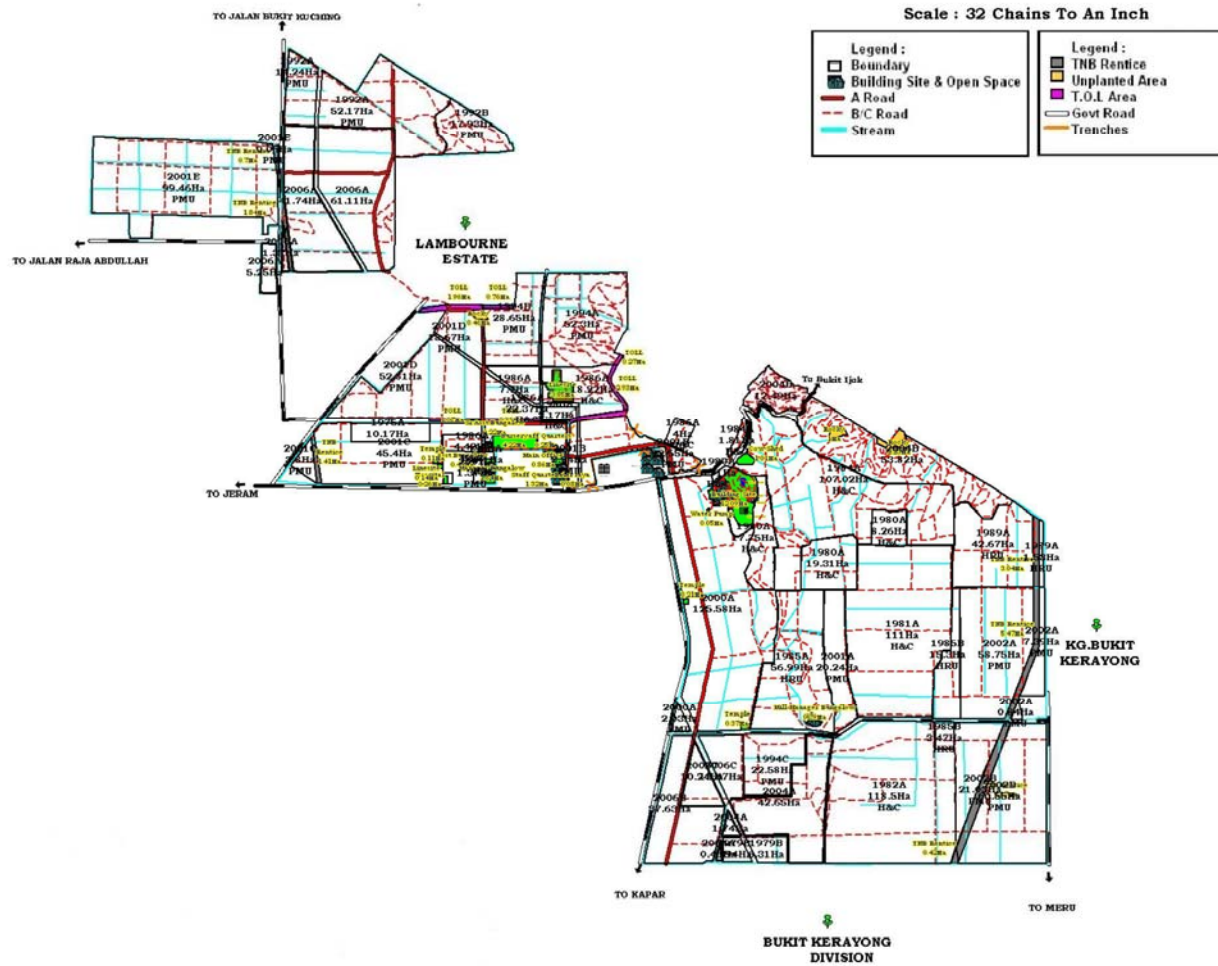


Figure 3: Bukit Cheraka Estate Layout

### 1.5 Date of Plantings and Cycle

The Company owned Estates were developed to oil palm in 1916 and the palms are in their third cycle. The age profile of the palms is shown in Table 3.

**Table 3: Age Profile of Palms**

AGE (years)	% of PLANTED AREA
31 – 35	14.4
21 – 30	29.3
11 – 20	29.4
4 – 10	18.7
1 – 3	8.2

### 1.6 Other Certifications Held

SOU7 holds no other Certification.

### 1.7 Organisational Information / Contact Person

Sime Darby Plantation Sdn Bhd  
Management Unit SOU7  
Ladang Bukit Cheraka  
45800 Jeram  
Selangor Darul Ehsan  
MALAYSIA

Contact Person: Mr Abdullah Saminan  
Title : Estate Senior Manager  
Phone: 03-32647144  
Fax: 03-32647666  
Email: bcrmgr@simedarby.com

### 1.8 Time Bound Plan for Other Management Units

Sime Darby Time Bound Plan (updated December 2010) is included as Appendix A. During 2009, Sime Darby initiated the realignment of three of the Management Units in Malaysia for strategic operating reasons. To date, only one Management Unit has been realigned (SOU 24a), reducing the total number of Management Units from 61 to 60.

Sime Darby has completed Initial Certification Assessments for all of the Management Units in Malaysia, and 11 of the 21 in Indonesia. Sime Darby has scheduled the Initial Certification Assessments for the remaining 10 Management Units in Indonesia for mid-2011 and is on track to achieve the targets of the Time Bound Plan.

Sime Darby provided BSi with an update on progress with resolution of issues raised in 2008 at PT MAS in Indonesia. A follow-up meeting was held between top management of Sime Darby Plantation and representatives of Serikat Petani Kepala Sawit (SPKS) (Organisation for Representing Smallholders) during the

RT8 Conference in Jakarta. Mr Paul Wolvekamp of Both ENDS mediated the meeting that was also attended by representatives of Sawit Watch and House of "Adat" from Sanggau. Both parties agreed that significant progress has been made with regard to the issues raised earlier. No new issue was highlighted during the meeting.

BSi's continued involvement with 14 of the Sime Darby Management Units during the previous 12 months has not identified:

- (1) any unresolved significant land disputes;
- (2) any replacement of primary forest or loss of HCVs (Sime Darby did not carry out any new land development during 2010);
- (3) any labour disputes that are not being resolved through an agreed process;
- (4) any evidence of noncompliance with any law at any of the landholdings.

BSi considers that Sime Darby meets the RSPO requirements for Partial Certification.

### 1.9 Area of Plantation

The areas of palms at SOU7 Estates are listed in Table 4.

**Table 4: Estates and Areas Planted**

Estate	Mature (ha)	Immature (ha)
Bukit Kerayong	2,547	186
Bukit Cheraka	3,221	363
Elmina	1,841	234
Bukit Rajah	1,106	Nil
<b>TOTAL</b>	<b>8,715</b>	<b>783</b>

### 1.10 Approximate Tonnages Certified

The approximate tonnages certified on the basis of 2009/10 Oil Extraction Rate and projected FFB production from SOU7 Estates for the period 01 July 2010 to 30 June 2011 are detailed in Table 5.

**Table 5: Approximate Tonnages Certified**

Bukit Kerayong Palm Oil Mill	Actual at time of Assessment 01/07/2008 – 30/06/2009	Actual 01/07/09 – 30/06/10	Projected 01/07/10 – 30/06/11
CPO	29,449	29,621	30,605
PK	8,091	7,393	7,639

### 1.11 Date Certificate Issued and Scope of Certificate

The scope of the Certificate is for the production from the Bukit Kerayong Palm Oil Mill and the supply base of four company owned Estates and other Certified Sime Darby Estates. Certificate details are included as Appendix B.

The Certificate issue date will be the date of the RSPO approval of the Assessment Report.

## 2.0 ASSESSMENT PROCESS

### 2.1 Certification Body

BSI Group Singapore Pte Ltd  
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Singapore Technologies Building  
Singapore 088934

Product Manager: Mr Soon Leong Chia  
Phone: +65 6270 0777 Ext 115  
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BSi is a leading global provider of management systems assessment and certification, with more than 70,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi Group Singapore provides independent, third party certification of management systems. BSi has a Regional Office in Singapore and an Office in Kuala Lumpur.

### 2.2 Assessment Methodology, Programme, Site Visits

BSi conducted a Stage I Certification Assessment between 20 and 23 May 2009 against the RSPO MY-NI : 2008. The scope of the Stage I Assessment included the Mill, Estates and support infrastructure and focussed on site inspections, a review of management systems and documentation.

The Stage II Certification Assessment was conducted between 28 and 31 July 2009. The Certification Assessment Programme is included as Appendix C.

The approach was to audit the Mill together with two Estates, so that a range of environmental and social factors were covered. These factors included consideration of topography, soils, age of palms and proximity to local communities and areas with HCVs.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interview of staff, workers and their families and external stakeholders, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The assessment focused on how the environmental risks were understood and were being managed.

The assessment was based on random samples and therefore nonconformities may exist which have not been identified.

Mr Soon Leong Chia, BSi Product Manager RSPO, has reviewed this report for conformance with BSi Procedures and the RSPO Certification System requirements.

### 2.3 Qualifications of the Lead Assessor and Assessment Team

BSi Group Singapore holds copies of educational qualifications, certificates and audit logs for each of the audit team members. BSi has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessments.

#### **Charlie Ross** – Lead Assessor

B.App.Sc. M.Sc (Env.Studies)  
Lead Auditor EMS RABQSA Cert N<sup>o</sup> 012364

#### **Iman Nawireja** – Social Assessor

B.Ag.Sc. M.Sc. (Comm)

#### **Robyn Ross** – Social Assessor (Women and Families)

#### **Betsy Sunga** – Facilitator (Women and Families)

**Charlie Ross** is an independent environmental auditor who has extensive fieldwork experience in conducting environmental and social assessments of oil palm projects over the past 18 years in Indonesia, Malaysia, Nigeria, Papua New Guinea and Solomon Islands. He has participated in fieldwork for HCV assessments since 2004. He has completed lead auditor training in ISO 9001 Quality Management Systems, lead auditor training in OSHAS 18001 Occupational Health and Safety Assurance Systems, auditor training in Environmental Management, SA8000 Social Accountability and RSPO P&C. He has been involved in the RSPO process since RT1 and has conducted Certification audits of oil palm plantation companies against the RSPO P&C in Indonesia, Malaysia and PNG.

**Iman Nawireja** graduated with a Bachelor of Agricultural Science from the University of Bogor in 1997 and a Masters Degree in Communications from the University of Indonesia in 2002. He is a Lecturer in social statistics at the University of Bogor and has more than 10 years experience in conducting social impact assessments of agriculture, mining and forestry projects. He has assisted with field studies on the effect of resource development projects on farmer and community incomes, health status and household division of labour. He has completed Lead Auditor training in ISO 14001 Environmental Management Systems. He has assisted in conducting environmental and social assessments of oil palm projects during the past 7 years. He has assisted with conducting Certification audits of oil palm plantation companies against the RSPO P&C in Indonesia and in Malaysia.

**Robyn Ross** has a background in company administration and supporting women with mental health and physical



disabilities by assisting them to develop skills for living independently in the community. She has assisted with fieldwork in conducting environmental and social assessments of oil palm projects over the past 7 years in Indonesia and Nigeria. She has completed auditor training in SA8000 Social Accountability. She has assisted with conducting Certification audits of oil palm plantation companies against the RSPO P&C in Indonesia, Malaysia and Papua New Guinea.

**Betsy Sunga** is a Teacher with Borneo Child Aid Society and is fluent in Bahasa Malaysia, Sabahan and English. She assisted Robyn Ross during interview of female staff/workers and families.

#### **2.4 Stakeholder Consultation and List of Stakeholders Contacted**

Stakeholder consultation involved internal and external stakeholders. External stakeholders were notified by placing a copy of the Stakeholder Notification letter on the RSPO, Sime Darby and BSi websites. Individual stakeholders were contacted to discuss SOU7 environmental and social performance.

BSi did not receive any responses in writing from stakeholders in relation to SOU7. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. Stakeholders included those immediately linked with the operation of the company, such as employees, Suppliers and Contractors, as well as organisations that may have an interest in SOU7 operations or adjacent areas.

Stakeholder consultation took place in the form of meetings and interviews. The interviewer explained the purpose of the audit at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace at the Mill and the Estates. Fieldworkers were interviewed informally in small groups in the field. Separate visits were made to each of the local communities to meet with the village head and residents. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Company officials were not present at any of the interviews.

A list of Stakeholders contacted is included as Appendix D.

#### **2.5 Date of Next Surveillance Visit**

The next surveillance visit is planned to be carried out within the twelve months following initial RSPO Certification.

### **3.0 ASSESSMENT FINDINGS**

#### **3.1 Summary of Findings**

As outlined in Section 2.2, objective evidence was obtained separately for each of the RSPO Indicators for the Mill and the Estates. The results for each indicator from each of these operational areas have been aggregated to provide an assessment of overall conformance of the Company's operations with each Criterion. A statement is provided for each Indicator to support the findings of the assessment team.

Nonconformities were raised against Four (4) Major Compliance Indicators and Seven (7) Minor Compliance Indicators. Eight (8) Observations / Opportunities for improvement were identified. Details of the Nonconformities are given in Section 3.2 (Page 16).

SOU7 has prepared a Corrective Action Plan that was reviewed and accepted by BSi. SOU7 has implemented corrective actions for the identified Nonconformities and a follow-up visit was conducted by a BSi Assessor 20 September 2010 to closeout nonconformities assigned to the four Major Compliance Indicators and to follow-up on implementation of corrective actions for the nonconformities assigned to the seven Minor Compliance Indicators.

BSi has conducted an assessment of the SOU7 operations comprising 1 Mill, 4 company owned Estates, support services and infrastructure. BSi concludes that objective evidence collected during the September 2010 follow-up visit and subsequently provided by SOU7, enabled closing of the Nonconformities issued to the four (4) Major Compliance Indicators and six (6) out of the seven (7) Nonconformities issued to the Minor Compliance Indicators. BSi concludes that SOU7 operations comply with the requirements of RSPO Principles & Criteria: 2007 and MY-NI Indicators and Guidance : 2010 and recommends that SOU7 be approved as a producer of RSPO Certified Sustainable Palm Oil.

***Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.***

The Mill and Estates maintain records on individual files for information requests received, for example, MPOB, Labour Department for operating statistics and other information. Records indicate requests are replied to promptly. For example, the Mill received a letter from MPOB 11 May 2009 requesting inventory data for CPO production with reply sent 4 June 2009. Bukit Cheraka most recent request was from Labour Department requesting information on the workforce, received 13 July 2009 and reply prepared 16 July 2009, sent 29 July 2009. (1.1.1)

***Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information***

**would result in negative environmental or social outcomes.**

The Estates are on Freehold land and copies of Land Titles are held in the Estate Office. A summary of the titles listing the lot numbers is held on site, together with a copy of each title. (1.2.1)

A copy of the Health and Safety Policy signed by Top Management April 2008 is displayed prominently on notice boards and is available to the public. The Mill and Estates have documented an OSH Plan for the 2009/10 year that covers each of the elements specified in Criterion 4.7. (1.2.2)

The Mill and Estates have prepared (June 2009) an Environmental Aspects and Impacts Register that is based upon a risk assessment process to identify significant impacts. A Pollution Prevention Plan and Management Plan have been prepared (June 2009) for the significant impacts.

The Estates have prepared an Environmental Improvement Plan that consists of a Pollution Prevention Plan and a Waste Management Action Plan. Following preparation of an SIA in June 2009, a Social Management Plan has been prepared. (1.2.3)

The Mill and Estates have prepared a Pollution Prevention Plan June 2009. (1.2.4)

Complaints from Mill workers are recorded by Supervisors in the “Defects Report Book” and communicated to Engineers. Complaints in relation to housing are recorded on a “Housing Repair Form”. **A nonconformity was assigned to this Major Compliance Indicator – CR01 refer Section 3.2 Page 16** – At the time of the Certification Assessment, the Mill “Defects Report Book” could not be located therefore records could not be checked. The “Housing Repair Form” records were incomplete as there was no information to confirm that repairs had been carried out.

The Estates have implemented a “complaints book” that is held in the Supervisors Office. Records commenced in June 2008 (Bukit Kerayong) and July 2009 (Bukit Cheraka). Workers also make complaints via the NUPW and the Estates hold copies on file, for example, letter of 28 April 2009. Inspection of Estates Complaints Books indicated that the majority were related to requests for minor repairs to housing, which were carried out within one or two days. (1.2.5)

Sime Darby has a documented procedure for handling disputes, such as in relation to land boundaries (Appendix 3 of the SPMS issued 1 November 2008). There is also a procedure in the form of a flow chart for handling social issues – Appendix 5 of the SPMS Manual). (1.2.6)

The Mill and Estates Continuous Improvement Plans are made up of the Pollution Prevention Plan, Waste Management Action Plan and Social Management Plan. (1.2.7)

**Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.**

The Mill maintains copies of all Permits and Licences on file, for example, MPOB Licence No 500324804000 current to 31 August 2009.

The most recent DOSH Annual machinery inspections are as follows: (Mill: 23 February 2009 – no outstanding issues) (Bukit Kerayong Estate: 03 February 2009 – three issues raised are being addressed) (Bukit Cheraka Estate DOSH visit was 02 February 2009 with 2 action items identified).

Mill effluent is tested monthly by an external laboratory. Test results are held, with the most recent (May 2009). The previous 12 months results confirmed compliance with the land application limit with all results <400mg/L BOD.

At the time of inspection the smoke density meter was operational and recently calibrated 21 June 2009 by ST Tech Engineering Sdn Bhd.

Domestic Water to Mill and Estate housing is from the Government supply direct to individual houses. Electricity to Mill housing is supplied by the Mill with supply to Estate houses from the Government.

The Mill and Estates hold copies of licences for operators and drivers. For example, copies were held on personnel files of the Boiler Attendant Certificate and the Mill Engineer Certificate. The Estates have a training program for tractor drivers. Bukit Kerayong Estate carried out training on 18 and 19 June 2008 for 15 drivers. Bukit Cheraka Estate has carried out tractor safety training 10 November 2008 for 24 drivers with the most recent refresher training 7 May 2009).

SOU7 has an extension to overtime hours approved by a letter from Labour Department dated 29 January 2009 for period 01-02-09 to 31-01-10.

Inspection of pay records found that payments were made in accordance with NUPW Agreement and overtime was within the monthly Labour Department limit. (2.1.1) **A nonconformity was assigned to this Major Compliance Indicator - CR02 refer Section 3.2 Page 16:**

- Boiler No 4 emissions were tested 4 November 2008 and showed exceedance of the limit stipulated in the Environmental Quality (Clean Air) Regulations, 1978
- Exceedance of Mill worker overtime hours
- Housing at Bukit Kerayong Estate
- Incorrect disposal of Clinic wastes

The Mill and Estates hold a Legal Register that includes an explanation of the requirements in relation to relevant legislations, for example, DOSH, DOE, Factories and Machinery Act. (2.1.2)

Sime Darby Corporate Assurance Department carried out an Audit of the Mill ESH on 13 August 2008. A number of noncompliances were identified and the Mill has responded with corrective actions being implemented. The Mill holds a Legal Compliance Checklist that lists the requirements and frequency of checks. The Mill carried out a legal compliance assessment January 2009 and identified storage of scheduled waste as an issue. **A nonconformity was assigned to this Minor Compliance Indicator – CR05 refer Section 3.2 Page 18** – The Mill internal assessment did not identify legal noncompliance of Boiler Number 4 emissions. An audit of Bukit Kerayong Estate was carried

out 2 March 2009 with noncompliances identified and corrective actions currently were implemented in relation to upgrading of the Schedule Waste storage. Bukit Cheraka carried a legal compliance audit 25-30 June 2009 and identified a nonconformity in relation to storage of scheduled waste, that has since been rectified. (2.1.3)

MAPA, MPOA, AMESU, NUPW and Sime Darby Regional Office provide legal updates on changes to labour laws and worker pay and conditions. Sime Darby TQEM Standards and Compliance Unit provide legal updates on all applicable legislation throughout Sime Darby. Estates received (25 July 2009) MAPA Circular No 24/2009 regarding wage rates for August 2009. (2.1.4)

**Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.**

The Estates are on freehold land titles and a copy is held on site. For example Bukit Cheraka Lot Nos 4538 & 4539 Mukim of Jeram, District of Kuala Selangor for 110 acres, 1 rood, 20 perches Issued 08 August 1955. Bukit Kerayong Estate consists of 11 land titles (lots), for example, Geran 4429 Lot No 1592 Mukim of Jeram for an area of 1,000 acres 1 rood issued 20 January 1908. (2.2.1)

The original land titles were issued for rubber. Following the merger of the 3 plantation companies to form Sime Darby, the land titles have been amended to land use for oil palm. (2.2.2)

Bukit Kerayong Estate boundaries have recently been re-surveyed and boundary stones have been located and marked with red and white Polyvinyl Chloride (PVC) pipe filled with concrete. Inspection of a sample of boundary stones confirmed that these were clearly marked. **Observation 01 – refer Section 3.2 Page 19 – Bukit Cheraka has an approved budget for 2009/10 to re-survey and locate missing boundary stones.** (2.2.3)

At the time of the Certification Assessment there was no land dispute at SOU7 Estates. (2.2.4)

**Criterion 2.3 – Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users without their free, prior and informed consent.**

All of the Estate operations are on Freehold land. The Estates do not restrict access through the area, except in relation to trucks, which must obtain permission first. There are Government roads through the Estates, which provide unrestricted public access. (2.3.1)

All of the Estate operations are on Freehold land. Bukit Kerayong Estate holds a copy of a land survey Plan prepared 15 May 2009 Scale 1:9000. (2.3.2)

All of the Estate operations are on Freehold land. There are no negotiated agreements. (2.3.3)

**Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.**

The Mill and Estates have an Annual budget for 2009-10. The Mill Budget includes production projections for four years, together with targets for oil extraction rate. The Mill is aware of the low oil extraction rate and is working with the estates to improve the FFB quality delivered to the mill and to reduce oil losses. The Estates have crop projections through to 2012/13. (3.1.1)

The Estates have an annual replanting programme prepared 17 November 2008 for the period 2008/9 to 2018/19. The replanting programme includes the schedule and hectareage for each field. A considerable proportion of the palms (14.4%) are of age 31-35 years, but may not be replanted due to the planned re-development of the land for housing projects. The density of palms at such areas has thinned considerably which has negatively affected FFB yields. (3.1.2)

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

The Mill holds a copy of the Mill Quality Management System SOPs issued 1 November 2008. Mill SOPs are posted at each workstation in Bahasa Malaysia and were revised and reissued 12 June 2009.

The Estates hold a copy of the Estate Quality Management System SOPs issued 1 November 2008 that cover all operations from nursery through to mature palms. In addition, Bukit Kerayong Estate has prepared pictorial work instructions for each of the tasks. The Estates display SOPs on the notice board at the Muster areas. (4.1.1)

Inspection at the Mill confirmed operators record hourly readings of equipment parameters on log sheets. The Shift Supervisor records any abnormal operation on the Shift Log and reports any repair requirements to the Maintenance Supervisor. Implementation of SOPs is checked by the Mill Advisor with the most recent visit 21-22 May 2009. The Mill Advisor Report includes issues raised and corrective action by the Mill and target date for implementation.

The Plantation Advisor visits the Estates twice yearly with the most recent 31 March and 3 April 2009. The main issue identified was in relation to improved control of land preparation for replanting. The Advisor visited Bukit Cheraka Estate between 10-13 March 2009 but no significant issue was raised. (4.1.2)

**Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

Sime Darby Agronomy Section of R&D Department makes annual recommendations to the Estates for fertiliser applications. The Executive Manager checks that the fertiliser application matches the recommendation. The current fertiliser recommendation for the 2009/10 financial year was based on the site visit in November 2008. The fertiliser

recommendation details the quantity to be applied to each block of oil palms. (4.2.1)

Sime Darby Agronomy Section of R&D Department carries out annual inspection of the palms and leaf sampling to monitor nutrient status (Bukit Kerayong report 27 March 2009) (Bukit Cheraka report 17 December 2008). The Estates hold a copy of the results on file. At the time of the assessment visit R&D Department was reviewing the programme for soil sampling with a view to identifying sampling dates. (4.2.2)

R&D Department carries out monitoring and results from the foliar sampling, palm inspection and FFB yield are used to advise on the annual fertiliser requirement. The main focus of EFB application is the recently planted areas. (4.2.3)

**Criterion 4.3: Practices minimise and control erosion and degradation of soils.**

All of Bukit Kerayong Estate is flat. Field inspection confirmed groundcover vegetation was well maintained, with roto slashing used for harvesting paths in all mature palm areas. Inspection of terracing at Bukit Cheraka confirmed soil conservation practices are well implemented, including back-sloping terraces, stop bunds and placement of pruned fronds along contours. (4.3.1)

The Estates maintain groundcover vegetation through a spray programme using knapsack sprayers for weeding only palm circles. Immediately following replant, LCC is established. (4.3.2)

Both Estates use a contractor for road maintenance as well as the Estate road maintenance tractor fitted with a mid-mounted grader blade. The Programme includes roadside pruning and grading to repair potholes and improve road camber. Inspection confirmed roads were well maintained. **Observation 02 – refer Section 3.2 Page 19 – At Bukit Cheraka (1986 planting) terraced and sloping areas, there were inadequate “turn-out” drains for channelling rainfall runoff from roadsides into the adjacent terraces and palms. Corrective work is scheduled for Field 86A in November 2009.** (4.3.3)

There are no peat soils at SOU7. (4.3.4)

There are no problematic soils at SOU7. (4.3.5)

**Criterion 4.4: Practices maintain the quality and availability of surface and groundwater**

All of the land was cleared during the original development. Bukit Kerayong has prepared a Plan showing re-instatement of buffer zones at an area replanted along part of Sungai Sembilang. Bukit Cheraka has prepared a plan showing the future reinstatement of riparian vegetation along the main collection drains at Brounston Division that is due for replanting during 2009/10. Bukit Kerayong Estate has prepared an overall buffer zone plan for future replanting areas. Inspection confirmed buffer zones have been marked in the field for areas that will be replanted in 2009/10. (4.4.1)

There are no bunds, weirs or dams constructed across streams that flow through the Estates. (4.4.2)

The Mill stormwater drain discharges into the adjacent Estate and outflow occurs only during the wet season. There are no permanent streams that flow through the Estates, however collection drains flow to join Sungai Sembilang

Bukit Kerayong Estate has identified sampling locations along four small streams flowing through the Estate. Initial water sampling was carried out on the 27 June 2009 The initial sample results showed less than 5% difference between the upstream and downstream water quality, such as total suspended solids. **Observation 03 – refer Section 3.2 Page 19 – Bukit Cheraka has prepared a Sampling Programme and collected initial samples from the main collection drain outlet. Results were not available at the time of the assessment.** (4.4.3)

Daily rainfall is recorded and the information is used for water table management at low-lying areas and crop forecasting. The Estates hold approximately 10 years of rainfall records. Earlier records are held by R&D Department. (4.4.4)

Mill water usage is metered and reported monthly to top management. The annual average water usage for the previous five years shows a reduction from 1.46 t/t FFB in 2004 to 1.31 t/t FFB in 2008. (4.4.5)

The Mill monsoon drain is fitted with an oil trap and a sediment trap. **A nonconformity was assigned to this Minor Compliance Indicator – CR06 refer Section 3.2 Page 18 – There is no system for weekly inspection and record keeping for the cleaning of Mill monsoon drains and PCDs.** Bukit Kerayong and Bukit Cheraka have installed pollution control devices (oil and sediment traps) at the workshop and vehicle wash-down bays. Inspection showed the PCDs were well maintained. (4.4.6)

Inspection indicated the Mill effluent ponds were well managed with consistent achievement of BOD < 400 mg/L for land disposal. Inspection confirmed the land application system for treated POME was well managed for containment of effluent.

The Estates have prepared Water Management Plans for conservation and managing water levels in the field. **A nonconformity was assigned to this Minor Compliance Indicator – CR07 refer Section 3.2 Page 18 – The Mill and Bukit Kerayong Estate have not yet documented a Water Management Plan using the Sime Darby TQEM template. The Mill has not set target values for reducing water usage or prepared a Conservation Action Plan.** The Estates have “screw-gates” for managing water levels at low-lying areas by controlling inflow and outflow. The Estates collect rainwater from the workshop roof for use at the workshop. (4.4.7)

**Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.**



IPM is documented in the Agricultural Reference Manual – Section 15. At the Estates, IPM techniques are implemented for control of palm pests and include use of biological controls and census at affected areas prior to use of chemicals for treatment. (4.5.1)

The major pest is Bagworm and census is carried out fortnightly to monitor pest numbers. Records are held of areas planted to beneficial plants, such as *Turnera subulata*, *Antigonon leptopus* and *Cassia cobanensis*. (4.5.2)

Information on chemical usage is recorded on the Stores Issues Form for the particular field where applied. The Estates maintain records of areas where pesticides have been applied, such as the number of palms treated by trunk injection and the field number in a “book” with records available since October 2006. (4.5.3)

The Estates have calculated pesticide usage for the period July 2008 to June 2009. The monthly data show a seasonal trend with increased usage during the drier months when conditions are more favourable for herbicide use for weed control. **A nonconformity was assigned to this Minor Compliance Indicator – CR08 refer Section 3.2 Page 18 – Bukit Kerayong has not yet calculated the required pesticide usage indicator using the Sime Darby TQEM template, although base data had been compiled on quantities applied.** (4.5.4)

**Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.**

The quantity of chemical and treatment required is documented in Section 16.5 of the Agricultural Reference Manual. **Observation 04 – refer Section 3.2 Page 19 – At Bukit Cheraka Estate, a Work Instruction was not displayed at the chemical mixing area with the quantities of chemicals to be measured for each spray application.** (4.6.1)

Sime Darby Central Purchasing Department controls the purchase of pesticides. Inspection of the Pesticide Store confirmed only pesticides registered by the Pesticides Board were held. The Estates hold approval from the Pesticides Board for use of Methamidophos, for example, Bukit Cheraka holds a recent letter dated 17 June 2009 – approval reference SG/METHA(GL)/09/050. Bukit Kerayong uses Monochrotophos and holds a letter issued 16 March 2009 – approval reference SG/MONO(GL)/2009/005. (4.6.2)

Inspection of the Estates Pesticide Stores confirmed storage was in accordance with regulations with adequate security, ventilation, separation of chemicals, spill containment and labelling. (4.6.3)

Inspection confirmed all chemicals are labelled in Bahasa Malaysia. **Observation 05 – refer Section 3.2 Page 19 –**

*At Bukit Cheraka Estate MSDSs were in English, which may not be understood by local workers.* (4.6.4)

SOU7 has a programme of conducting medical surveillance of pesticide operators. For example, Bukit Cheraka CHRA medical surveillance was carried out for 14 sprayers on 17 and 18 March 2009 with all confirmed fit for work. Another group of 31 pesticide operators are in the process of undergoing CHRA (commencing 25 July 2009). **Observation 06 – refer Section 3.2 Page 19 – CHRA medical surveillance has not yet been carried out for pesticide operators at Bukit Kerayong Estate but is scheduled for August 2009.** (4.6.5)

When a female pesticide operator is confirmed pregnant and wishes to continue working she is transferred to other duties and is not allowed to return to work as a pesticide operator until she has ceased breast-feeding. (4.6.6)

At the time of inspection, there was no Class 1A or Class 1B chemical held at the Pesticide Stores as all stock of Methamidophos and Monochrotophos had been used. SOU7 ceased Paraquat usage in March 2004. The Estates have prepared a Pesticide Reduction Plan that includes actions such as delaying spraying until field inspection confirms it is necessary and expanding the implementation of beneficial plants and barn owls. (4.6.7)

Aerial spraying has not been carried out. (4.6.8)

No buyer has yet requested CPO testing for chemical residues. (4.6.9)

Information on pesticide usage is available for the past five years from the Stores Issue Book. The Estates have records available since November 2004. (4.6.10)

**Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.**

- (a) The Sime Darby Occupational Health and Safety Policy signed by top management is displayed at the Office and Muster areas. The Policy is communicated to staff and workers during morning musters and shift briefings.
- (b) The Mill HIRAC was carried out for each work station on 15 May 2009. A HIRAC was carried out by Bukit Kerayong Estate 14 January 2009 and Bukit Cheraka Estate on 1 July 2007 for all tasks.
- (c) The Mill has prepared an Awareness and Training Programme that lists the safety training to be carried out for each workstation during the 2009/10 year. Bukit Kerayong has prepared a ESH Training Matrix (1 January 2009) and an OSH Training calendar for 2009. Bukit Cheraka has documented a list of safety training programmes for OSH that are conducted during morning muster briefings.
  - i The Mill carries out safety awareness training at the Monday morning briefings and maintains records of specific safety training courses, including topic, trainer and attendee details. The



most recent training was carried out on 2 February 2009 for lock-out-tag-out. Bukit Kerayong carries out safety training for contractors at induction with the most recent on 28 May 2009 for 42 replanting contractor workers. Bukit Cheraka carries out safety training and maintains records for individual workers including signatures with the most recent for PPE training of sprayers on 15 May 2009.

- ii Observation of spraying at both Estates indicated a good awareness of safety by workers when handling pesticides, spray equipment and application of pesticides.
- (d) The Mill supplies workers with PPE that includes safety shoes, helmet, hearing protection, high visibility vest plus additional PPE specific to work stations. The Estates supply workers with safety shoes, helmet, high visibility vest plus additional PPE specific to tasks.
- i. Inspection of the Mill showed that boiler operators were wearing hearing PPE and eye protection. ***A nonconformity was assigned to this Major Compliance Indicator – CR03 refer Section 3.2 Page 17 – Mill safety is inadequately implemented as some Operators did not wear hearing protection in high noise level areas, for example, at the kernel station. Other hazards, such as damaged oxyacetylene pressure regulators and a welding electrical lead, had not been detected. Field inspection of both Estates confirmed PPE were being used correctly for each of the tasks.***
- (e) The Assistant Manager is the person responsible for OSH coordination at the Mill. Assistant Managers are OSH coordinators for the Estates.
- (f) Mill OSH Meetings are held quarterly and minutes are kept of meetings, including a list of attendees and their signatures. The most recent Mill OSH meeting was held 20 May 2009. The Estates also hold quarterly OSH meetings (Bukit Kerayong 13 June 2009) (Bukit Cheraka 20 June).
- (g) The Mill has a documented ERP that was updated March 2009. Inspection confirmed the Mill has emergency shut-down procedures displayed at work stations, for example, on the notice board at the boiler. Mill emergency contacts are displayed on notice boards and on the “Visitors Card”. The Estates also have ERPs, such as the Bukit Cheraka ERP prepared 1 July 2007. The Mill and Estates carry out ERP training, for example, a fire drill and fire fighting training were carried out 2 April 2009.
- h) The Mill carried out first-aid training for 16 trainees on 30 July 2009. The Estates carried out first-aid training on 30 May 2009 and records are held.
- i) First-aid kits were located in the Mill at work stations and records showed kits were recently restocked. The Estates first-aid kits at the Pesticide Stores, workshops and offices were well stocked. (4.7.1)

The Mill and Estates investigate and report all accidents and records are maintained. The accident records showed the last lost time accident at the Mill was as recent as 29 June 2009, compared to Bukit Cheraka which was back in 12 November 2008. (4.7.2)

Malaysian staff and workers are covered by Social Security Organisation (SOCSO) Insurance. Foreign workers are covered under “RHB Insurance Berhad” (Mill: Policy Number FW011964) (Bukit Kerayong Estate: Policy Number FW012029) (Bukit Cheraka Estate: Policy Number FW012006) with expiry 30 June 2010. (4.7.3)

***Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.***

Sime Darby Head Office prepares a formal training programme for Executives and Staff. The Mill has prepared an annual training plan 2009/10 that details the training to be carried out for each work station. In addition, the Mill carries out informal on-the-job instruction to improve skill levels. This is not scheduled but carried out on an “as needs” basis. The Estates have prepared an annual training plan for 2009/10 that lists the topics, personnel and schedule for training in SOPs as well as safety. The Mill and Estates maintain records of training for workers and staff. (4.8.1)

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

The Mill and Estates have prepared an Environmental Aspects and Impacts Register that is based upon a risk assessment process to identify significant impacts (June 2009). (5.1.1)

The Mill has prepared an Environmental Improvement Plan for the significant aspects and impacts. The Estates Environmental Improvement Plan consists of a Pollution Prevention Plan, Waste Management Plan and Water Management Plan for the significant impacts (June 2009). (5.1.2)

***Criterion 5.2: The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.***

There are no HCVs within the SOU7 Estates. The Forest Reserve adjoining Elmina Estate was identified as HCV, but only limited information was available on the habitat. ***Observation 07 – refer Section 3.2 Page 19 – The HCV Assessment Report prepared by Sime Darby TQEM Department in June 2009 could be improved by including additional information on the Forest Reserve adjoining Elmina Estate.*** (5.2.1)

Sime Darby TQEM has prepared an HCV Management Plan that focuses on the reinstatement of riparian buffer zones. (5.2.2)

Signboards have been erected at the entrances to the Estates prohibiting hunting and fishing. The Estates have conducted awareness on the requirements for protection of fauna and flora within and adjacent to the Estates. **Observation 08 – refer Section 3.2 Page 19 – Spotted Dove observed in cages at one house at the Mill Workers housing and at Bukit Cheraka housing indicates these may have been captured from the Estate.** The sample of workers and their families interviewed indicated their awareness of the rules relating to prohibiting the taking of fauna and flora. (5.2.3)

**Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

The Mill and Estates have prepared a Waste Management Plan that lists the wastes generated and the method of treatment, such as recycling of EFB to the field or disposal of non-recyclables to the landfill. (5.3.1)

Bukit Cheraka Estate has developed a small landfill at a disused laterite quarry for disposal of domestic refuse. Inspection confirmed the landfill operation was consistent with Municipal Guidelines. **A nonconformity was assigned to this Minor Compliance Indicator – CR09 refer Section 3.2 Page 18 – The Mill has not prepared a Plan for operation of a landfill within the disused quarry adjacent to the effluent ponds and dumping of wastes was uncontrolled. Inspection of housing at the Mill and both Estates indicated that domestic wastes are not adequately controlled with refuse discarded in adjacent palms.**

The Mill has engaged Malik Family Resources Sdn Bhd (DOE Licence 001296) for waste oil disposal and Resources Conservation Sdn Bhd for other scheduled wastes (DOE Licence No 000488). The Estates have engaged Aliran Segar Sdn Bhd (DOE Licence No 000394) for spent lubricants and Chem Specialities Sdn Bhd (DOE Licence No 000505) for disposal of used pesticide containers. Inspection of records confirmed the Mill and Estates maintained up-to-date stocktakes of scheduled wastes and copies were available of manifests for waste collection (5.3.2)

EFB is recycled to the field with the majority applied to immature palms. Treated mill effluent is applied to palms in furrows. Inspection of the area confirmed a well managed system with two full-time operators in attendance. (5.3.3)

**Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.**

Energy use is recorded and reported monthly to Sime Darby Head Office. The indicator has been calculated separately for renewable energy and the information analysed for trend, which shows reduction in consumption from 29.71 kWh per tonne FFB in 2004 to 26.31 kWh per tonne in 2008. (5.4.1)

**A nonconformity was assigned to this Minor Compliance Indicator – CR10 refer Section 3.2 Page 19 –**

*Energy usage for the standby genset had not been recorded or reported separately from renewable energy.* (5.4.2)

**Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.**

SOU7 has a zero burning policy and inspection confirmed this is being consistently implemented at replanting areas except for one occurrence of fire observed near the old housing at Bukit Cheraka. This consisted of approximately 30m length of one windrow that was stated to have been lit by “contractors or outsiders”. **A nonconformity was assigned to this Major Compliance Indicator – CR04 refer Section 3.2 Page 17 – At the time of the Certification Assessment there was no evidence available of action taken to prevent reoccurrence of fire lit by “contractors or outsiders”. Local Kampung had not been consulted on this issue.** (5.5.1)

Inspection at the replanting areas of Bukit Kerayong and Bukit Cheraka confirmed that previous crop was felled, chipped and windrowed. (5.5.2)

**A nonconformity was assigned to this Minor Compliance Indicator – CR11 refer Section 3.2 Page 19 – Inspection of the housing areas for the Mill, Bukit Kerayong and Bukit Cheraka Estates found evidence of fire being used for waste disposal.** (5.5.3)

**Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

The Mill has prepared a Pollution Prevention Plan that includes reduction of particulate smoke emissions as well as discharge of effluent. A new Mill boiler has been installed and commissioned that is expected to result in decreased particulate emissions because of pollution control technology. Bukit Cheraka has prepared a Pollution Prevention Plan (June 2009) that focuses mainly on controlling point sources of pollution. Inspection confirmed PCDs had been installed for all point sources and were being maintained. (5.6.1)

The Mill and Estates have prepared initial Pollution Prevention Plans that will be reviewed within one year of operation. (5.6.2)

SOU7 does not have any peat soils. (5.6.3)

**Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

Sime Darby TQEM Department carried out an SIA in May 2009 that involved interviews of staff, workers and their families at the Mill and the Estates. In addition, the TQEM Team visited and interviewed local community representatives to obtain their views on SOU7 performance and whether they had any issues of

concern. A Draft SIA Report was available at the time of the assessment. (6.1.1)

Interview of internal and external stakeholders indicated they had participated in the SIA. When interviewed, community representatives, as well as Mill and Estates workers, confirmed they participated in the SIA process and their concerns were recorded by the interviewer. This indicates that the SIA was carried out with the participation of interested parties. (6.1.2)

SOU7 has prepared a Social Action Plan that takes into account the issues raised by stakeholders. An example is the lack of response by SOU7 to make repairs to houses when requested by residents. SOU7 has prepared an Action Plan to improve the response to requests made by residents of housing. (6.1.3)

***Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.***

A Communication Procedure is documented in the form of a flow chart in appendix 5 of the Sime Darby Plantation Estate Quality Management System. Enquiry with local communities found they had a good relationship with SOU7 and that the Mill and Estate Managers met with them from time to time. For example, On 23 May 2009 the Mill Manager and Bukit Kerayong Estate Manager held a consultative meeting with Kg Bukit Kerayong to discuss working closely to improve security and relationship with the community and to confirm that any issues can be raised directly with the Managers. (6.2.1)

The Mill Manager and Estates Senior Assistant Managers are the designated persons. (6.2.2)

The Mill maintains a list of Stakeholders that includes suppliers, contractors, local village heads, government departments and other interested parties. Records of communications are held on file together with company response.

The Estates maintain records of written requests, such as from local schools and Kampung. For example, Bukit Cheraka Estate received a request from the local Temple on 6 April 2009 with the Estate replying on 10 April 2009. (6.2.3)

***Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.***

Sime Darby has a documented Grievance Procedure in the form of a Flow Chart – Appendix 5 of SPMS Manual. Complaints from Mill workers are recorded by Supervisors in the “Defects Report Book” and communicated to Engineers. Complaints in relation to housing are recorded on a Housing Repair Form. Bukit Kerayong and Bukit Cheraka Estates have implemented a “complaints book” that is held in the Supervisors Office. Records commenced in June 2008 (Bukit Kerayong) and July 2009 (Bukit Cheraka). Workers also make complaints via the NUPW and the Estates hold

copies on file, for example, letter of 28 April 2009. (6.3.1)

Inspection of records and interview of workers and community representatives did not identify any significant issue that required to be addressed by the Sime Darby Grievance Procedure, consequently the effectiveness of the Procedure has not yet been tested. (6.3.2)

Interviews of workers and contractors indicated they were able to raise issues directly with the mandore or the Manager. (6.3.3)

***Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.***

Sime Darby has implemented a procedure for handling land disputes (Appendix 3 SPMS issued 1 November 2008), including boundary and squatter issues. (6.4.1)

The land dispute procedure refers the compensation assessment to the Corporate Land Management and Legal Department of Sime Darby who assess and advise on compensation. (6.4.2)

All of the SOU7 land is on freehold title and there has been no land dispute or claim for compensation that has had to be addressed. (6.4.3)

***Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.***

Pay and conditions are documented in MAPA/AMESU Agreement 2006 and MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement 2007. (6.5.1)

Interview of Mill and Estate female Staff confirmed they retain a copy of their Letters of Appointment and understand Terms and Conditions. All stated they understand and receive correct leave entitlements. All stated they understand deductions outlined on their pay slips. The audit team confirmed by means of payroll checks that correct remuneration was paid for standard hours as well as for any overtime hours worked. (6.5.2)

Mill housing meets the government standard. Bukit Cheraka housing was constructed in 2008 and meets the Government Standard. Inspection indicated SOU7 allows residents to maintain small vegetable gardens, which is very beneficial in reducing their daily costs. Interview of residents indicated requests for repairs are addressed in a timely manner. Bukit Kerayong worker housing is in poor condition and has only two rooms, which is below Government standard – refer *Nonconformity CR02 assigned to Indicator 2.1.1.*

There is a Tamil school at Bukit Kerayong Estate that provides schooling for approximately 40 children. Primary and Secondary Schools are located at Kapar Town approximately 7km distance. Closest Primary and

Secondary schools to Bukit Cheraka are located within 1km of the Estate.

A Crèche is available for children of staff and workers and SOU7 provides milk and biscuits at no cost to families.

Water to all housing is from the Government supply. Electricity to Mill houses is supplied by the Mill and Estates housing electricity is from the Government supply.

SOU7 provides medical treatment at the company clinics to staff, workers and their families free of charge. (6.5.3)

**Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

SOU7 holds records of meetings held with Union Officials. For example, the Estates most recent meeting with NUPW Officials was in March 2009. In addition to formal meetings between SOU7 management and Union Officials, workers Union Representatives attend quarterly OSH meetings where they are able to raise issues. (6.6.1)

The Policy on Freedom of Association is documented in the Social Policy approved by Top Management April 2008. Interview of female Staff and workers confirmed awareness and they stated there were no issues in relation to their choice to join a Union if they wished to do so. (6.6.2)

**Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.**

The minimum working age is 18 under the Labour Ordinance. At the time of hire a check of age is confirmed by local's ID Card. A check of Passports of foreign workers is carried out prior to hire. Inspection of a sample of records confirmed age checks have been carried out and workers are of legal age. No children were observed at any workplace inspected. (6.7.1)

**Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

The SOU7 Anti-discrimination Policy is documented in the Social Policy approved by Top Management April 2008. Interview of female staff and workers confirmed awareness of Policy and stated they were not aware of any cases of discrimination. (6.8.1)

Interview of staff and workers confirmed there is no discrimination in relation to gender, ethnicity or religious beliefs. (6.8.2)

**Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.**

The Policy for Prevention of Sexual Harassment and Violence is documented in the Social Policy approved by Top Management April 2008. Interview of Mill and Estate Staff and Workers confirmed their knowledge of the Policy. Female Mill and Estates staff members had attended Tenaganita Workshops on gender policy and related issues. Inspection of Mill records showed the Gender Committee held its first meeting 4 May 2009 with 10 attendees.

Bukit Kerayong Estate held an initial Gender Committee meeting 28 May 2009 with 10 attendees. Females stated they were very happy to have their own committee to address any issues that may arise. (6.9.1)

Tenaganita has facilitated preparation of Sime Darby's Grievance Procedure related to gender issues. The Sime Darby Gender Policy Manual, which includes the grievance mechanism has been distributed to SOU7. Interview of female staff and workers indicated awareness of the Grievance Procedure and no issues of concern were raised. (6.9.2)

**Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.**

The Mill does not purchase any outside crop. The Mill processes crop from outside suppliers that has been diverted from other Sime Darby Mills, such as <100 t per month. (6.10.1)

The Mill does not purchase any crop from outside suppliers. (6.10.2)

The Mill explains terms and conditions to contractors during the tendering process as well as upon awarding of contract. (6.10.3)

Interview of contractors indicated payments are made in a timely manner. (6.10.4)

**Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.**

Infrastructure is well developed and government services are readily available in the area. SOU7 makes donations to local schools, temples and mosques, which are considered an appropriate form of assistance. Bukit Cheraka Estate assisted local primary and secondary schools by providing top-dressing to the sports field and grass cutting. (6.11.1)

**Principle 7: Responsible Development of New Plantings**

SOU7 has not carried out any new oil palm developments since November 2005 and there are no plans for expansion of plantings. Principle 7 is not applicable to this Assessment.

**Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement**



**action plans that allow demonstrable continuous improvement in key operations.**

SOU7 ceased using Paraquat in March 2004 and is implementing a pesticide reduction plan that is consistent with integrated pest management principles using biological controls where practical. (8.1.1)

The Environmental Improvement Plan has focused on implementing engineering controls for preventing the discharge of point source pollutants to streams and waterways at the Mill and Estate workshops. (8.1.2)

The Mill has implemented a programme to maximise the re-use and recycling of processing by-products. Fibre and nut shell are used as fuel in the Mill Boiler and excess materials are recycled to the Estate with the EFB for use as mulch. Mill effluent is treated in effluent ponds before application to the palms in a system of furrows for recycling nutrients to the palms. (8.1.3)

A major capital expenditure item for pollution reduction has been the construction and commissioning of a new Mill boiler. This has reduced substantially the emission of particulates to the air that occurred as a result of overloading the small capacity boiler. (8.1.4)

The SOU7 Social Action Plan includes the replacement of existing worker housing at Bukit Cheraka. (8.1.5)

The Sime Darby Management Review process shares information on best practices for performance improvement. Sime Darby TQEM has requested SOUs to record information on expenditure related to social and environmental aspects. (8.1.6)

**3.2 Detailed Identified Nonconformities, Corrective Actions and Auditor Conclusions**

Nonconformities were assigned to Four (4) Major Compliance Indicators 1.2.5, 2.1.1, 4.7.1 and 5.5.1 and to Seven (7) Minor Compliance Indicators 2.1.3, 4.4.6, 4.4.7, 4.5.4, 5.3.2, 5.4.2 and 5.5.3.

SOU7 prepared a Corrective Action Plan for addressing the identified Nonconformities. The Audit Team has reviewed and accepted SOU7 Corrective Action Plan.

A follow-up visit was conducted by a BSi Assessor on 20 September 2010 to check on the implementation of corrective actions for the nonconformities assigned to the four Major Compliance Indicators and for the nonconformities assigned to the seven Minor Compliance Indicators.

**CR01: 1.2.5 Details of complaints and grievances**

A Nonconformity was assigned because at time of the certification assessment the Mill "Defects Report Book" could not be located therefore records could not be checked. Inspection of "Housing Repair Form" showed records were incomplete as date to confirm "repairs carried out" was not included. In addition, interviews of workers at Mill housing found that requested repairs had not been carried out.

**Corrective Actions:**

- Housing repair forms were updated with confirmation of repair status and date of repair. A File was created to compile the forms.
- A regular updating and review (weekly) to the designated person in charge was established.

*Findings during site visit 20 September 2010: A visit to all housing locations found that requests for repairs to housing were being recorded and responded to in a timely manner, for example, at Bukit Cheraka Estate housing on 12/09/2010 resident lodged request for repair of broken toilet, which was carried out on 14/09/2010.*

**The Nonconformity was closed 20/09/2010**

**CR02: 2.1.1 Evidence of compliance with legal requirements**

A Nonconformity was assigned for the following issues:

**MILL**

- Boiler No 4 emissions were tested 4 November 2008 and showed exceedance of the limit stipulated in the Environmental Quality (Clean Air) Regulations, 1978. Although rectification work has been carried out on the boiler, emissions have not been retested to check compliance.

**Corrective Actions:**

- A letter to DOE was sent 4th May 2009 informing the status of Boiler No.4. However, there was no reply to date. Therefore, a follow up letter again was sent in 3rd August 2009 to re-confirm the stack sampling will be carried out after statutory inspection by DOSH on October 2009 as proposed earlier. Currently, Mill is waiting for the favorable reply from DOE.

*Findings during site visit 20 September 2010: Stack flue gas monitoring was carried out on 5 July 2010 for stack number 4 – Boiler No. 4, by Environmental Science (M) Sdn Bhd—a DOE approved company—confirmed that the dust particulate concentration as 12.0% CO<sub>2</sub> was lower (0.0535 at 8.2%CO<sub>2</sub> and 0.0785 at 12.0% CO<sub>2</sub>) than the limit of 0.4 gm/m<sup>3</sup>N stipulated by Environmental Quality (Clean Air) Regulation, 1978.*

**The Nonconformity was closed 20/10/2010**

- Labour Department has approved an extension to work overtime hours each month, however inspection of Mill pay records showed 4 instances where workers have worked in excess of the approved overtime extension during May/June 2009, with one worker in both May and June.

**Corrective Actions:**

Checks will be implemented to ensure workers do not exceed permitted maximum overtime hours.

*Findings during site visit 20 September 2010: Monthly summary of total overtime has been recorded since June 2009. However, a weekly check to ensure overtime does not exceed the approved monthly overtime limit had not yet been implemented. Stated by the Mill Assistant Manager that verbal order had been given by the Mill Manager to check overtime every week to ensure compliance. Inspection of August 2010 records found*



several instances where the maximum overtime hours had been exceeded. **The Nonconformity was not closed and further corrective action was requested.**

Further objective evidence was received from Sime Darby on 3 January 2011. A memo dated 12 October 2010 was circulated to all Mill workers advising that overtime above the approved limit would not be permitted. SOU7 forwarded a copy of the weekly checks that had been implemented to ensure compliance.

**The Nonconformity was closed 03/01/2011**

#### **ESTATES**

- Bukit Kerayong Estate housing has only two rooms and does not meet the Government Standard. Inspection of a sample of houses indicated damage by termites has not been repaired and the affected houses could be structurally unsafe.

#### **Corrective Actions:**

The construction of new workers quarters with 3 rooms at Bukit Kerayong Estate was retendered on 4th March 2009. The 2 houses with minor damaged by termites will be repaired.

Findings during site visit 20 September 2010: Estate has forwarded a proposal to Plantation and Agribusiness Division to construct new workers quarters, with construction expected to commence 2010/11. The two houses affected by termite damage have been demolished and the occupants transferred to other houses.

**The Nonconformity was closed 20/09//2010**

- Clinic wastes, such as used sharps, are appropriately stored at the Clinics prior to disposal, however, there are no records of transfer to a licenced Scheduled Waste Contractor. Other clinic wastes, such as soiled bandages, have not been identified as a scheduled waste and are presently being disposed at the domestic landfill.

#### **Corrective Actions:**

The Estates will liaise with the local government clinic to facilitate the disposal of all clinic waste.

Findings during site visit 20 September 2010: The Estates have applied to private and government clinics to arrange disposal of clinic wastes, but have not received a response. Currently the Estates are planning to apply to Sharp & Bins Sdn Bhd for clinic waste disposal. **The Nonconformity was not closed and further corrective action was requested.**

Further objective evidence was received from Sime Darby on 3 January 2011. A copy of the Registration Form from Sharps & Bins Sdn Bhd and a Pantai Medivest Consignment Note dated 13/12/2010 have been viewed by the Lead Assessor.

**The Nonconformity was closed 03/01/2011**

**CR03: 4.7.1 Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967(Act139). The safety and health (OSH) plan shall cover the following:**

- a) A safety and health policy, which is communicated and implemented

A Nonconformity was assigned as Mill safety is inadequately implemented because some Operators did not wear hearing protection in high noise level areas, for example, at the kernel station and other hazards (damaged oxyacetylene pressure regulators and a damaged welding electrical lead) had not been detected.

#### **Corrective Actions:**

- The Mill has carried out immediate rectifications on this matter and ear muffs were given to all Mill workers during Safety Awareness Training to replace the old ear plugs.
- Damaged oxyacetylene pressure regulators and the welding electrical lead were replaced.

Findings during site visit 20 September 2010: Inspection of the Mill "safety inspection record" confirmed that pressure regulators and electrical leads have been included in the checks. The last inspection was carried out on 15 July 2010. However, inspection of the kernel station found one worker not wearing hearing protection, a damaged welding electrical lead and a damaged pressure regulator on an oxy-acetylene welding set in the workshop. **The Nonconformity was not closed and further corrective action was requested.**

Further objective evidence was received from Sime Darby on 3 January 2011 showing records of the issues of hearing protection and photographs of workers at the kernel station wearing hearing protection. A photograph showing the repaired electrical lead and pressure regulator.

**The Nonconformity was closed 03/01/2011**

**CAR04: 5.5.1 No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environment Quality (Declared Activities) (Open Burning) Order 2003**

A Nonconformity was assigned because at the time of the Certification Assessment there was evidence of open burning of windrowed palms near housing at Bukit Cheraka Estate and no action taken to prevent reoccurrence of fire lit by "contractors or outsiders". Local Kampung had not been consulted on this issue.

#### **Corrective Actions:**

- Bukit Cheraka Estate has raised the open burning issue and its significant impact to the environment to the workers via morning briefing. The signboards of "No Open Burning" also have been erected at the workers' housing in all divisions and also at the replanting area.
- Bukit Kerayong Mill: Awareness of zero open burning was briefed to the workers during weekly briefing and signboards were displayed at the Mill, landfill area and housing.

Findings during site visit 20 September 2010: Inspections did not find any evidence of open burning at the replanting areas. Bukit Cheraka Estate stated that open burning issues have been discussed during morning briefing to workers on 12/07/2010 and 13/07/2010. Minutes of briefing available on file "Training Record Book". Meeting with stakeholders has not yet been carried out.

Bukit Kerayong Estate meeting with local stakeholders on “prevention of fire” was held on 07/06/2010 with 20 attendees. Minutes of the meeting were held on file “RSPO NCR Meeting”.

**The Nonconformity was closed 20/09//2010**

**CR05: 2.1.3 A mechanism for ensuring that these are implemented**

A Nonconformity was assigned because the Mill internal assessment did not identify legal noncompliance of Boiler Number 4 emissions and other issues such as excess overtime.

**Corrective Actions:**

The Mill internal assessment was revised to include checks of legal compliance of Boiler No.4 emissions and overtime hours worked.

*Findings during site visit 20 September 2010: The Shift Process Engineer carries out daily checks of the boiler emission smoke density chart to ensure emission is within the allowable limit. Inspection to the records found compliance of Mill boiler No. 4 emissions. DOE of Selangor has prepared an online procedure to monitor boiler emission in every Mill, with expected implementation in September 2010.*

**The Nonconformity was closed 20/09//2010**

**CR06: 4.4.6 Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders**

A Nonconformity was assigned because there is no system for weekly inspection and record keeping for the cleaning of monsoon drains and PCDs. Inspection of monsoon drains during the Certification Assessment found drains had not been cleaned.

**Corrective Actions:**

The Mill has prepared a schedule for cleaning of monsoon drains and PCDs and will maintain records.

*Findings during site visit 20 September 2010: There is a work programme for cleaning of monsoon drains and PCDs on Sundays. The Mill Supervisor carries out inspection prior to cleaning. For example, the last inspection was carried out on 14/09/2010. A schedule has been prepared to ensure timely inspection. Record held on file “Monsoon drain inspection record”*

**The Nonconformity was closed 20/09//2010**

**CR07: 4.4.7 Evidence of Water Management Plans**

A Nonconformity was assigned because the Mill and Bukit Kerayong Estate have not yet documented a Water Management Plan using the Sime Darby TQEM template. The Mill has not set target values for reducing water usage or prepared a Conservation Action Plan.

**Corrective Actions:**

The Mill and Bukit Kerayong Estate will document a Water Management Plan using the TQEM template. The water usage will be monitored and recorded monthly.

The records will be used as an indicator to reduce water usage.

*Findings during site visit 20 September 2010: Mill has documented water management plan using TQEM template including Identification and Management of Waste Water (dated 01/09/2009), Action Plan to Reduce Fresh Water Usage (04/12/2009), and Contingency Plan during Water Shortage (dated 01/09/2009).*

*Water usage was being recorded and reported monthly.*

*Bukit Kerayong Estate: A water management plan was prepared on 30/06/2010. Copy available on file “4.4.4. Rainfall/Water Management”.*

*Bukit Cheraka Estate: A water management plan was sighted, which consists of Identification and Management of Waste Water, Action Plan to Reduce Fresh Water Usage, and Contingency Plan during Water Shortage. Record held on file “SHF Management Plan”.*

**The Nonconformity was closed 20/09//2010**

**CR08: 4.5.4 Monitoring of pesticide usage units per hectare or per tonne crop, for example, total quantity of active ingredient (a.i.) used/tonne of oil**

A Nonconformity was assigned because Bukit Kerayong has not yet calculated the required pesticide usage indicator using the TQEM template, although base data had been compiled on quantities applied

**Corrective Actions:**

The Estate has calculated the required pesticide usage indicator using the TQEM template.

*Findings during site visit 20 September 2010: Bukit Kerayong and Bukit Cheraka Estates have recorded pesticide usage on a monthly basis with records available for 2008 and 2009 and have calculated pesticide toxicity units. Records held on file “Chemical Management”.*

**The Nonconformity was closed 20/09//2010**

**CR09: 5.3.2 Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution**

A Nonconformity was assigned for the following issues:

- The Mill has not prepared a Plan for operation of a landfill within the disused quarry adjacent to the effluent ponds and dumping of wastes was inadequately controlled.
- Inspection of housing at both Estates indicated that domestic wastes are not adequately controlled with refuse discarded in adjacent palms and drains.

**Corrective Actions:**

- A domestic waste disposal plan has been developed and land fill area/dumping area was allocated. Records will be monitored for control measures.
- Bukit Cheraka Estate has supplied a dustbin to each worker’s quarter for domestic wastes with the collection and disposal of the wastes two times per week. A new landfill was developed at a location which is 3km distance from the Estate housing and local community.

*Findings during site visit 20 September 2010: The Mill allocated one trailer for transport of domestic waste and implemented twice-weekly waste collection. All of the waste disposed to the landfill was recorded in “Domestic Waste Disposal Record” and “Boiler Ash Disposal Record”. A detailed plan of the landfill had been prepared. Photographs taken of the rear of housing showing that all refuse has been removed and the area was clean.*

**The Nonconformity was closed 20/09//2010**

**CR10: 5.4.2 Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill)**

*A Nonconformity was assigned because the indicator has not been calculated or the information analysed for trend.*

**Corrective Actions:**

Corrective actions involve recording of Power consumption kW per tonne of FFB.

The Mill will monitor the indicator on a monthly basis for FY 09/10.

*Findings during site visit 20 September 2010: Power consumption kW per tonne of FFB has now been recorded. The Mill has prepared graphs showing non-renewable energy usage. Energy usage was high during low crops since the Mill did not use the turbine for power generation but used diesel. Records held on file “Monthly Power Consumption”.*

**The Nonconformity was closed 20/09//2010**

**CR11: 5.5.3 No evidence of burning waste (including domestic wastes)**

*A Nonconformity was assigned because inspection of the Mill, Bukit Kerayong and Bukit Cheraka Estate housing areas showed instances where fire has been used for disposal of domestic wastes.*

**Corrective Actions:**

- All workers in Bukit Cheraka Estate have been notified that burning of domestic wastes is prohibited and the collection and disposal of the wastes has improved.
- Bukit Kerayong Estate has strictly applied zero burning of domestic wastes. All workers have been briefed on the effect and regulatory cause on open burning since the collection and disposal of the domestic waste had been implemented.

*Findings during site visit 20 September 2010: Awareness training has been delivered at Morning Muster at all locations but inspection showed there are still instances where fire is being used for disposal of domestic wastes. The Nonconformity against this Minor Compliance Indicator remains open. Implementation of corrective action will be checked at the Surveillance Assessment visit scheduled to be carried out within twelve months following initial RSPO Certification.*

**Observations/Opportunities for Improvement**

Eight (8) Observations/Opportunities for Improvement were identified. The progress with the Observations/Opportunities for Improvement will be checked at the Surveillance Assessment visit scheduled to be carried out within twelve months following initial RSPO Certification.

- 01** (2.2.3) Bukit Cheraka has an approved budget for 2009/10 to re-survey and locate missing boundary stones
- 02** (4.3.3) At Bukit Cheraka (1986 planting) terraced and sloping areas, there were inadequate “turn-out” drains for channelling rainfall runoff from roadsides into the adjacent terraces and palms. Corrective work is scheduled for Field 86A in November 2009.
- 03** (4.4.3) Bukit Cheraka has prepared a Water Sampling Programme and collected initial samples from the main collection drain outlet. Laboratory test results were not available at the time of the assessment.
- 04** (4.6.1) At Bukit Cheraka Estate, a Work Instruction was not displayed at the chemical mixing area to show the quantities of chemicals to be measured for each spray application.
- 05** (4.6.4) At Bukit Cheraka Estate MSDSs were in English, which may not be understood by some local workers.
- 06** (4.6.5) CHRA medical surveillance has not yet been carried out for pesticide operators at Bukit Kerayong Estate but is scheduled for August 2009.
- 07** (5.2.1) The HCV Assessment Report prepared by Sime Darby TQEM Department in June 2009 could be improved by including additional information on the Forest reserve adjoining Elmina Estate.
- 08** (5.2.3) Spotted Dove were observed in cages at one house at the Mill Workers housing, which indicates these birds may have been captured from the Estate.

**3.3 Noteworthy Positive Components**

- Visits to local communities and interviews of residents found there is a good relationship because of regular informal meetings and employment of local people.
- The maintenance and upkeep of the oil palm was well implemented and consistent with the Sime Darby internal standards.

### 3.4 Issues Raised by Stakeholders and Findings with Respect to Each Issue.

The majority of stakeholders had positive comments about SOU7. For the situations where stakeholders raised issues, the company's response is stated. Follow-up of issues will be carried out during the Surveillance Assessment.

With the new system, pays are credited directly to workers' bank accounts. For the months of June, July and August the company is providing transport for workers to travel to Kapar to access their accounts. As there is no public transport and not all workers have their own transport, they are concerned as to how they are going to access their money when the company transport ceases. Foreign workers are not aware that the bus service will cease after three months.

**Company Response:** *Transport will continue to be provided by the Mill and Estates on pay day.*

Some foreign workers stated that they are unclear about whether they can rejoin the Estate after taking a long leave to return home, for example, after three months.

**Company Response:** *Workers who take leave during their period of contract are expected to return to work for the Estate/Mill.*

Interview of Mill housing residents stated that prior to the merger the company had provided transport for school children but this has now ceased. Some parents find it difficult when the husband (worker) is designated transporter as there is no public transport.

**Company Response:** *The company provides a subsidy for school transport. The Mill will carry out a survey to determine how many eligible children may require assistance.*

Bukit Kerayong Estate housing residents asked why water could not be piped direct to their house so they could access from taps inside houses. The storage of water in the current way is unhygienic as the containers cannot be properly sealed.

**Company Response:** *Water is connected to houses but flow is available only during restricted hours to control wastage. At new housing under construction, water will be connected to individual houses and metered. Supply will be unrestricted but "user pays".*

### Issues Raised by External Stakeholders

An FFB transport contractor complained that some roads at Bukit Kerayong are too narrow, the camber is too steep and on some Bukit Cheraka roads the culverts are raised too high above the road level and clearance for the lorries is a problem.

**Company Response:** *Estates will discuss with Contractor to identify any problematic areas that may require improvement.*

Local communities complained about dust on the Bukit Kerayong and Bukit Cheraka Estate access roads and also the speeding of lorries.

**Company Response:** *The Estates will ensure that trucks adhere to the 20 kph speed limit on Estate roads. Bukit Kerayong will complete sealing the access road during the dry season.*

The BSi Audit Team considered the SOU7 responses to the issues raised by stakeholders to be acceptable. The issues will be followed up during the Surveillance Assessment to check on progress and satisfactory resolution.

### 3.5 Acknowledgement of Internal Responsibility

SOU7 acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings. SOU7 accepts the responsibility for implementing the corrective actions and addressing the opportunities for improvement detailed in the Assessment Report.

### 3.6 Formal Sign-off of Assessment Findings

Signed for on behalf of  
Sime Darby Plantation Sdn Bhd (SOU7)



.....  
**Mr Abdullah Saminan**  
Estate Senior Manager

Date: 28/03/2011

Signed for on behalf of  
BSi Group Singapore Pte Ltd



.....  
**Mr Charlie Ross**  
Lead Auditor

Date: 29/03/2011

## ***Appendix “A”***

### ***Sime Darby Time Bound Plan***



**SIME DARBY PLANTATION  
RSP0 CERTIFICATION TIME BOUND PLAN & STATUS**

Financial Year	SOU	Main Assessment	Status	Surveillance Assessment	Status
<b>PLANTATION MALAYSIA</b>					
<b>2010 / 2011</b>	SOU 26	Jun-08	Certified in Oct-08	Sep-10	Re-certification approved
	SOU 28, 29, 30 & 30b	May-08	Certified in Jan-09	Nov-10	Assessed, report pending with CB
	SOU 14 & 17	Sep-08	Certified in May-10	Mar-11	Planned
	SOU 8, 9 & 9a	Jan-08	Certified in May-10	Mar-11	Planned
	SOU 21	Feb-09	Certified in May-10	Apr-11	Planned
	SOU 25 & 30a	Apr-09	Certified in May-10	Apr-11	Planned
	SOU 1	Jul-09	Certified in Aug-10	Jun-11	Planned
	SOU 19a	Jun-09	Certified in Oct-10	Aug-11	Planned
	SOU 20	Jun-09	Certified in Nov-10	Sep-11	Planned
	SOU 24	Dec-08	Assessed, report under review		
	SOU 23	Jan-09	Assessed, report under review		
	SOU 5, 5a & 6	Jan-09	Assessed, report under review		
	SOU 2, 4, 18 & 22	Feb-09	Assessed, report pending with CB		
	SOU 19	Jun-09	Assessed, report under review		
	SOU 10, 11 & 12	Jun-09	Assessed, report pending with CB		
	SOU 13, 15 & 16	Jun-09	Assessed, report pending with CB		
	SOU 3 & 7	Jul-09	Assessed, report pending with CB		
	SOU 31, 32, 33 & 34	Jul-09	Assessed, report pending with CB		
	SOU 27	May-10	Assessed, report pending with CB		
<b>PLANTATION INDONESIA</b>					
<b>2010 / 2011</b>	SOU 13	Nov-08	Certified in Aug-10	Jun-11	Planned
	SOU 1, 14	May-09	Certified in Nov-10	Sep-11	Planned
	SOU 2, 3, 4, & 5	Oct-10	Assessed, report pending with CB		
	SOU 14, 15, 19 & 20	Nov-10	Assessed, report pending with CB		
	SOU 18	Dec-10	Audit pending		
	SOU 6, 7, 8, 9 & 10	Jun-11	Planned		
	SOU 11, 12, 20 & 21	Jun-11	Planned		

## ***Appendix “B”***

### ***SOU7 RSPO Certificate Details***

Sime Darby Plantation Sdn Bhd  
 Management Unit SOU7  
 Ladang Bukit Cheraka  
 45800, Jeram,  
 Selangor Darul Ehsan  
 MALAYSIA

Certificate Number : SPO 550181  
 Certificate Issue Date: (RSPO Approval Date)

Website: <http://plantation.simedarby.com>

Standards: RSPO Principles & Criteria : 2007; Malaysia National Interpretation : 2010

### **SOU7 RSPO CERTIFICATE DETAILS**

<b>SOU 7 Bukit Kerayong Palm Oil Mill and Supply Base</b>	
Location	Ladang Bukit Cheraka, 45800, Jeram, Selangor Darul Ehsan, MALAYSIA
Address	Bukit Kerayong Road, 42200 Kapar, Klang, Selangor Darul Ehsan, MALAYSIA
GPS Location	3° 11' 24.58"N    101° 22' 36.66" E
CPO Tonnage Total	30,605
PK Tonnage Total	7,639
Estate FFB Tonnage	Bukit Kerayong: 38,267; Bukit Cheraka: 78,723; Elmina: 34,494; Bukit Rajah: 13,919

Tonnages of CPO and PK are based on the 2009/10 Oil and Kernel Extraction Rates and the projected FFB production from the four Estates for the period 01 July 2010 to 30 June 2011.

## ***Appendix “C”***

### ***Certification Assessment Programme***

**CERTIFICATION ASSESSMENT PROGRAMME 28 – 31 July 2009**

TEAM: CR: Charlie Ross; RR: Robyn Ross; IN: Iman Nawireja; BS: Betsy Sunga					
DATE	TIME	ACTIVITY	CR	RR/ BS	IN
Tuesday 28 July 2009  KERAYONG MILL	0800	Opening Meeting Mill Documentation Interview Male Workers Interview Female Office Staff/Workers Review Pay Documentation Interview Contractors/External Stakeholders Telephone Calls to Government Offices DOSH, DOE, Labour Department, NUPW Regional Office (Union Official)	√ √	√  √ √	√  √ √
	PM	Physical Inspection Mill/Effluent Ponds/Stores/Workshop Inspect Housing and Interview Families Visit any Local Communities Review SIA Review of HCV Assessment and Monitoring Plans	√  √	√	√ √
Wednesday 29 July 2009  BUKIT KERAYONG ESTATE	AM	Physical Inspection Estate/Interview Male Fieldworkers Interview Female Fieldworkers Physical Inspection Stores, Land Application, Landfill Interview Female Office Staff/Workers Review Pay Documentation Interview Contractors/External Stakeholders	√ √	√ √ √	√  √
	PM	Estate Documentation Visit Clinic and Interview Staff Inspect Housing and Interview Residents Visit any Local Communities	√	√ √	√
Thursday 30 July 2009  BUKIT CHERAKA ESTATE	AM	Physical Inspection Estate/Interview Male Fieldworkers Interview Female Fieldworkers Physical Inspection Stores, Land Application, Landfill Interview Female Office Staff/Workers Review Pay Documentation Interview Contractors/External Stakeholders	√ √	√ √ √	√  √
	PM	Estate Documentation Visit Clinic and Interview Staff Inspect Housing and Interview Residents Visit any Local Communities	√	√ √	√
Friday 31 July 2009	1000	Collect any outstanding data/information/clarification Prepare Visit Report and Closing Presentation Closing Meeting	√	√	√



## ***Appendix “D”***

### ***List of Stakeholders Contacted***

**LIST OF STAKEHOLDERS CONTACTED**

<p><b><i>Internal Stakeholders</i></b></p> <ul style="list-style-type: none"> <li>3 Local Male Mill Workers</li> <li>2 Foreign Male Mill Workers</li> <li>7 Foreign Male Bukit Cheraka Estate Harvesters</li> <li>5 Foreign Male Bukit Kerayong Estate Harvesters</li> </ul>	<p><b><i>Internal Stakeholders</i></b></p> <ul style="list-style-type: none"> <li>6 Female Mill Staff/Workers</li> <li>5 Mill Housing Residents</li> <li>3 Female Pesticide Sprayers (Bukit Cheraka Estate)</li> <li>4 Female Staff/Workers (Bukit Cheraka Estate)</li> <li>9 Residents (Bukit Cheraka Estate Housing)</li> <li>Health Assistant (Mill/Bukit Cheraka Clinic)</li> <li>3 Female Staff/Workers (Bukit Kerayong Estate)</li> <li>Family Groups Bukit Kerayong Housing</li> </ul>
<p><b><i>Contractors</i></b></p> <ul style="list-style-type: none"> <li>2 Mill Contractors</li> <li>3 Bukit Cheraka Estate Contractors</li> <li>3 Bukit Kerayong Estate Contractors</li> </ul>	<p><b><i>Local Communities</i></b></p> <ul style="list-style-type: none"> <li>Kg Bukit Kerayong I Kg Head</li> <li>Kg Taman Pekerti Residents</li> <li>Kg Simpang Tiga Residents</li> <li>Kampung Bukit Kerayong II (Kg Head and wife)</li> <li>Kampung Bukit Kerayong School Teacher</li> </ul>
<p><b><i>Government Departments</i></b></p> <ul style="list-style-type: none"> <li>Department of Forestry</li> <li>Department of Labour</li> <li>Lands Department</li> </ul>	<p><b><i>NGOs and others</i></b></p> <ul style="list-style-type: none"> <li>Tenaganita</li> <li>WWF Malaysia (Kuala Lumpur Office)</li> <li>AMESU, Subang Jaya</li> <li>NUPW, Petaling Jaya</li> </ul>