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PUBLIC SUMMARY REPORT

RSPO FOURTH ANNUAL ASSESSMENT (ASA 4)

SIME DARBY PLANTATION Sdn. Bhd
Selangor

Strategic Operating Unit (SOU 1) -
Sungai Dingin, Kedah, Malaysia.

Report Author:

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TABLE of CONTENTS

Page N^o

SUMMARY	1
LIST OF ABBREVIATIONS USED	1
1.0 SCOPE OF CERTIFICATION ASSESSMENT	1
1.1 Identity of Certification Unit	1
1.2 Production Volume.....	1
1.3 Certification Details.....	1
1.4 Description of Fruit Supply Base and Supply Chain	1
1.5 Organizational Information/Contact Person.....	5
1.6 Progress against Time Bound Plan.....	5
1.7 Progress of Associated Smallholders/Out growers towards RSPO Compliance.....	6
1.8 Other Certification Held.....	6
2.0 ASSESSMENT PROCESS	6
2.1 Certification Body	6
2.2 Assessment Team.....	6
2.3 Assessment Programme.....	6
2.4 Stakeholder Consultation	7
3.0 ASSESSMENT FINDINGS	7
3.1 Summary of Findings.....	7
3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA4).....	13
3.3 Status of Nonconformities (Major and Minor) Previously Identified (ASA 3)	13
3.4 Issues Raised by Stakeholders.....	14
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	14
4.1 Date of Re-Certification.....	14
4.2 Date of Closing Nonconformities (Major and Minor).....	14
4.3 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings.....	15

LIST of TABLES

1	Mills GPS Locations.....	1
2	Production Tonnages.....	1
3	Estate FFB Tonnages Processed	1
4a	Age Profile of palms.....	5
4b	Estates and Areas Planted.....	5

LIST of FIGURES

1	Sg. Dingin Operating Unit Location Maps.....	2
2	Jentayu Estate Layouts.....	3
3	Bukit Selarong Estate Layouts.....	4

List of Appendices

A	Sime Darby Plantation Time Bound Plan
B	Sime Darby Plantation Sdn Bhd – SOU1 Sungai Dingin Palm Oil Mill Certification Unit's RSPO Certificate Details
C	Assessment Programme
D	List of Stakeholder Contacted
E	Sungai Dingin Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

SUMMARY

BSI has conducted the Fourth Annual Surveillance Assessment (ASA4) of Sime Darby Plantation Sdn Bhd Strategic Operating Unit SOU1 (SOU1) operations comprising Sungai Dingin Mill, supply base, support services and infrastructure. BSI concludes that SOU1 operations comply with the requirements of RSPO Principles & Criteria: 2007; MY-NI Indicators and Guidance: 2010; and RSPO Supply Chain Certification Standard: November 2011 and the requirements for Mass Balance Mechanism.

BSI recommends for the approval of SOU 1 operations as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS USED

AMESU	All Malayan Estates Staff Union
ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CDA	Controlled Droplet Application
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRAC	Hazard Identification Risk Assessment Control
LTA	Lost Time Accident
MAPA	Malayan Agricultural Producers 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
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
R&D	Research and Development
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

1.0 SCOPE OF CERTIFICATION ASSESSMENT**1.1 IDENTITY OF CERTIFICATION UNIT**

The SOU1 Mill and Estates are located in Kedah, Malaysia (Figure 1). Additional map showing details of each FFB supplying estates respectively Jentayu and Bukit Selarong Estates are included (Figure 2 and 3). The GPS location of the Mill is shown in Table 1.

Table 1: Mills GPS Locations

MILL	LONGITUDE	LATITUDE
Sungai Dingin (80 t/hr capacity)	100°40'0 E	5°24'0 N

1.2 PRODUCTION VOLUME

The actual production tonnages for CPO and PK for the ASA4 period and projected for the next twelve months

are listed in Table 2. The production is less due to lower OER of 21.5% is projected for next 12 months .

TABLE 2: PRODUCTION TONNAGES

Sungai Dingin Palm Oil Mill	CPO	PK
Estimate at ASA 3 (2013/2014)	83,431	20,263
Actual ASA3 (2013/2014)	64,155	15,792
Projected ASA4 (2014/2015)	78,473	20,074

1.3 CERTIFICATION DETAILS

Sime Darby RSPO Membership No: 035-04(O)

BSI RSPO Certificate No: SPO 550179

Date of Certification: 12/08/2010

Date of ASA1: 30/06/2011

Date of ASA2: 9/04/2012

Date of ASA3: 28/05/2013

Date of ASA4: 23/05/2014

1.4 DESCRIPTION OF SUPPLY BASE AND SUPPLY CHAIN

The Sungai Dingin Palm Oil Mill supply base is the seven (7) SOU1 Estates that supply the majority of the FFB processed at the mill, and crop purchased from a FFB Trader. Interview of the FFB Trader found that he do not have any plantation. He is not associated with the Sungai Dingin Mill. The FFB purchased from the trader is excluded from the Sungai Dingin Operating Unit Certificate.

The FFB production from SOU1 Estates and the FFB Trader that was processed at Sungai Dingin Mill for the ASA3 reporting period and projection for Financial Year 2014/15 are listed in Table 3. The projected FFB production is increase due to palms are going into prime age.

Table 3: Estate FFB Tonnages Processed

Source	Estimate (ASA3) 2013/14	Actual 2013/14	Projected 2014/15
<u>SOU 1 Estates</u>			
Sungai Dingin	66,918	50,286	59,266
Bukit Hijau	46,343	66,540	47,624
Anak Kulim	21,761	67,535	23,967
Padang Buluh	76,164	16,759	87,600
Bkt Selarong	68,954	35,431	87,189
Jentayu	31,641	33,211	46,143
Somme	11,302	9,166	13,677
Sub Total**	323,083	278,928	365,466
<u>FFB Trader*</u>			
Tang Tatt	10,000	18,127	10,000
GRAND TOTAL	333,083	297,055	375,466

* Production from the FFB Trader is excluded in the Certificate.

** Certified FFB

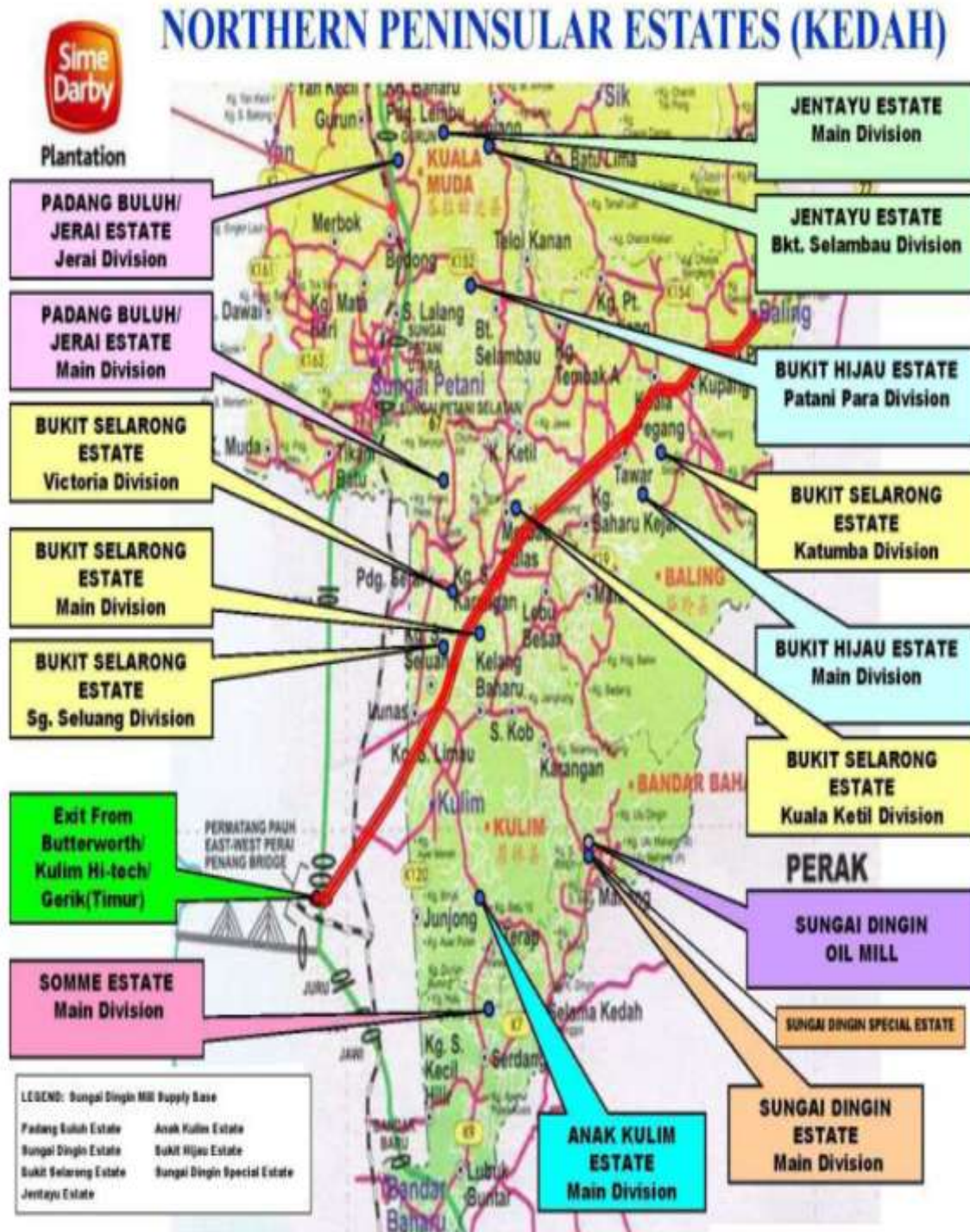


Figure 1: SOU1 Location Map

Figure 1: Sg Dingin Operating Unit Location in Kedah, Malaysia

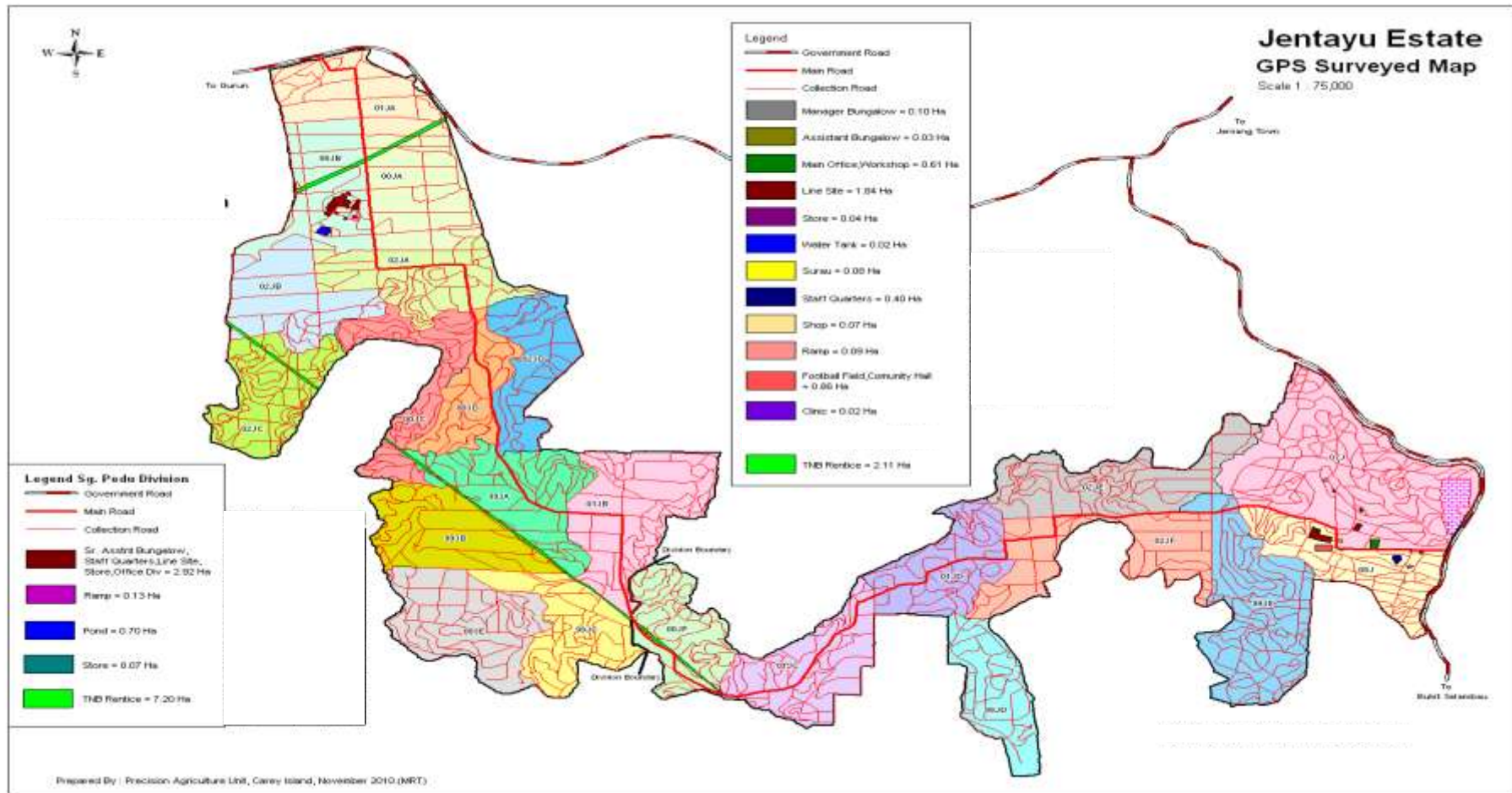


Figure 2: Jentayu Estate Layout



Bukit Selarong Estate

GPS Surveyed Map

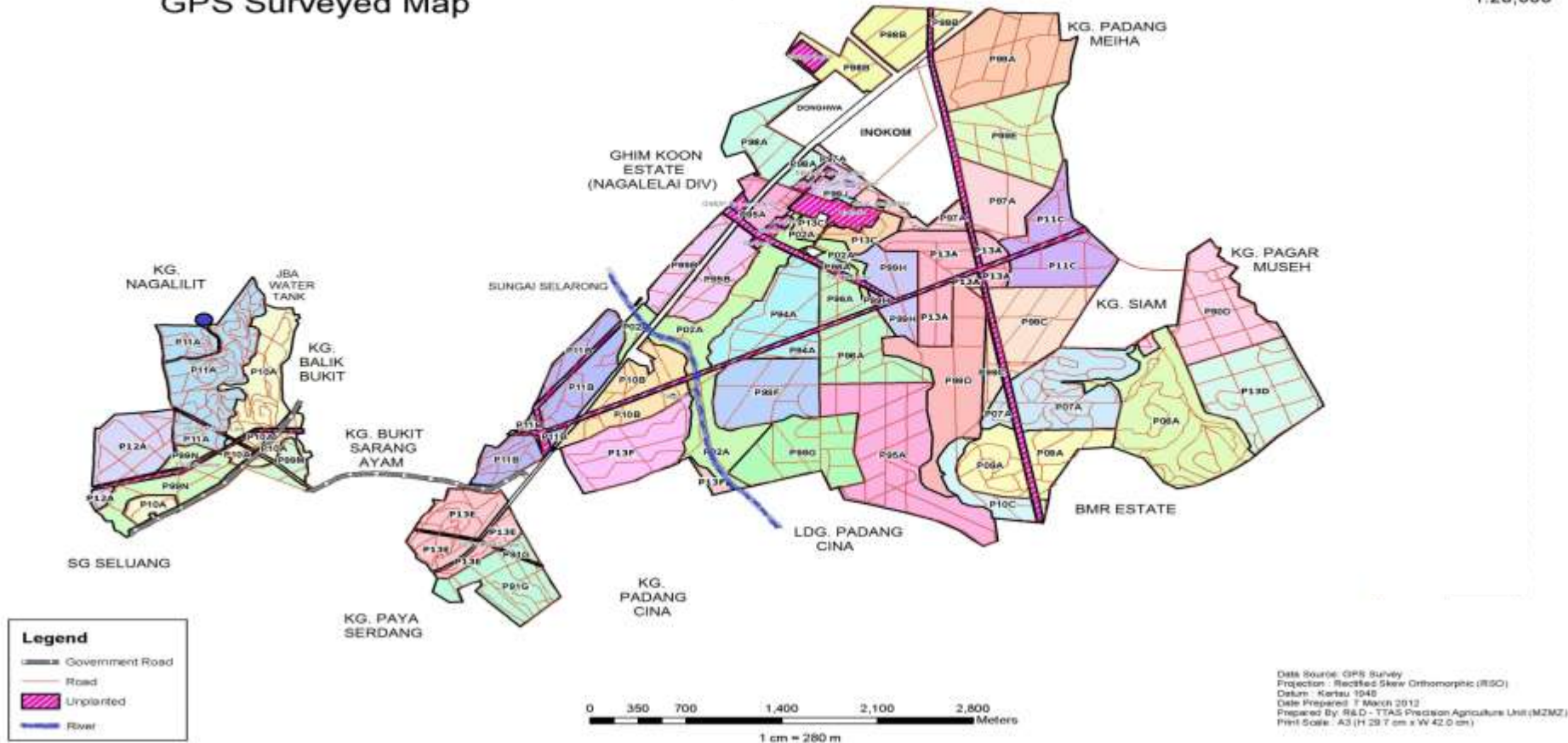


Figure 3: Bukit Selarong Estate Layout

The company owned Estates were developed in the early 1940's. Oil palms planted are in the 1st and 2nd cycles. The age profile of the palms is shown in Table 4a and the areas of mature and immature palms are detailed in Table 4b for each of the Estates.

Table 4a: Age Profile of Palms

<i>Estate</i>	<i>AGE (years)</i>	<i>% of PLANTED AREA</i>
Sungai Dingin	0-3	20.67
	4-10	0
	11-20	79.33
	21+	0
Padang Buluh	0-3	12.45
	4-10	4.85
	11-20	82.70
	21+	0
Selarong	0-3	9.80
	4-10	6.26
	11-20	73.49
	21+	10.45
Anak Kulim	0-3	0
	4-10	5.30
	11-20	94.70
	21+	0
Bukit Hijau	0-3	23.50
	4-10	8.09
	11-20	68.41
	21+	0
Jentayu	0-3	0
	4-10	12.72
	11-20	87.28
	21+	0
Somme	0-3	24.16
	4-10	42.74
	11-20	33.10
	21+	0

Table 4b: Estates and Areas Planted

<i>Estate</i>	<i>Mature (ha)</i>	<i>Immature (ha)</i>	<i>Total Planted Area (ha)</i>
Sungai Dingin	3215	838	4053
Padang Buluh	3032	431	3463
Bkt Selarong	3467	377	3844
Anak Kulim	1209	-	1209
Bukit Hijau	2003	615	2618
Jentayu	2051	-	2051
Somme	587	187	774
TOTAL	15,564	2,448	18,012

Total land area is 19,730ha. Planted area is 18,012ha and conservation area is 51.75ha. Immature area are replanted.

Supply Chain

Sungai Dingin operating unit uses the mass balance mechanism for the supply chain. Similar to last assessment all deliveries of FFB to the Mill are issued with a weighbridge docket that records the details of the supplier, truck registration number, driver's name and the tonnage. The weighbridge system is computerised and the FFB delivery and product despatch records are used as the basis for payment for deliveries and invoicing for shipments, respectively. Inspection of documents confirmed that Sungai Dingin mill maintains all of the documentation required for verification of implementation of the RSPO Supply Chain Certification Standard: November 2011 and the requirements for Mass Balance Mechanism – Refer to Appendix E for details.

1.5 Organizational Information / Contact Person

Sime Darby Plantation Sdn Bhd
 Management Unit SOU1
 Ladang Bukit Selarong
 09400 Padang Serai, Kedah
 MALAYSIA
 Contact Person: Mr. Shahrin Sahuri
 Manager, Sungai Dingin Mill
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 Fax: +6044033135
 Email: kks.sungai.dingin@simedarby.com

1.6 Progress against Time Bound Plan

Sime Darby Time Bound Plan is included as Appendix A. There are total of 59 Certification Units within Sime Darby Plantation (34 in Malaysia and 25 in Indonesia). As per the time bound plan, Pagoh palm oil mill and Sua Betong palm oil mill which was newly commissioned end of 2012 was certified on 28 January 2014 (Pago) and February 2014 (Sua Betong). Based on this achievement, Sime Darby Plantation has achieved RSPO Certification for all the 34 Management Units in Malaysia.

There are 25 Management Units in Indonesia. 21 Management Units in Indonesia has achieved RSPO Certification. There are 4 certification units in Indonesia was audited and summary report is being RSPO peer reviewed. Upon certification of the remaining Management Units, Sime Darby will achieved and complete the Time Bound Plan for RSPO certification.

BSi has continued involvement with assessments of Sime Darby Management Units during the 2013/14 financial year period. During this time, Sime Darby has kept BSi informed of any issues and claims made against it. At the time of preparation of this Report, BSi is not aware of:

- a. Any unresolved significant land disputes;

- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings.

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

1.7 Progress of Associated Smallholders/Out growers towards RSPO Compliance

SOU1 does not purchase any crop from Smallholders, but it has purchased crop from an FFB Trader. The FFB Trader is not associated with the mill. The crop from the FFB Trader is excluded in the SOU1 Certificate.

1.8 Other Certification held

No other certification held by the operating units.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI has a Regional Office in Singapore, and an Office in Kuala Lumpur, Jakarta and Bangkok.

2.2 Qualifications of the Lead Assessor and Assessment Team

Senniah Appalasmay – Lead Assessor

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable

Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

Muhammad Haris B. Abdullah – Team member

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master's Degree in Business Administration from the University Utara Malaysia in January 2014. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare.

Kelvin Lim Kok Wei – Team member

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He attended internal RSPO training in May 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Device auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues.

2.3 Assessment Programme

The ASA4 was carried out 20 – 23 May 2014. The Assessment Programme is included as Appendix C. The Programme included assessments of Sungai Dingin Palm Oil Mill and sample of estates covering Sungai Dingin Estate, Bukit Selarong Estate and Jentayu Estate against all of the RSPO P&C, Supply Chain Standard: 2011 and applicable indicators.

The Observations that were identified during the ASA 3 was followed up to check the effectiveness of corrective actions – refer Section 3.3.

Physical site inspections, observation of tasks and processes, interview of staff, workers and their families and external stakeholders, review of documentation and monitoring data were the methodology used for collection of objective evidence. A checklist was used to guide the collection of information.

This report is structured to provide a summary for requirements, together with details for selected indicators. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

Mr Aryo Gustomo, BSI RSPO Scheme Manager, has reviewed this report for conformance with BSI Procedures and the RSPO Certification System requirements.

2.4 Stakeholder Consultation

Internal and external stakeholders were consulted to obtain their views on Sungai Dingin operating unit's environmental and social performance and any issues of concern that they may have. External stakeholders were interviewed at their premises where practical or they were invited to the Mill or the Estate. Internal stakeholders were interviewed in groups in the workplace or at their housing. Management representative were not present at any of the meetings. A list of stakeholders contacted is included at Appendix D.

3.0 ASSESSMENT FINDINGS

3.1 SUMMARY OF FINDINGS

There were two major nonconformities were identified during this assessment. Corrective action plans with respect to the major nonconformities raised during the ASA4 have been reviewed and found to be effectively implemented and the NC was closed on 18 June 2014. There were no minor nonconformities raised. However there were two observations / opportunities for improvement were identified which will be followed up during re-certification assessment.

The observations / opportunities for improvement identified during ASA3 were followed up to check the effectiveness of corrective actions. Refer Section 3.3 for details.

BSI recommends continuation of Certification for SOU1 as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

Similar to last assessment, the mill and estates continuously maintained the system for receiving and responding to stakeholder requests for information. The requests received over the past year were from internal stakeholders and SOU1 had replied in a timely manner. Documents such as company policies are available on request.

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 have maintained records on file of requests for information received from Government, MPOB and other interested parties, together with the response. For example, DOSH visited the Mill on the 12 May 2014 to inspect the maintenance record of pressure gauge and transmitter and mill showed the records accordingly. Compliance was found by the DOSH as well as by audit team during the mill inspection.

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.

Document review shows the Mill and Estate hold copies of each of the management documents listed under Criterion 1.2 and these are publicly available upon request by stakeholders and interested parties.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Sungai Dingin operating unit has maintained legal compliance with statutory requirements, which can be demonstrated from internal and external evaluation system such as internal audits, mill and plantation advisor reports and visits by DOSH and DOE Officers. The Mill and Estates have maintained all licenses and permits current and these are displayed prominently in the Offices. Land boundaries have been confirmed by survey and boundary stones are clearly demarcated.

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

Compliance with legal requirements is demonstrated by internal and external audit report findings, review of documents and records on site during the ASA4. The Mill and Estates maintain copies of applicable Permits and Licences on display. Checks of permits indicated all were valid. The most recent visit by DOSH on the 12 May 2014 did not find any noncompliance issues.

Mill and estates has complied with the necessary legal requirement such as: MPOB license (number 523647002000 valid till 30 September 2014), CF for new housing (number: PCF 10200020120001 dated 25 April 2014) as per Regulation 38 (1) (a) Minimum housing standard for workers Act 1990 and etc.

However, at Sungai Dingin Estate the schedule waste was stored more than 180 days which was against the

Schedule waste regulation 2005. Therefore, Major non-conformity has been raised as below:

1057519MO: Major nonconformity against indicator 2.1.1 was raised. At Sungai Dingin Estate, empty agrochemical containers were disposed on 19/5/14 through G-Planter. However, visit to the schedule waste store on 21/5/2014 found that schedule waste (SW 306 - used lubricant oil) has been stored more than 180 days. Record review shows that the first generation date was on July 2011. Refer Section 3.2 for details.

The Mill and Estates housing water supplies are from the Government Supply. Electricity is supplied to housing from the Government supply.

The Sime Darby Standards and Compliance Unit provide legal updates on all applicable legislation throughout Sime Darby. Sime Darby Regional Office provides legal updates on changes to labour laws and worker pay and conditions.

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 and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes. Inspection of the boundary stones in the field at Bukit Selarong Estate and Jentayu Estate confirmed that steel pipes painted red and white have been installed beside the concrete boundary stones and were maintained.

Observation 1: (2.2.2): All operating units: Land Management Department is in the progress of revising the term of land title. The progress will be followed up during re-certification.

Criterion 2.3 – Use of the land for oil palm does not diminish the legal 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. Stakeholder interviews confirmed that there were no issues related to land use by the estate operations.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

The Sungai Dingin Mill and Estates have made progress towards achieving their performance production targets for the current financial year. Sime Darby has continued its commitment to long term sustainability and improvements through a capital expenditure programme. Replanting of palms is being carried out progressively.

Criterion 3.1: There is an implemented management financial viability.

The Estates and Mill have an Annual Operational Budget (2013/14) and Capital Expenditure Budget that are projected for five years. The budgets include performance objectives and targets related to production, efficiency and quality.

The Estates have a Replanting Programme that is projected to 2020 and was revised in December 2013. For Sungai Dingin Estate, there will be no replanting of oil palms in next five years. Palms older than 20 years will be converted to rubber trees.

PRINCIPLE 4: Use of Appropriate Best Practices by the Growers and Millers

Sungai Dingin operating unit has continued to operate the Mill and Estates in accordance with the Sime Darby management systems and practices, under the guidance provided by Mill and Plantation advisor reviews and recommendations for improvements.

The Sime Darby R&D Department has maintained an active interest in the management of soil fertility and optimisation of FFB yields. Yield/ha for all estates are monitored closely to ensure optimum production is achieved. The establishment of beneficial plants and the implementation of IPM have continued with the aim of reducing the use of chemicals besides preventing any leave eating pest attack.

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

The Mill and Estates have implemented an integrated environment, quality and health & safety management system. The Estates continue to use the Sime Darby Standard Operating Procedures issued 2 January 2008 as a standard agricultural reference. In addition, the Estates have work procedures in Bahasa Malaysia for operational control for each of the main tasks, including safety issues.

The implementation of SOPs is checked during daily inspection by staff as well as by internal audits. Mill operators record operating parameters hourly on log sheets and the Mill Engineer and Shift Supervisor check these each shift and on a daily basis. The Mill Advisor recently visited on 10 April 2014 to monitor the operation.

The Plantation Advisor visits the Estates twice yearly, with the most recent visit to Jentayu Estate between 12 and 14 May 2014. The Estates hold copies of previous internal audit reports that include the Manager's response to issues raised and corrective action to be taken.

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 carries out annual visual inspection of the palms and leaf sampling to monitor palm nutrient status (last visit April 2013) and the information is used for the annual fertiliser recommendation for 2013/14 Financial Year. Soil sampling was carried out in April 2013 and is scheduled to be repeated every 5 years.

Approximately 90% of EFB is converted to compost and the balance is applied as mulch to immature palms at replanted areas. The Estates maintain records of the quantity of EFB received from the Mill and the oil palm blocks of immature palms to which it is applied. Agronomist visited the estates on June 2013 to carry out visual inspection of the palms before the final fertilizer recommendation is given.

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

The two main soil types are Jeranggau and Rengam, which are sandy and well drained. Cover crop consisting of a mixture of *Pueraria javanica* and *Centrosema muconoides* are planted to prevent soil erosion following replanting. Field inspections confirmed soil conservation practices generally were consistently implemented.

Road maintenance programme for FY 2013/14 is available. Implementation programme checked at Bukit Selarong estate shows the map indicating road repairs and maintenance for the whole estate roads.

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

Sungai Dingin operating unit has prepared a map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection at Jentayu Estate and Bukit Selarong Estate confirmed that the buffer zone beside the stream has been set.

The Mill has monitored water quality of Sungai Dingin upstream, midstream and downstream from the mill discharge. The laboratory analysis results indicate no significant difference in quality between upstream and downstream locations. BOD level is 1ppm.

Daily rainfall is measured at all SOU1 Estates. The rainfall probability reference manual used as a management tool for water management and the information is used for the scheduling of fertiliser application as well. The rainfall summary record shows 3,384mm rainfall for 2012 and 3,121mm rainfall for 2013.

The Mill reports total water usage monthly to Head Office. The average water usage for the period of July

2013 to April 2014 was 1.34m³/FFB Mt which is lower than the targeted ratio of 1.5.

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

Estates have carried out additional planting of the beneficial plants *Turnera subulata* and *Cassia cobanensis* along roadsides for control of leaf-eating pest. The main areas of focus were the roadsides at the newly replanted land. The Estates have maintained records of six monthly census of barn owls as well as records of the blocks where chemical treatment, such as rat baiting, has previously been carried out. For example, total of 75 barn owl boxes have been placed with occupancy rate of 47% as at April 2014 at Jentayu Estate.

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.

Sime Darby HQ Purchasing Department controls the purchase of pesticides. Inspection of the Pesticide Stores confirmed only pesticides registered by the Pesticides Board were held.

Inspection of the Estates Pesticide Stores confirmed storage was in accordance with regulations with adequate security, ventilation, separation of chemicals and spill containment. MSDS's were displayed in the Pesticides Store for each of the chemicals held in both Bahasa Malaysia and English. Sime Darby has developed Pictorial Work Instructions with text in Bahasa Malaysia for chemical mixing and spraying.

Sungai Dingin Operating unit is conducting medical surveillance to all pesticide operators as per CHRA requirement. CHRA conducted by DOSH approved assessors [Approval number JKKP IH 127/171-2(124) and JKKP IH 127/171-2(257)] dated July 2010. Approval to use generic CHRA dated 7 September 2010 with approval number JKKP K/M 127/454/5-16(10) as per USECHH, 2000 is available.

However, at Sungai Dingin Mill, there was a lapse in medical surveillance for the laboratory staffs. Therefore, Major non-conformity has been raised as below:

1057519M1: Major nonconformity against indicator 4.6.5 was raised. At Sungai Dingin Mill, during the document audit on 20 May 2014, it was found that there are no medical surveillance records for those in the laboratory. Last surveillance was conducted on June 2012. During discussion with the mill executive, it was

highlighted that the laboratory has switched to Isooctane. However, there is no Chemical Hazard Risk Assessment conducted for Isooctane. Refer Section 3.2 for details.

No female pesticide operators. However the company policy is 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. Inspection of the pesticide stores confirmed there was no Class 1A or Class 1B chemical or paraquat held at the Pesticide Stores. Company has ceased use of paraquat.

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

Sime Darby Management has maintained an approved Health and Safety Policy dated September 2011 that is displayed prominently on notice boards in English and Bahasa Malaysia. The OSH Manual dated August 2008 has been revised on December 2012.

The Mill HIRAC was reviewed for each of the workstations and updated July 2013. The Mill and Estates have updated the Safety Training Plan for the 2013/14 financial year. The Estates have prepared a Training Matrix that lists the OSH core competency training for Staff and Workers. The Mill and Estates hold training records, including details of the topic, trainer, list of attendees and signatures.

The mill and estates maintained up to date accident records in term of "Daftar Kemalangan, Kejadian Berbahaya, Keracunan Pekerjaan dan Penyakit Pekerjaan" using JKKP 6 and 8 forms.

All the workers are covered by the accident insurances where for Malaysian is covered by SOCSO [Perkeso (Pertubuhan Keselamatan Sosial)] while for foreign workers are covered under RHB Insurance by Master Policy FW56797E01 valid till 30/06/2014. Renewal for the next twelve months is already requested to the head office.

Inspections of the Mills and the Estates visited indicated that safe work practices were being implemented and proper PPE's are in use by the workers. The Mill and Estates conduct quarterly Safety Committee Meetings with the most recent held on 26 February 2014 attended by 23 members. The OSH Committees discuss accident reports, workplace inspections and issues raised by representatives. The topics discussed are communicated to workers at muster briefing by the OSH Committee representatives.

The Mill and Estates reviewed the Emergency Response Plan. First Aid and Rescue Team training conducted annually by Fire and Rescue Department and estate Hospital Assistant (HA). As for Padang Buluh Estate, the

First Aid training was conducted on the 23 April 2014 by the HA. First Aid Kits are available in the Office and at Work Stations in the Mill. The Estates have issued First Aid Kits to Supervisors and Mandors. A sample of Kits was inspected and these were found to be appropriately stocked.

Observation 2: (4.7.2): Bukit Selarong Estate: Accident records available and reported through form JKKP6. The summary was reported in form JKKP8. There is an typo error in the number of accident recorded in JKKP 8 which not tallies with JKKP6.

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

The Mill and Estates have prepared an annual training plan for 2013/14 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. The Mill and Estates maintain records of training for workers and staff. For example, Bukit Selarong Estate has conducted safety training for harvesters on the 23 April 2014.

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

Sungai Dingin operating unit environmental improvements continue to be directed towards the reduction of waste, such as oil losses at the Mill and the efficient use of natural resources such as water. HCV is limited to the riparian buffer strips that are being reinstated during replanting and the company continued to make employees aware of the need to protect HCV and fauna. Inspection at Bukit Selarong Estate and Jentayu shows the riparian area has been demarcated. Scheduled wastes were well controlled.

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 carried out the annual review of environmental impacts in term of Environmental Impact Assessment management Action Plans and Continuous Improvement Plans.

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.

Initial HCV assessment was carried out in May 2009. 50ha of Biodiversity area within the planted area

(riparian) and 1.5ha of HCV4 (Graveyard and worship places) Training and awareness of staff and workers has been carried out on company policies that prohibit disturbance of designated protected areas. Signs are maintained at the entrance to the estates prohibiting hunting, fishing and the use of fire. This is supplemented by posters on notice boards at muster areas. Awareness of the protection of fauna has been conducted at Estates muster briefings.

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

The Mill and Estates have maintained the scheduled waste stores and stored materials were labelled, segregated and the inventory up-to-date, in accordance with statutory requirements. The Mill and Estates have engaged licensed schedule waste collector to dispose the schedule waste. Mill has send schedule waste through Kualiti Alam dated 19/5/2014 for Spent Hydraulic oil, Electrical waste and filters (E-Consignment Note: 965089). Sungai Dingin Estate disposes schedule waste through G- Planter. However, there was some lapse in the disposal of SW 306 (used oil) and this was raised as non-conformity against the criteria 2.1.1. Refer section 3.2 for details.

The Estates have developed landfills for disposal of non-recyclables domestic waste. Line site and land fill visits shows household waste are properly managed. Treated effluent is applied to the palms in furrows within Sungai Dingin Estate and EFB have been applied in the fields as part of recycling initiatives by the mill and estates.

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

Mill monitor and reports total renewable energy use by monthly to Head Office. Records show that average of 0.96 kwh/Mt FFB renewable energy was used for the period of July 2013 to April 2014. Almost 95% of the electricity for the mill processing is generated through the steam turbine through renewable energy. The balance 5% is generated through the fossil fuel.

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.

Inspection of replanted areas confirmed palms were felled, chipped and windrowed. No evidence of fire used for domestic waste disposal. Visit to the line site at all the estates and mill confirm no burning of domestic waste.

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

Pollution prevention plan has been updated on July 2013 covering the financial year 2013/2014 until June 2014. Planting of vetiver grass to protect slope earth erosion, construct proper monsoon drain outfall and curtain for boiler ash has been identified as mitigation measures to avoid polluting sources.

PRINCIPLE 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

Sungai Dingin operating unit has continued to maintain good communication with internal and external stakeholders. There were no complaints or disputes that required resolution through a formal process. The company has maintained support for implementation of the anti-discrimination policy and equitable treatment of female employees. Workers are free to join a union of their choice and the company has maintained a good relationship with contractors. The company makes contributions to local schools and places of worship that are appropriate for the socio – economic setting.

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.

Mill SIA management action plan has been updated on July 2013. As for Sungai Dingin Estate, the SIA management plan has been revised on the December 2013. It includes translating payslip to Bahasa, upgrading of facilities and subsidy for school children transport.

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.

The Mill and Estates continued to maintain dialogue with internal and external stakeholders and the list of stakeholders was updated and includes suppliers, contractors, community leaders, government departments and emergency contacts. Interview with stakeholders confirm that there are regular meetings were conducted. For example, Mill has conducted the stakeholder meeting on the 23 May 2013 attended by 9 persons does not identified any negative issues.

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.

Records of written communications have been maintained although there was no complaint received that needed to be handled through the formal complaints system as regular formal and informal meetings were carried out.

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.

There were no land disputes that need to be handled through the formal procedures.

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 consistent with the current MAPA/NUPW Agreement. Review of payslip and contract of local worker (Employee No.: 028588) and foreign worker (Employee No.: 070623) for the month of April 2014 shows that pay is more than the minimum wage of RM 900.00 set by the government. The contract agreement clearly stated that is in accordance with the MAPA / NUPW provisions. Interviews of staff and workers confirmed that they understood the terms and conditions of their contract of employment and received benefits accordingly.

The company provides a good standard of housing for its staff and workers and their families. Other facilities such as worship place, playground and community hall have been provided. Schools are located at nearby the operating units. Electricity and Water are supplied to Mill and Estates housing from the Government supply and piped directly to each house.

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.

Interview with the union representative confirm that there were regular meetings conducted and they are free to join the union. As for Jentayu estate, the latest union meeting was conducted on the 18 March 2014 which was attended by the state NUPW secretary as well and no issue has been highlighted by the workers.

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 Malaysian Labour Ordinance 1969. At time of hire age is checked by examination of ID card for local persons. Check of Passports of foreign workers is carried out prior to hire. Children and under-age workers were not observed at

any of the Mill or Estate operational areas during the field visit.

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.

Similar to ASA 3, inspection of pay records together with interviews at the Mill and Estates did not identify any issues related to discrimination.

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.

A statement to prevent sexual harassment and violence is documented in the Sime Darby Social Policy approved by Top Management in April 2008. Similar to the ASA 3, interview of female Staff and Workers confirmed their knowledge of the Policy and as advised there were no outstanding issues.

Manual on Gender Policy implementation partnership with Tenaganita developed in June 2010. Latest gender committee meeting was conducted on the 14 May 2014 at Mill attended by 8 members. There was no harassment issues have been highlighted in the meeting.

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

Interview with maintenance contractor and FFB trader confirmed that the payments are made on time and they were maintaining a good relationship for long time.

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

Infrastructure in the area is well developed and government services are readily available. Sungai Dingin operating unit has continued to makes donations to local schools, temples and mosques, which are considered an appropriate form of assistance.

Principle 7: Responsible Development of New Plantings

Sungai Dingin operating unit has not carried out any new oil palm developments and there are no plans for expansion of plantings. Principle 7 is therefore not applicable to this Assessment.

PRINCIPLE 8: Commitment to Continuous Improvement in Key Areas of Activity

Sungai Dingin operating unit has continued to seek improvements in the efficiency of its performance as a grower and producer of palm oil. The company has an

approved budget for construction of new houses. Replacement of old houses is in progress at the estates.

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.

The Mill has continued to look for ways to reduce water usage. The Mill and Estates have implemented recycling scrap metal from the maintenance workshops. The Mill and Estates have implemented additional controls for prevention of pollution from point sources, such as the installation of a curtain at the boiler ash hopper to minimise dust.

The company has an approved budget for construction of new houses and upgrading current workers housing.

3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA4)

There were two major nonconformities were identified during this assessment. Corrective action plans with respect to the major nonconformities raised during the ASA4 have been reviewed and found to be effectively implemented and the NC was closed on 18 June 2014. There were no minor nonconformities raised. However there were two observations / opportunities for improvement were raised which will be followed up during re-certification assessment.

The details of the nonconformities are as follows.

Major Non-conformity

1057519M0: Major nonconformity against indicator 2.1.1 was raised. At Sungai Dingin Estate, empty agrochemical containers were disposed on 19/5/14 through G-Planter. However, visit to the schedule waste store on 21/5/2014 found that schedule waste (SW 306 - used lubricant oil) has been stored more than 180 days. Record review shows that the first generation date was on July 2011.

Close-out evidence:

The schedule waste was immediately disposed through licensed contractor Meridian Recycling Sdn. Bhd. on 28th May 2014 (Consignment Note No.: MR14-0176). It was identified that earlier contractor was refused to collect the SW 306 due to small quantity was the root cause for the storage was exceeded the 180 days limit. by The estate assign the Quality Management Officer to monitor the schedule waste disposals in the future as long term preventive action. The major nonconformity was closed on 18 June 2014.

1057519M1: Major nonconformity against indicator 4.6.5 was raised. At Sungai Dingin Mill, during the document audit on 20 May 2014, it was found that there

are no medical surveillance records for those in the laboratory. Last surveillance was conducted on June 2012. During discussion with the mill executive, it was highlighted that the laboratory has switched to Isooctane. However, there is no Chemical Hazard Risk Assessment conducted for Isooctane.

Close-out evidence:

The management has immediately requested the PSQM – ESH Department from head office to conduct the CHRA for the Isooctane. The CHRA was done on the 28 - 29th May 2014 by DOSH approved assessor (Registration No.: JKKP IH 127/171 -2 (124)). The assessment result shows that medical surveillance does not required for the lab operators handling Isooctane. It was identified that miscommunication was the root cause for not conducting the CHRA because the operating unit has just started using the isooctane since April 2014. The mill assigned assistant engineer to monitor and update relevant documents if there are any changes in the future as a long term preventive action was assign. The major nonconformity was closed on 18 June 2014.

Observations/Opportunities for Improvement (ASA4)

Two (2) Observations/Opportunities for Improvement were identified. The progress with these will be checked during the Re-certification Assessment.

Observation 1: (2.2.2): All operating units: Land Management Department is in the progress of revising the term of land title. The progress will be followed up during re-certification.

Observation 2: (4.7.2): Bukit Selarong Estate: Accident records available and reported through form JKKP6 and complies to DOSH. There is a typo error in the number of accident recorded in JKKP 8.

3.3. Status of Nonconformities (Major and Minor) Previously Identified

No new nonconformities were identified during the previous assessment (ASA3).

Review of Progress with Observations / Opportunities for Improvement Previously Identified

Observation 1: (2.1.4) Minimum wage order 2012 was implemented since January 2013. However Minimum Wage Order 2012 (Perintah Gaji Minimum 2012) missing in the list of applicable law and in LORR.

ASA4 Findings: The Minimum Wage Order 2012 (Perintah Gaji Minimum 2012) has been included in the list of applicable law and in LORR.

Observation 2: (2.1.1) All the air compressors are having valid permit and well maintained. It was noted that during DOSH visit on 22/3/2012 and 15/5/2013 recommendation was given by DOSH to mark the PMT Number on the air compressor.

ASA4 Findings: *Marking of the PMT number on the air compressor has been done on all the units as per recommendation given by the DOSH.*

Observation 3: (4.7.1b) Hazard Identification Risk Assessment and Control was regularly conducted and reviewed for all activities. Last review was on January 2012. It was noted that transportation risk assessment was missing in the list. It was told that the page misplaced.

ASA4 Findings: *The transportation risk assessment has been included in the latest review of HIRARC.*

Observation 4: (4.7.1i) First aid equipment and first aid boxes are available at work site. The first aid box content was checked monthly and found some items missing at chemical store and weighbridge station.

ASA4 Findings: *The first aid kit has been checked and refilled accordingly by the hospital assistant on monthly basis. During the visit, sample first aid kits checked found all the contents were available.*

Observation 5: Currently estates have 15 tractors occupying the parking bay at workshop. Containment tray is provided as a spill kit.

ASA4 Findings: *Estate has increased the containment tray and additional spare trays are available to replace damaged trays.*

Observation 6: (6.11) As a contribution to local development, the school located within estate premises requested verbally to estate to collect the waste from the school. This will avoid any waste disposed at the vicinity of the field beside the school.

ASA4 Findings: *Visit and interview with the school teacher found that the estate has started collecting the waste from school and disposed in the estate landfill.*

3.4 Issues Raised By Stakeholders (ASA 4)

During this ASA4, stakeholders were contacted through phone calls as well as private meeting conducted without the present of management team. The majority of stakeholders had positive comments about SOU1 Certification Unit comprising Sungai Dingin mill and seven estates. The detail of stakeholders comment is provided in each criterion as part of this summary report.

Village representative: Confirmed that good relationship is maintained with the management and villagers. No any disputes were highlighted.

Management Response: Management will continue to engage with villagers.

Auditor findings: No further issue.

Union and foreign workers representative: No any unresolved disputes were highlighted.

Management Response: Management will continue to have discussion with union if any issues highlighted by union or worker's representatives.

Auditor findings: No further issue.

Contractor and Suppliers: No issues on contract and payment. They also highlighted that the management is serious about safety at the work place.

Management Response: Management will continue to enforce Safety at work and ensure the contractors are in compliance.

Auditor findings: No further issue.

School Representative: No any issue. The estate is helping the school to collect waste from the school. The previous verbal request to estate to collect the waste from the school is implemented.

Management Response: Management will continue to assist the school.

Auditor findings: No further issue.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Re-certification

The re-certification visit will be scheduled nine to twelve months from the certificate anniversary date.

4.2 Date of Closing Nonconformities (Major and Minor)

NC Ref.	CLASS	ISSUED	STATUS
CR01 4.3.2	Minor	24/07/2009	Closed on 2/7/2011
CR02 6.5.3	Minor	24/07/2009	Closed on 2/7/2011
CR03 4.3.2	Minor	02/07/2011	Closed on 10/4/2012
CR04 5.5.3	Minor	02/07/2011	Closed on 10/4/2012
CR05 5.3.2	Minor	10/04/2012	Closed on 28/5/2013
1057519M0: 2.1.1	Major	23/5/2014	Closed on 18/6/2014
1057519M1: 4.6.5	Major	23/5/2014	Closed on 18/6/2014

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

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

Signed for on behalf of
Sime Darby Plantation Sdn Bhd (SOU1)



Manager, Sungai Dingin Palm Oil Mill

Signed for on behalf of
BSI Group Singapore Pte Ltd



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Mr. Senniah Appalasamy
BSI RSPO Lead Audit

Appendix A: Sime Darby Plantation Time bound Plan

certification Status	Malaysia	Indonesia	Status during ASA03
Certified as of March 2014	34 Certification units	21 Certification units	Total Certified: 55
Undergoing Certification Process	-	4 Certification Unit	Certification on-going: 4
RSPO EB Review	-	-	-
Total	34 Certification units	25 Certification units	59 Certification units

Appendix B: Sime Darby Plantation Sdn Bhd – SOU 1 Sungai Dingin Palm Oil Mill Certification Unit's RSPO Certificate Details

Sime Darby Plantation Sdn. Bhd.
 SOU 1 Management Unit (Sungai Dingin)
 Ladang Bukit Selarong,
 09400 Padang Serai,
 Kedah,
 MALAYSIA

BSI RSPO Certificate №: SPO 550179

Date of Initial Certificate Issued: 12 August 2010

Date of Expiry: 11 August 2015

Applicable Standards: RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; RSPO P&C MY-NIWG 2010; and relevant element of Supply Chain requirements for CPO Mills; SCCS Standard Nov 2011 Module E: Mass Balance.

Sungai Dingin Palm Oil Mill and Supply Base	
Location	District of Padang Serai, Kedah, Malaysia.
Address	SOU 1 Management Unit (Sungai Dingin), Ladang Bukit Selarong, 09400, Padang Serai, Kedah, MALAYSIA
GPS	100° 40' 0" E; 5° 24' 0"N
CPO Tonnage Total Production (Certified)	78,473
PK Tonnage Total Production(Certified)	20,074
Company Estate FFB Tonnage (Certified)	365,466
Estates FFB Tonnage (Certified)	Sungai Dingin Estate : 59,266
	Bukit Hijau Estate : 47,624
	Anak Kulim Estate : 23,967
	Padang Buluh Estate : 87,600
	Bukit Selarong Estate : 87,189
	Jentayu Estate : 46,143
	Somme Estate : 13,677

Appendix C: Assessment Programme

Date	Time	Subjects	Senniah	Kelvin Lim	Muhd Haris
Tuesday 20/5/2014 Sungai Dingin Palm Oil Mill	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Presentation by the Estate and mill managers • Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). 	√	√	√
	09.00 – 12.00	Sungai Dingin Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management, Effluent Ponds, OSH, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection.	√	√	-
	09.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Sungai Dingin Palm Oil Mill: Document Audit, SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, permits, mill inspection records, etc.	√	√	√
Wednesday 21/5/2014	08.30 – 12.00	Sg Dingin Estate and Bukit Selarong Estate Field visit, boundary inspection, fertiliser application, field spraying, harvesting, workers interview, buffer zone, HCV area, Office, workshop, worker housing, clinic, Landfill, Chemical store and mixing, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.30	Sg Dingin Estate and Bukit Selarong Estate Document review (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification, review pay documents etc).	√	√	√
Thursday 22/5/2014	8.30 – 12.00	Jentayu Estate Field visit, boundary inspection, fertiliser application, field spraying, harvesting, workers interview, buffer zone, HCV area, Office, workshop, worker housing, clinic, Landfill, Chemical store and mixing, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Jentayu Estate Document review (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification, review pay documents etc).	√	-	√
Friday 23/5/2014	8.30 – 10.30	To gather pending information and documents. Auditor meeting & Preparation for closing meeting.	√	-	√
	10.30 – 12.30	Closing Meeting	√	-	√

Appendix D: List of Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Female Mill Staff/Workers Male Mill Staff/Workers Foreign Worker Mill Housing Residents Female Mill Housing Residents Estate Hospital Assistant Female Assistant at Clinic Male Harvesters (Foreign) Workers Union Representatives Female Office Staff/Workers Residents of Jentayu Estate Housing</p> <p>Others</p> <p>NUPW state secretary</p>	<p>External Stakeholders</p> <p>Electrical Contractor General Supplier Maintenance Contractor Estate Shop Owner</p> <p>Local Communities</p> <p>Kampung Representatives</p> <p>Government Department</p> <p>SJK(T) Ladang Dublin Police Department</p>
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Appendix E: Sungai Dingin Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

Requirements	
E.1. Documented procedures	
E.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Mass Balance (MB) supply chain requirements.	Sungai Dingin palm oil mill have written documented procedures for the chain of custody with MB model covering certified and non certified FFB. The mill manager has the responsibility to ensure implementation. The MB model used because there are FFB purchased from two outside suppliers.
E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Sungai Dingin mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
E.2. Purchasing and goods in	
E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non certified FFB. Records verified by internal and external audit.
E.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
E.3. Record keeping	
E.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non certified FFB. Records verified by internal and external audit.
E.3.2 Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years and financial documents retained longer based on the local regulation requirement.
E.3.3 (a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. No PKO and Palm kernel meal at these sites. PK is sold to Sime Darby's subsidiary kernel crushing plant.
E.3.3 (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Computerized system in place with the delivery deducted accordingly.
E.3.3 (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	Only positive stock id delivered. No short selling.
E.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	Facilities use Mass Balance model and indicated on the relevant documents as RSPO CPO/MB.
E.3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing activities.
E.4. Sales and goods out	
E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	There are no sales through UTZ. Green Palm sales conducted as a group. The mill is ready to carry out sales of certified palm products. Existing system is ready to cater for future sustainable palm product sales. Sample of existing sales documents were checked and found that:
(a) The name and address of the buyer	Name and address of buyer written on the invoice. Sample checked was conventional palm oil send to Sime Futures Trading.
(b) The date on which the invoice was issued	Date is written, i.e. example checked for the month of January 2014.
(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)	Product description and supply chain model is written. Mass balance model.
(d) The quantity of the products delivered	Quantity in tones. i.e. 33mt. written.
(e) Reference to related transport documentation	Weighbridge documents and D/O includes all the transport references.
E.5. Training	
E.5.1 The facility shall provide the training for all staff as required implementing the requirements of the Supply Chain Certification Systems.	Staffs in the weighbridge, inventory, storage and processing, document control have attended latest annual training in April 2014.
E.6. Claims	
E.6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and	No claims made because the CPO is delivered/sold to downstream refineries.

Claims.	
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Appendix E: Sungai Dingin Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)
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Actual Certified Palm Production –(May 2013 – April 2014) – ASA3

MILL	CAPACITY	CPO	PK
Sungai Dingin Palm Oil Mill	80 mt/hr	64,155	15,792

Actual Sales of Certified Palm Products –(May 2013 – April 2014) – ASA3

MILL	Certified CPO Sales	Certified PK Sales	Remarks
Sungai Dingin Palm Oil Mill	NIL	NIL	No sales of certified palm products sold through eTrace.

Actual Certified FFB Received Monthly – (May 2013 – April 2014)- ASA3

Month	Sg. Dingin Estate	Pdg. Buluh Estate	Bkt. Selarong Estate	Anak Kulim Estate	Bukit Hijau Estate	Jentayu Estate	Somme Estate	Total FFB
May 2013	3,162	3,602	3,970	1,058	2,483	1,879	711	16,865
June 2013	3,740	4,063	3,757	1,332	2,373	1,998	811	18,074
July 2013	5,769	6,620	5,364	1,845	3,809	3,599	866	27,872
Aug. 2013	5,416	7,945	6,266	1,814	3,784	3,673	930	29,828
Sept. 2013	4,513	7,011	8,646	1,412	4,276	3,435	539	29,832
Oct. 2013	4,993	7,420	6,804	1,729	3,613	4,151	882	29,592
Nov. 2013	3,827	5,751	5,941	1,504	2,693	2,748	723	23,187
Dec. 2013	3,478	4,549	5,200	1,296	2,415	2,212	737	19,887
Jan. 2014	4,036	5,748	5,721	1,396	2,492	2,818	715	22,926
Feb. 2014	3,426	4,392	5,531	1,070	2,382	2,030	753	19,584
Mar. 2014	3,836	4,349	5,427	1,091	2,349	2,310	699	20,061
April 2014	4,090	5,090	4,908	1,212	2,762	2,358	800	21,220
Total	50,286	66,540	67,535	16,759	35,431	33,211	9166	278,928