

**RSPO – 1<sup>st</sup> ANNUAL SURVEILLANCE ASSESSMENT**

Sime Darby Plantation Sdn. Bhd.
Head Office: Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7 47301 Ara Damansara, Selangor, Malaysia.
Certification Unit: Pagoh Palm Oil Mill Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.

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## Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0008-04-000-00	<b>Date</b>	Member since 6 September 2004
<b>Company Name</b>	Sime Darby Plantation Sdn Bhd		
<b>Address</b>	Certification Unit: Pagoh Palm Oil Mill, Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.		
<b>Subsidiary of (if applicable)</b>	N/A		
<b>Contact Name</b>	Mr. Mohd. Nazir Pazal Karim (Pagoh Palm Oil Mill Manager)		
<b>Website</b>	<a href="http://www.simedarby.com">www.simedarby.com</a>	<b>E-mail</b>	<a href="mailto:kks.pagoh@simedarby.com">kks.pagoh@simedarby.com</a>
<b>Telephone</b>	+607-9471131	<b>Facsimile</b>	+607-9474053

2. RSPO Certification Information			
<b>Certificate Number</b>	<b>SPO 600305</b>	<b>Date</b>	28.01.2014
<b>Scope of Certification</b>	Pagoh Palm Oil Mill Lanadron Estate Pengkalan Bukit Estate Welch Estate Pagoh Estate		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
Nil	-	-	-

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Pagoh Palm Oil Mill	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 43' 15"	2° 4' 58"
Lanadron Estate	Panchor, 84500 Muar, Johor, Malaysia.	102° 44' 00"	2° 11' 00"
Pengkalan Bukit Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 42' 15"	2° 08' 58"
Welch Estate	Jalan Segamat – Jementah, 85200 Segamat, Johor, Malaysia.	102° 39' 11"	2° 27' 21"
Pagoh Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 41' 07"	2° 07' 16"

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<b>4. Description of Supply Base</b>						
<b>Estate</b>	<b>Mature (ha)</b>	<b>Immature (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Planted (ha)</b>	<b>Total Hectarage</b>	<b>% of Planted</b>
Lanadron Estate	2,393.24	158.17	299.51	2,551.41	2,850.92	89.49
Pengkalan Bukit Estate	2,432.50	552.01	172.37	2,984.51	3,156.88	94.54
Welch Estate	576.20	0	871.62	576.20	1,447.82	39.79
Pagoh Estate	1,394.04	593.98	337.91	1,988.02	2,325.93	85.47
<b>TOTAL</b>	<b>6,795.98</b>	<b>1304.16</b>	<b>1681.41</b>	<b>8,100.14</b>	<b>9,781.55</b>	<b>82.81</b>

<b>5. Plantings &amp; Cycle</b>								
<b>Estate</b>	<b>Age (Years)</b>					<b>Certified Tonnage / Year</b>		
	<b>0 - 3</b>	<b>4 - 10</b>	<b>11 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>	<b>Estimated (Jan 2014 – Dec 2014)</b>	<b>Actual (Jan 2014- Dec 2014)</b>	<b>Forecast (Jan 2015- Dec 2015)</b>
Lanadron Estate	8.94	32.48	31.39	20.02	7.17	61,866	56,058	57,699
Pengkalan Bukit Estate	19.62	19.48	50.47	8.98	1.45	55,119	53,197	60,970
Welch Estate	0	13.10	86.90	0	0	12,504	14,073	12,988
Pagoh Estate	19.72	24.84	15.10	34.24	6.10	44,969	34,999	39,565
<b>TOTAL</b>	<b>48.28</b>	<b>89.9</b>	<b>183.86</b>	<b>63.24</b>	<b>14.72</b>	<b>174,458</b>	<b>158,327</b>	<b>171,222</b>

<b>6. Certified Tonnage</b>									
<b>Mill</b>	<b>Estimated (Previous Year Jan 2014 – Dec 2014)</b>			<b>Actual (This Year Jan 2014 – Dec 2014)</b>			<b>Forecast (Next Year Jan 2015 – Dec 2015)</b>		
	<b>FFB</b>	<b>CPO</b>	<b>PK</b>	<b>FFB</b>	<b>CPO</b>	<b>PK</b>	<b>FFB</b>	<b>CPO</b>	<b>PK</b>
Pagoh Palm Oil Mill	174,458	37,508	9,595	158,327	35,138	8,141	171,222	36,898	8,732

## Section 2 Assessment Process

**Certification Body:** PT BSI Group Indonesia, Menara Bidakara 2, 17<sup>th</sup> Floor, Unit 5, Jalan Jend. Gatot, Subroto Kav 71-73, Pancoran, 12870 Jakarta Selatan, Indonesia. Tel +62 8379 3174 Fax +62 8379 3287 Aryo Gustomo: [aryo.gustomo@bsigroup.com](mailto:aryo.gustomo@bsigroup.com) [www.bsigroup.com](http://www.bsigroup.com)

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 is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Jakarta, Indonesia and an office at Singapore, Kuala Lumpur, Bangkok and Australia which involve in RSPO Certification Program.

### Assessment Methodology, Programme, Site Visits

The ASA1 was conducted from 25 - 28 November 2014. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Lanadron Estate and Welch Estate). A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C 2013 and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Major and minor Nonconformities that were assigned during the initial certification audit which was closed during the last assessment was followed up to ensure it is remaining closed. All the previous nonconformities remains closed. The assessment findings are detailed in Section 3.3 and Appendix A.

This summary report is structured to provide detail of the assessment. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was reviewed by Mr. Mohamed Hidhir, prior to certification decision.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

1. Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Pagoh Palm Oil Mill	√	√	√	√	√
Lanadron Estate		√		√	
Pengkalan Bukit Estate	√		√		√
Welch Estate		√		√	
Pagoh Estate	√		√		√

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Revision 1 (Sept/2014)****Tentative Date of Next Visit: 28 October 2015****Total No. of Mandays: 13.5****BSI Assessment Team:****Senniah Appalasamy – 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, Social Auditing Training by RSPO at Yogyakarta, 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. Senniah assessed Mill and Estate best practices, supply chain, OSH, HCV, Legal, Environment, Social issues, stakeholder interview.

**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, Carbon Certification (ISCC) Lead Auditor Training Courses and Social Auditing Training by RSPO at Bangkok. 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 environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia. Muhammad Haris assessed Mill and Estate best practice, Environment, OSH, Legal issues, SEIA, Waste management, social issues, stakeholder 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 Devise 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. Kelvin assessed Legal issues, Social issues, workers consultation and Stakeholder Consultation.

**Accompanying Persons:** Not Applicable.

## Section 3 Assessment Findings

### 3.1 Details of audit results are provided in the following Appendix:

- ☒ RSPO P&C Summary of the Assessment – **Appendix A**
- ☒ Sime Darby Time Bound Plan – **Appendix B**
- ☒ RSPO Supply Chain Certification Assessment Report for CPO Mill – **Appendix F**

### 3.2 Progress against Time Bound Plan

Sime Darby Time Bound Plan (TBP) is included as Appendix B. Sime Darby has achieved RSPO certification for 34 management units in Malaysia and 24 Management Units in Indonesia. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid.

There was a change of the Time Bound Plan (TBP) under Sime Darby Indonesia Operation due to the on-going mediation and DSF facilitation Process by RSPO DSF at PT Mitra Austral Sejahtera (PT MAS). This was the result from the mediation meeting held on 22 July 2014. PT MAS was audited as per the original TBP by RSPO accredited Certification Body in 2011. Due to the on-going mediation process, the CB that assessed PT MAS is yet to issue the certificate. BSI has accepted the revision as justified revision due to the commitment shown by all parties involves resolving the community issue. This is also accepted by the CB that assessed PT MAS. Discussion was held with the CB that assessed the PT MAS and Sime Darby.

Due to the present mediation process, PT Mitra Austral Sejahtera TBP was revised to 2015 by Sime Darby pending on the resolution and mediation process which is acknowledged by RSPO. The final decision of issuing the certificate is under the CB that audited the PT MAS. BSI has contacted the CB and consultation was held. The CB that audited PT MAS accepted the revision of the TBP. BSI accepted the feedback from the CB that audited PT MAS as per the RSPO Certification System requirement "Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress and acknowledge by RSPO and all parties as mutually agreed process. Latest meeting among the community, RSPO and the Sime Darby was held on 22 July 2014. BSI has consider that Sime Darby still comply with the RSPO requirement for partial certification and has justified the revision to TBP.

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan for PT Mitra Austral Sejahtera was justified and appropriate.

BSI has continued involvement with assessments of Sime Darby Management Units during the 2014 period. BSI is also communicating with other Certification Bodies that auditing Sime Darby's other operating units to identify any noncompliance with rules of partial certification as per requirement in RSPO Certification System. During this assessment BSI has contacted the certification body that audited PT MAS to get the latest update of the progress. Sime Darby consistently has kept BSI informed of any emerging issues and claims made against it. Other than the PT MAS issue, at the time of preparation of this Report, BSI is not aware of any new issues involving:

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- 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 complies with the RSPO requirements for Partial Certification rules.

**3.3 Details of findings**

The nonconformity is listed below. The summary of the findings by criteria is listed in Appendix A.

During the 1<sup>st</sup> annual surveillance assessment there was a minor nonconformity raised. Pagoh Palm Oil Mill and Supply Base Estates submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1130145N1	<b>Requirements:</b> 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	Minor
	<b>Evidence of Nonconformity:</b> Lanadron estate: The washing area for tractor did not implement a pollution prevention measure to avoid/control the waste water that contain traces of oil and grease from flowing into the drain. Welch Estate: During the visit to the workshop, it was found that the drainage in front of the latex collection area was broken and oil leakages were sighted at the surrounding area.	
	<b>Statement of Nonconformity:</b> Pollution prevention plan implementation was not effective.	
	<b>Status:</b> The close out of the minor nonconformity will be followed up during the next surveillance.	

Observation	
OBS #	Description
1	(4.7.5) Mill: An accident that occur on the 27/6/14 and investigation has been conducted by the OSH team with action plan has been implemented and complies with the internal procedure. Discussion within the OSH committee members during the quarterly OSH meeting was conducted. There is delay in recording the discussion.



Positive Findings	
PF #	Description
1	Safety signs are continuously maintained well and clearly marked with walkways.
2	Average annual OER achieved was 22.19% above the projected 21.50%.
3	The palm oil mill has maximised the use of renewable energy by consuming shell and fibre produced internally.
4	The company has constructed concrete road leading to the palm oil to facilitate and ensure the palm product transported efficiently.

Issues raised by Stakeholders	
IS #	Description
1	<b>Issues</b> Representative from DOSH: Informed that there is no issue on legal compliance. OSH requirements are implemented in all estates.
	<b>Management Responses</b> The management took note of the comment for continuous improvement.
	<b>Audit Team Findings</b> Positive feedback.
2	<b>Issues</b> Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.
	<b>Management Responses</b> The management treat all employees equally and no discrimination.
	<b>Audit Team Findings</b> No disputes were highlighted by foreign workers interviewed during field visit.
3	<b>Issues</b> Contractors: Contractors confirm payment is prompt as per agreed contract.
	<b>Management Responses</b> Payment is made as per the agreed terms.
	<b>Audit Team Findings</b> No other issues.
4	<b>Issues</b> School teacher: It was re-confirmed that the management always support school activities. The relationship is good. No other issues.
	<b>Management Responses</b> Management assist wherever possible.
	<b>Audit Team Findings</b> No other issues.
5	<b>Issues</b> Workers union secretary: No pending disputes or any wage issues. Company follow the NUPW/MAPA

agreement and minimum wage requirement.
<b>Management Responses</b> Management always encourage union representative and workers to meet them to resolve any issue immediately and open for discussion.
<b>Audit Team Findings</b> No disputes were raised by workers interview with them which indicate that the freedom to join union and procedure to voice out grievances is implanted.

### 3.3.1 Status of Nonconformities Previously Identified and Observations

All the previous nonconformity was followed up and remains closed. The corrective action plans effectively implemented.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
A935929N3	<b>Requirements:</b> 4.5.2 Monitoring extent of IPM implementation for major pests.	Minor
	<b>Evidence of Nonconformity:</b> Sime Darby Agriculture Reference Manual version 1 2008, Section 15 page 4 which referring to the monitoring of barn owl population requires monitoring every six month. However at Pagoh Estate, the last monitoring/census were conducted on 6-10 July 2012. There is no record of monitoring at six month interval as per the Sime Darby Agriculture Reference Manual v.1 2008, Section 15 page 4.	
	<b>Statement of Nonconformity:</b> The Barn Owl was introduced and implemented as a biological control for the rat. Census conducted but not as per Sime Darby SOP in Agricultural Reference Manual v.1 Section 15.	
	<b>Corrective Action:</b> Implementation of the CAP is effective. Operating units are conducting half yearly census. The barn owl census was conducted on 26/2/2014 and 6/9/2014. The barn owl occupancy rate was 67% in February and 70% in September 2014. The census activity complies with the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15. Sime Darby Agriculture Reference Manual version 1 2008, Section 15 page 4.	
	<b>Status:</b> The Non conformity was closed on 25/11/2014.	

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Non-Conformity		
NCR #	Description	Category (Major/Minor)
A935929N4	<b>Requirements:</b> 6.1.3: A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.	Minor
	<b>Evidence of Nonconformity:</b> Document review of the SIA for the FY 2012/2013 found that there is no status of action taken.	
	<b>Statement of Nonconformity:</b> At Pagoh Estate, SIA was conducted and impacts identified but the action plan was without the updated status and action taken to mitigate the impacts.	
	<b>Corrective Action:</b> Implementation of the CAP is effective. The SIA Action plan has been reviewed and action plan has been prepared. The recent review was done on 3/11/2014 after the stakeholder meeting. The impacts identified and action plan with status and action taken to mitigate the impacts. Mostly social impacts cover workers housing issue which is being addressed.	
	<b>Status:</b> The Non conformity was closed on 25/11/2014.	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
A935929N5	<b>Requirements:</b> 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit.	Minor
	<b>Evidence of Nonconformity:</b> Deduction permit issued by the labour department (Permit Pemotongan dari Gaji Pekerja" No. PP3/34/0798) dated 14/11/2003 requires the management to get the concern letter (Surat Persetujuan) from the workers before any deduction is made. This letter was not available during the audit.	
	<b>Statement of Nonconformity:</b> At Pengkalan Bukit Estate, It was noted that the deduction from the worker's salary was made. However there is no any consent letter from the workers giving permission for the deduction as per "Permit Pemotongan dari Gaji Pekerja".	
	<b>Corrective Action:</b> Implementation of the CAP is effective. The management has obtained a concern letter from workers for deduction from their pay dated since 24/6/2013 and still applicable. The deductions were mainly for the electricity, union and temple and union insurance.	
	<b>Status:</b> The Non conformity was closed on 25/11/2014.	

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Observation	
OBS #	Description
1	(2.1.2): Legal and Other Requirement Register is available and evaluation conducted. Updating of Legal and Other Requirement Register is in progress of updating at the Head Office level.
	Action taken: Latest LORR was updated on 1/7/14 contains updated version.

Observation	
OBS #	Description
2	(6.2.3): Maintenance of a list of stakeholders is available. MPOB and DOSH were missing.
	Action taken: Latest stakeholder list updated in July 2014 contains all relevant stakeholders including MPOB and DOSH.

Observation	
OBS #	Description
3	(4.6.4): Pagoh estate is supplying clean water in plastic drums for spraying workers in the field. The mark on the plastic drum was faded.
	Action taken: During the ASA 1 noted that all the pre-mix drums are clearly marked.

Observation	
OBS #	Description
4	(4.2.3): All estates have records of EFB application. Records are on divisional basis with total applied and division where EFB was applied. It will to the benefit of the estate to keep the records on field/block basis to monitor each field.
	Action taken: All estates have records of EFB application showing the details of division, total applied, block number and date of application.

Observation	
OBS #	Description
5	[4.7.1 (a)]: The palm oil mill and estates: Increasing warning signs to create safety awareness at work sites will improve awareness.
	Action taken: Safety signs are increased and continuously maintained well and clearly marked with walkways.

Observation	
OBS #	Description
6	[4.7.1 (g)]: Accident and emergency procedures exist and instructions understood by all workers during interview. The effectiveness was tested at Pagoh mill. Estates should test the effectiveness at estate's level.
	Action taken: Accident and emergency procedures tested at estates and it was noted that instructions understood by all workers.

Observation	
OBS #	Description
7	The palm oil mill should consider recording the lightning arrester continuity (Ohm) check and it is

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	performed periodically to ensure arrester is in working condition.
	Action taken: The palm oil mill is recording periodically the lightning arrester continuity (Ohm) check.

Observation	
OBS #	Description
8	[4.7.1.(e)]: DOSH visit dated 24/4/2013 commented on Confined space entry procedure. During the audit specific Confined procedure not clearly described. Understanding are lacking on issuing the Permit to work for confined space. Action taken: Confined space entry procedure was communicated to employees during the morning briefing fortnightly. Interview with employees found that confined procedure is understood.

Observation	
OBS #	Description
9	Best practice: The Compressor (MK PMT 1884) at Pagoh division workshop not indicates the PMT number as required. Action taken: PMT numbers are available at the compressors inspected.

Observation	
OBS #	Description
10	Security and safety: The fencing at water retention pond at Pagoh Division was damaged. Currently the Vehicle Parking bay at Pengkalan Bukit Estate was stored with fertilizer without any safety/warning signage. Action taken: The management have carried out improvement by repairing the damaged fencing. The fertilizers are moved into the store.

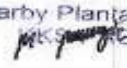
**3.3.2 Summary of the nonconformities and status**

CAR Ref.	CLASS	ISSUED	STATUS
935929M0	Major	21/6/2013	Closed on 20/09/2013
935929M1	Major	21/6/2013	Closed on 20/09/2013
935929N3	Minor	21/6/2013	Closed on 25/11/2014
935929N4	Minor	21/6/2013	Closed on 25/11/2014
935929N5	Minor	21/6/2013	Closed on 25/11/2014
1130145N1	Minor	28/11/2014	"Open"

**Assessment Conclusion and Recommendation:**

It is concluded that Pagoh Certification Unit and supply base complies with the RSPO P&C 2013, Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Pagoh Certification Unit is approved and continued.



Acknowledgement of Assessment Findings by Pagoh Certification Unit	Report Prepared by BSI
<b>Name:</b> Mr. Mohd. Nazir Pazal Karim	<b>Name:</b> A. Senniah
<b>Company name:</b> Sime Darby Plantation Sdn. Bhd. Pagoh Palm Oil Mill	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> Mill Manager	<b>Title:</b> Lead Auditor
<b>Signature:</b> Sime Darby Plantation Sdn Bhd  MOHD NAZIR BIN PAZAL KARIM Mill Manager	<b>Signature:</b> 

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**Appendix A: Summary of the Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b>			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOE quarterly reports were attended and no noncompliance or complaints were noted. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HGV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.	Comply
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.	Comply
<b>Criterion 1.2:</b>			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance –	Publicly available management documents covers Land titles, OHS plans, EIA, SIA, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator. Sime Darby Group documents are also accessible through website link: <a href="http://www.simedarby.com">http://www.simedarby.com</a>  RSPO Public summary reports are publicly available on request at each certification unit and at the head office Plantation Sustainability and Quality Management (PSQM) Department.	Comply
<b>Criteria 1.3:</b>			
Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	There is a policy committing to a code of ethical conduct and integrity in all operations and transactions. This has been documented and shared with employees.	Complied
<b>Principle 2: Compliance with applicable laws and regulations</b>			



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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team.	Complied
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements.	Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, PSQM team, OHS Department and head office Group Compliance Department.	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.	Complied
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land title and land lease documents is available. There is no change in the land ownership. All the land belongs to Sime Darby at the parent company.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Pagoh Estate and sharing the estate boundary.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied



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Criterion / Indicator	Assessment Findings	Compliance
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Complied
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	Complied
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Complied

**Principle 3: Commitment to long-term economic and financial viability**

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 3.1:</b>			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc.	Complied
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	There will be replanting at Pagoh estate. This will be followed up during the next surveillance. The recent review was conducted prior to the end of financial year 2013/2014 in June 2014.	Complied
<b>Principle 4: Use of appropriate best practices by growers and millers</b>			
<b>Criterion 4.1:</b>			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	External Mill Advisor and a Planting Advisor inspect and report on the operations on annual basis. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators.	Complied
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	The records of monitoring and the actions taken maintained for more than 12 months. Records were verified during the document review found compliance.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	No third party FFB purchased by the mill.	Complied
<b>Criterion 4.2:</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizer recommendation dated April 2014 was checked. Recommendation for the field OP92A was 1.25kg/palm Muriate of Potassium (MOP). Application records match the recommendation. Fertilizer application records held on file "Fertiliser Application Records"	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Sime Darby Seeds and Agriculture Services Sdn Bhd prepare the annual fertilizer recommendation. Leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation.	Complied
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	EFB application only applied to selected fields at Lanadron and Welch Estate. Average about 45mt/ha EFB applied. No POME application because Pagoh Palm Oil Mill is newly commissioned and effluent discharged is insufficient for POME land application. Zero burning is carried out during replanting through chipping and residues applied back to field.	Complied
<b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	All the estates hold copies of soil map. Soil maps and field visit confirm that there is no fragile soil on the estates.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as <i>muccuna</i> and soft grasses and ferns.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates visited have implemented annual Road Maintenance Programme. Roads inspected during field audit are generally in a good condition due to the lateritic soil. Road maintenance carried out internally with grader and compactor. Road maintenance includes road grading, laterite re-surfacing wherever necessary, road side drain upkeep, culvert upkeep, road side silt pits construction etc. Monthly progress records are prepared and sent to head office. Mill has constructed concrete road leading to the mill.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil.	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	Sime Darby Seeds and Agriculture Services Sdn Bhd carry out water analysis of the river (upstream and downstream) water sample to reflect the estates and mills current activities which may have negative impacts. All operating units maintained monthly rainfall monitoring data. Rainfall monitored and records are sent to agronomist. The rainfall records show high rainfall during the month of November, December and January. Water supplies for estate and mill housing were from Government water supply.	Complied
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Buffer zones are marked with red paint and signage erected. Reference was made to Department of Irrigation and Drainage regulations and guidelines from the state authorities. Reinstatement of riparian strips as per Sime Darby plantation's policy at both side of the stream during replanting is implemented. This was observed during the field visit to the replanted area. Visit to the river at Lanadron Estate confirm that the buffer zone was reinstated during replanting and well managed. Use of agrochemical has been ceased and replaced with manual weeding along the buffer strip	Complied
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Mill effluent is not discharged anywhere because the mill is newly commissioned beginning October 2012. There is very little POME in the pond. The permit allows the mill to use the POME for land application with BOD 5,000mg/L. The BOD reported is 870mg/L.	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Pagoh mill has maintained monitoring on water usage for processing which recorded on daily and summarised month end. Average water usage was range from 1.15 – 1.28mt/mt of FFB processed.	Complied
<b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Similar to last assessment, the IPM is documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. Barn owls <i>Tyto alba</i> have been introduced for biological control of rats. Barn owl boxes are constructed at the rate of 1 box to 10ha. Census records show that there is no outbreak of leaf eating pest. Although there have been no outbreaks of leaf eating pests, beneficial plants are being established along roadsides to attract natural predators. The estates have planted beneficial plants such as <i>Cassia cobanensis</i> and <i>Turnera subulata</i> and <i>Antigonon leptopus</i> (4.5.1 & 4.5.2). It was noted that the census interval for barn owl occupancy was as per Sime Darby SOP in Agricultural Reference Manual v.1 Section 15.	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the barn owl occupancy census team confirm their understanding of the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on census.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.6:</b>			
Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Written justification is in the Standard Operating Procedures of all agrochemicals used. Selected products are specific to the target pest, weed and disease. The selection is also evaluated by the agronomist during his visit to the estate.	Complied
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.	Complied
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. At the time of assessment there were no class 1a or 1b pesticides. Alternatives such as Glyphosate were used with the elimination of Paraquat.	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipments and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.	Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying.	complied
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders. Employees demonstrate knowledge and skills on pesticide handling. MSDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as a Work Instruction on safe handling for the easy understanding of the agrochemical handlers	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management dispose waste material as per regulation for schedule waste and domestic waste.	Complied
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Medical surveillance carried out once a year for all pesticide handlers. Last medical check-up was conducted on 18/8/2014 by DOSH Registered doctor. No.: HQ/08/DOC/00(527). Report shows that no serious medical problems were detected and recommendation was given to applicators to continue work.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female pesticide operators. However, interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding.	Complied
<b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
4.7.1	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -	Pagoh Palm Oil Mill and Supply Base estates has maintained an approved Health and Safety Policy dated April 2008 that is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office.	Complied
4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -	Annually the mill and estates review and update the health and safety risk assessments associated with each task. Estate's CHRA dated April 2009. Hazard Identification Risk Assessment Control (HIRAC) review was carried out on 26/5/2014 for all tasks at the mill and estate operations. Safety awareness training programme and safety information is posted on notice boards at muster areas and briefings are given regularly at morning muster.	Complied



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4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -	Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations.  Complied
4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -	Assistant manager at each of the operating units are appointed as OSH Coordinators. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken. Last OSH meeting minutes at the mill dated 25/6/2014 was checked and verified. No any unresolved safety and health issues noted.  Complied
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	Accident and emergency procedures available and communicated to employees, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 & 8 forms. The previous nonconformity remains closed and the action plans implemented.  Complied
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care is provided to all the employees. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with RHB Insurance Berhad.  Complied
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics displayed at the operating units and reported to head office. Zero fatal accident was recorded. Common minor injury such as thorn prick records at clinic verified.  Complied
<b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.		
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied.  Complied
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained. Records verified on a sampling basis at the Mill and r estates visited covers all aspect of training and RSPO P&C..  Complied
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>		

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 5.1:</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Similar to last assessment, the Environmental Aspect and Impact Register is available at all the operating units. Palm Oil Mill developed initial Environmental Aspect and Impact in January 2013 due to the new environment occupied by the newly commissioned Pagoh Palm Oil Mill. Latest review was conducted on 25/6/2014 for the new financial year 2014/15. Based on the review result Management Action Plans are developed and implemented as part of continuous improvement	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	The continuous implementation of the improvements activities were checked during the field and document audit. Examples of the improvement include reinstatement of riparian buffer zones, construction of oil traps, management of schedule waste etc. The responsible person is the Assistant Manager.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. The latest review for FY 2014/2015 was done on 25/6/2014	Complied
<b>Criterion 5.2:</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.			
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	HCV Toolkit for Malaysia by WWF – Malaysia was used for the HCV assessment. There was an appropriate consultation process for identification, management and monitoring of HCVs.	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	There were no HCV area within the mill and plantation. At Lanadron estate there is 0.75ha temple categorized as HCV6. Similarly temple is categorized as HCV 6 in Welch and Pagoh estate covering an area of 1.5ha. About 66.63ha of conservation area is maintained mainly water-log and steep area. There is no any ERT identified within the plantation. There is no ERT in the conservation area. The surrounding areas are well developed for housing and occupied by smallholders planted with rubber and Durian. Common species found in the conservation areas are long tail monkeys, wild boar ( <i>Sus scrofa</i> ), Black Cobra ( <i>naja sp.</i> ) and monitor lizard.	Complied



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5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signages as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	Management plans were established and monitoring outcomes were reviewed by the estate managers. Ongoing monitoring of the management plan on the status of HCV available.	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There was no HCV set-aside that needs any negotiation process with the local communities.	Complied
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Documented identification of all wastes were reflected in the Waste Management Plan for the 2014/2015.	Complied
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose.	Complied
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector.  However, at Lanadron estate: The washing area for tractor did not implement a pollution prevention measure to avoid/control the waste water that contain traces of oil and grease from flowing into the drain. Welch Estate: During the visit to the workshop, it was found that the drainage in front of the latex collection area was broken and oil leakages were sighted at the surrounding area.	<b>Non-Compliance raised</b>
<b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	The mill production output records and the boilers operational records were monitored monthly. The renewable energy usage from the mill data analysis Was 102.21 kWh/mt CPO.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 5.5:</b>			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
<b>5.5.1</b>	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law -EQA and Regulations 1974. No open burning noted during the field visit and facility visit.	Complied
<b>5.5.2</b>	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting.	Complied
<b>Criterion 5.6:</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
<b>5.6.1</b>	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Latest review on pollution activities was conducted on 25/6/2014 for the new financial year 2014/15. Based on the review result Management Action Plans are developed and implemented as part of continuous improvement. The review includes the gaseous emissions, particulates emission and effluent.	Complied
<b>5.6.2</b>	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented. It was noted that the PSQM Department from HQ have established plans for implementation and monitoring of GHG emissions.	Complied
<b>5.6.3</b>	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE.	Complied
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</b>			
<b>Criterion 6.1:</b>			
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
<b>6.1.1</b>	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA assessment was conducted by PSQM team members with social assessment background. Latest review was conducted in June 2014. The assessment was through meeting with the effected parties and stakeholders.	Complied
<b>6.1.2</b>	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Assessment also covered social amenities, environment, road users, employee changes, safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.1.3</b> Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Based on the SIA findings and recommendation from the consultant, a timetable with responsibilities for mitigation and monitoring of the social impacts were developed and reviewed as necessary. The assistant manager is responsible for the social issues and communication with the stakeholders.	Complied
<b>6.1.4</b> The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Annual SIA improvement plans reviewed in June 2014. The assessment was through meeting with the effected parties and stakeholders.	Complied
<b>6.1.5</b> Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Pagoh Certification Unit.	Complied
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
<b>6.2.1</b> Consultation and communication procedures shall be documented. - Major compliance -	Documented consultation and communication procedures "Handling Social Issues" SOP dated 01 Nov 2008 was established and available.	Complied
<b>6.2.2</b> A management official responsible for these issues shall be nominated. - Minor compliance -	The responsibility to ensure effective implementation of the SOP is the respective Mill and Estate Managers assisted by social officers. The Social Officer of the respective operating unit handles social issues of the mill and estates.	Complied
<b>6.2.3</b> A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	List of stakeholders updated and maintained. The previous observation was addressed effectively. Records of meetings were maintained. The records are available in the Social Management Plan files at the respective operating units.	Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
<b>6.3.1</b> The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.3.2</b> Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	SOP to resolve social disputes "Handling Social Issues" SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings. Follow-up actions had timelines, responsibilities, and details of actions and monitored by managers for satisfactory conclusion. Minutes of meetings are maintained and reviewed.	Complied
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
<b>6.4.1</b> A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled "Handling Land Disputes" SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
<b>6.4.2</b> A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.4.1 above.	Complied
<b>6.4.3</b> The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
<b>6.5.1</b> Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and conditions such as pay slips, shows gross pay, net pay, leave, medical leave pay etc are maintained by the company.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.5.2</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Employment contract are available in languages understood by workers. Pay and conditions explained to workers by the operating units. Basic daily pay was verified to be in accordance with the Minimum Wage Order 2012.	Complied
<b>6.5.3</b> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance -	Palm Oil Mill and estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose.	Complied
<b>6.5.4</b> Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance -	Accesses to food for the workers are considered adequately and sufficiently.	Complied
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
<b>6.6.1</b> A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated April 2008.	Complied
<b>6.6.2</b> Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Worker Union was formed by the workers. Formal meeting with the management was conducted on 25/8/2014 attended by 10 union representatives including foreign workers representative.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.		
<b>6.7.1</b> There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Operating units are complied with the minimum age requirement. No employees below the age of 18.	Complied
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
<b>6.8.1</b> A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	A policy on equal opportunity available and displayed at the offices along with the other policies.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>6.8.2</b> Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 3 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
<b>6.8.3</b> It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.		
<b>6.9.1</b> Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on protection against Sexual Harassment and other forms of harassment available and implemented. There is no any reported case of harassment in the operating units.	Complied
<b>6.9.2</b> A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave.	Complied
<b>6.9.3</b> A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Existing grievance procedure to handle grievances from internal and external stakeholders contains flow chart and available in the local language. Grievances and complaints are treated as confidential and not discussed in public.	Complied
<b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.		
<b>6.10.1</b> Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	Complied
<b>6.10.2</b> Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	Complied
<b>6.10.3</b> Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Interview confirmed that contractors/suppliers and workers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>6.10.4</b>	Agreed payments shall be made in a timely manner. - Minor compliance -	Interview of contractors and workers confirmed payment is made promptly. Inspection to the "Grievance Book" indicated no complaint was raised in relation to processing of the payment.	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			
<b>6.11.1</b>	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	Contributions are regularly made to school activities and community activities. This was confirmed by school teachers and local community during interview. Company also allow access to local community to access through the estate roads. Consultations with the local communities are held to encourage them to highlight and suggest any activities for local community development	Complied
<b>6.11.2</b>	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholders.	Complied
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			
<b>6.12.1</b>	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	All employees are legal with local identification card for local employees and foreign employees are with valid passports and working permits. No evident of trafficked workers were found during the audit.	Complied
<b>6.12.2</b>	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract substitution was noted.	Complied
<b>6.12.3</b>	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
<b>Criterion 6.13:</b> Growers and millers respect human rights.			
<b>6.13.1</b>	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The existing policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	Complied
<b>Principle 7: Responsible development of new plantings</b> Pagoh Certification unit and supply base did not carry out any new plantings after Nov 2005. Therefore, the requirement of Principle 7 is not applicable during this recertification assessment.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			



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Criterion / Indicator	Assessment Findings	Compliance
<p><b>8.1.1</b> The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);               <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>Similar to last assessment all estate are not using paraquat. This is one of the major commitments by all the operating units to stop using paraquat. Environmental impacts of the operations were identified. Environmental Impact Management details the impact mitigation measures and actions required to improve environmental performance for the identified significant impacts. Yield is optimised.</p>	<p>Complied</p>



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**Appendix B: Sime Darby Plantation Sdn. Bhd. Time Bound Plan**

<b>TIME BOUND PLAN – Certification Units in Malaysia</b>			
<b>No.</b>	<b>MANAGEMENT UNIT</b>		<b>LOCATION</b>
	<b>P O M</b>	<b>Time Bound</b>	
1	Sg Dingin	Certified 2010	Kedah
2	Chersonese	Certified 2011	Perak
3	Elphil	Certified 2011	Perak
4	Flemington	Certified 2011	Perak
5	Seri Intan	Certified 2011	Perak
6	Selaba	Certified 2011	Perak
7	Tennamaram	Certified 2011	Selangor
8	Bkt Kerayong	Certified 2011	Selangor
9	East	Certified 2010	Selangor
10	West	Certified 2010	Selangor
11	Bukit Puteri	Certified 2011	Pahang
12	Kerdau	Certified 2011	Pahang
13	Jabor	Certified 2011	Pahang
14	Labu	Certified 2011	N. Sembilan
15	Tanah Merah	Certified 2010	N. Sembilan
16	Sua Betong	Certified 2014	N. Sembilan
17	Kok Foh	Certified 2011	N. Sembilan
18	Kempas	Certified 2010	Malacca
19	Diamond Jubilee	Certified 2011	Malacca
20	Pagoh	Certified 2014	Johor
21	Chaah	Certified 2010	Johor
22	Gunung Mas	Certified 2010	Johor
23	Bukit Benut	Certified 2011	Johor
24	Ulu Remis	Certified 2011	Johor
25	Hadapan	Certified 2011	Johor
26	Sandakan Bay	Certified 2008. Recertification completed.	Sabah
27	Melalap	Certified 2011	Sabah
28	Binuang	Certified 2009. Recertification completed.	Sabah
29	Giram	Certified 2009. Recertification completed.	Sabah
30	Merotai	Certified 2009. Recertification completed.	Sabah
31	Lavang	Certified 2011	Sarawak
32	Rajawali	Certified 2011	Sarawak
33	Derawan	Certified 2011	Sarawak
34	Pekaka	Certified 2011	Sarawak

<b>TIME BOUND PLAN – Certification Units in Indonesia</b>			
<b>No.</b>	<b>MANAGEMENT UNIT</b>		<b>LOCATION</b>
	<b>P O M</b>	<b>Time Bound</b>	
1	Sekunyir (PT. Indotruba Tengah)	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan
2	Manggala (PT. Tunggal Mitra Plantations)	Certified 2010	Rokan Hilir District – Riau
3	Bk. Ajong (PT. Sime Indo Agro)	Certified 2010	Sanggau District – West Kalimantan
4	Teluk Siak (PT Aneka Inti Persada)	Certified 2011	Pekanbaru, Siak District – Riau
5	Sungai Pinang (PT. Bina Sains Cemerlang)	Certified 2012	Musi Rawas District – South Sumatera
6	Sukamandang (PT. Kridatama Lancar)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
7	Pemantang (PT. Teguh Sempurna)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
8	Alur Dumai (PT Lahan Tani Sakti)	Certified 2011	Rokan Hilir District – Riau
9	Teluk Bakau (PT. Bhumireksa Nusa Sejati)	Certified 2011	Indra Giri Hilir District – Riau
10	Mandah (PT. Bhumireksa Nusa Sejati)	Certified 2014	Indra Giri Hilir District – Riau
11	Angsana Mini (PT Sajang Heulang)	Certified 2011	Tanah Bumbu District – South Kalimantan

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12	AngsanaPT Ladangrumpun Suburabadi	Certified 2011	Tanah Bumbu District – South Kalimantan
13	Mustika (PT Sajang Heulang)	Certified 2013	Tanah Bumbu District – South Kalimantan
14	Gunung Aru (PT Bersama Sejahtera Sakti)	Certified 2011	Kotabaru District – South Kalimantan
15	Bebunga (PT. Langgeng)	Certified 2011	Kotabaru District – South Kalimantan
16	Blang Simpo (PT Padang Palma Permai)	Certified 2013	Aceh Tamiang, Nangroe Aceh Darussalam
17	Pondok Labu (PT Paripurna Swakarsa)	Certified 2012	Kotabaru District – South Kalimantan
18	Selabak (PT Swadaya Andhika)	Certified 2012	Kotabaru District – South Kalimantan
19	Rantau (PT Laguna Mandiri)	Certified 2012	Kotabaru District – South Kalimantan
20	Betung (PT Laguna Mandiri)	Certified 2014	Kotabaru District – South Kalimantan
21	Ungkaya (PT Tamaco Graha Krida)	Certified 2012	Morowali District – Sulawesi Tengah
22	Ladang Panjang (PT Bahari Gembira Ria)	Certified 2012	Muaro Jambi District - Jambi
23	Rantau Panjang (PT Guthrie Pecconina Indonesia)	Certified 2012	Musi Banyuasin District – South Sumatera
24	MAS (PT Mitra Austral Sejahtera) The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Regular discussions is ongoing between Sime Darby Plantation and the project affected communities.	2015	Sanggau District – West Kalimantan
25	Lembiru (PT Sandika Nata Palma)	Certified 2014	Ketapang District – West Kalimantan

**Appendix C: Sime Darby Plantation Sdn Bhd – SOU 19 Pagoh Certification Unit RSPO Certificate Details**

Sime Darby Plantation Sdn. Bhd.  
SOU 19 Management Unit (KKS Pagoh)  
Lot 2159, Ladang Pagoh, Mukim Jalan Bakri,  
84309 Muar, Johor,  
MALAYSIA

BSI RSPO Certificate No: SPO 600305

Date of Initial Certificate Issued: 28 January 2014

Date of Expiry: 27 January 2019

RSPO membership number: 1-0008-04-000-00

Applicable Standards: RSPO P&C 2013; RSPO Certification System June 2007 (revised March 2011); Annex 4: Procedures for Annual Surveillance; RSPO P&C MY-NIWG 2010; RSPO Supply Chain Certification Standard 21 November 2014 Module D - CPO Mills: Identity Preserved

<b>Pagoh Palm Oil Mill and Supply Base</b>					
Location Address	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.				
GPS Location	Longitude: 102° 43' 15" E Latitude: 2° 4' 58" N				
CPO Tonnage Total	36,898				
PK Tonnage Total	8,732				
CPO Claimed for Certification	36,898				
PK Claimed for Certification	8,732				
Own estates FFB Tonnage	171,222				
Scheme Smallholder FFB Tonnage	-				
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Lanadron Estate	2,393.24	158.17	299.51	2,850.92	57,699
Pengkalan Bukit Estate	2,432.5	552.01	172.37	3,156.88	60,970
Welch Estate	576.20	0	871.62	1,447.82	12,988
Pagoh Estate	1,394.04	593.98	337.91	2,325.93	39,565
<b>TOTAL</b>	<b>6,795.98</b>	<b>1,304.16</b>	<b>1,681.41</b>	<b>9,781.55</b>	<b>171,222</b>

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**Appendix D: Assessment Plan**

<b>PRELIMINARY AGENDA</b>					
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Senniah</b>	<b>Kelvin</b>	<b>Muhd Haris</b>
Monday 24/11/14	PM	Audit Team travelling to the site.	√	√	√
Tuesday 25/11/14 Pagoh Palm Oil Mill	08.30 – 09.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).	√	√	√
	09.00 – 12.00	Pagoh Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Pagoh Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30-17.00	Interim Closing briefing.	√	√	√
Wednesday 26/11/14	08.30 – 12.00	Lanadron Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	10.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Lanadron Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Briefing	√	√	√
Thursday 27/11/14	8.30 – 12.00	Welch Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Welch Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Meeting	√	√	√
	Friday 28/11/14	8.30 – 11.30	Continue document audit and Verify any outstanding issues.	√	√
11.30 – 12.00		Preparation for closing meeting and Closing Meeting	√	√	√

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <p>Managers and Assistants  Male Mill Staff/Workers  Female Mill Staff/Workers  Foreign Worker  Field workers  Nursery workers  Male and Female Estate workers  Hospital Assistant  Union Representatives  Gender Committee Secretary  Boiler operators  Engine room operators  Store clerk  Staff and Welder at workshop  Press station worker  Weighbridge Staff</p>	<p><b>External Stakeholders</b></p> <p>Head of the Village  Bukit Gambir Village Representative  Kampung Brohol Village Representative  Bukit Kledang Village Representative  Mosque Committee  Join Consultative Committee Representative from Village  Contractors &amp; Consultants  Electrical Contractor  General Supplier</p>
<p><b>Government Departments</b></p> <p>Labour Department  Department of Safety and Health (DOSH)  Panchor Police Officer  Jementah Police Officer  Pagoh Police Station Representative  School Teacher – SJK Tamil Temiang Pendang  School Teacher – SJK Tamil Nordanal  School Teacher – SK Ladang Welch</p>	<p><b>Non Governmental Organisation</b></p> <p>National Union of Plantation Workers  All Malaysia Estate Staff Union  Shabat Alam  GreenPalm</p>

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**Appendix F: Pagoh Palm Oil Mill Supply Chain Assessment (Module D – CPO Mills: Identity Preserved)**

Requirements	Compliance
<b>D.1. Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The Pagoh mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>D.3 Documented procedures</b>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</li> </ul>	<p>Latest written documented procedures (RSPO SCCS v.2 Year 2014) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non certified FFB under Appendix 15. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Pagoh Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Pagoh Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
<b>D.4 Purchasing and goods in</b>	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Pagoh mill have system to verify at the weighbridge.</p>

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D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure and stated in the.
<b>D.5 Record keeping</b>	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Pagoh Palm Oil mill. PK is sold to Sime Darby Futures Trading. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.
<b>D.6 Processing</b>	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. There is a possibility that the mill will receive Certified FFB from other Sime Darby's Certified Estate such as Tangkah Estate which was certified under Kempas Certification Unit (SIRIM QAS International Certificate Number: RSPO 005, valid until 19 May 2015). This will be further verified during next surveillance assessment if such cases occurred and observed. No non-certified FFB received.
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

**Actual Certified Palm Production – Jan. 2014 – Dec. 2014 (Initial Assessment)**

MILL	CAPACITY	CPO	PK
Pagoh Palm Oil Mill	45 mt/hr	35,138	8,141

**Actual Sales of Certified Palm Products – Jan. 2014 – Dec. 2014 (Initial Assessment)**

MILL	Certified CPO Sales	Certified Sales	PK	Remarks
Pagoh Palm Oil Mill	3,500mt (Confirmed sales through eTrace)	NIL		Sales of certified palm products in eTrace were noted.

**Actual Certified FFB Received Monthly – Jan. 2014 – Dec. 2014 (Initial Assessment)**

Month	Lanadron Estate	Pengkalan BukitEstate	Welch Estate	Pagoh Estate	Total FFB/Month
January 2014	368	354	102	224	1048
February 2014	4,737	5,195	1,116	2,246	13,294
March 2014	4,869	5,318	1,185	2,458	13,830
April 2014	4,755	5,370	1,333	2,374	13,832
May 2014	4,920	5,515	1,149	2,760	14,344
June 2014	4,554	5,845	1,657	3,072	15,128
July 2014	5,532	4,941	1,257	4,572	16,302
August 2014	5,758	4,747	1,212	4,174	15,891
Sept. 2014	4,856	4,846	1,290	3,472	14,464
Oct. 2014	4,954	3,945	1,230	3,532	13,661
Nov. 2014	5,411	3,676	1,232	3,071	13,390
Dec. 2014	5,344	3,445	1,310	3,044	13,143
Total	56,058	53,197	14,073	34,999	158,327

Note: January 2014 Certified FFB low due to the mill was certified on 28/1/2014.

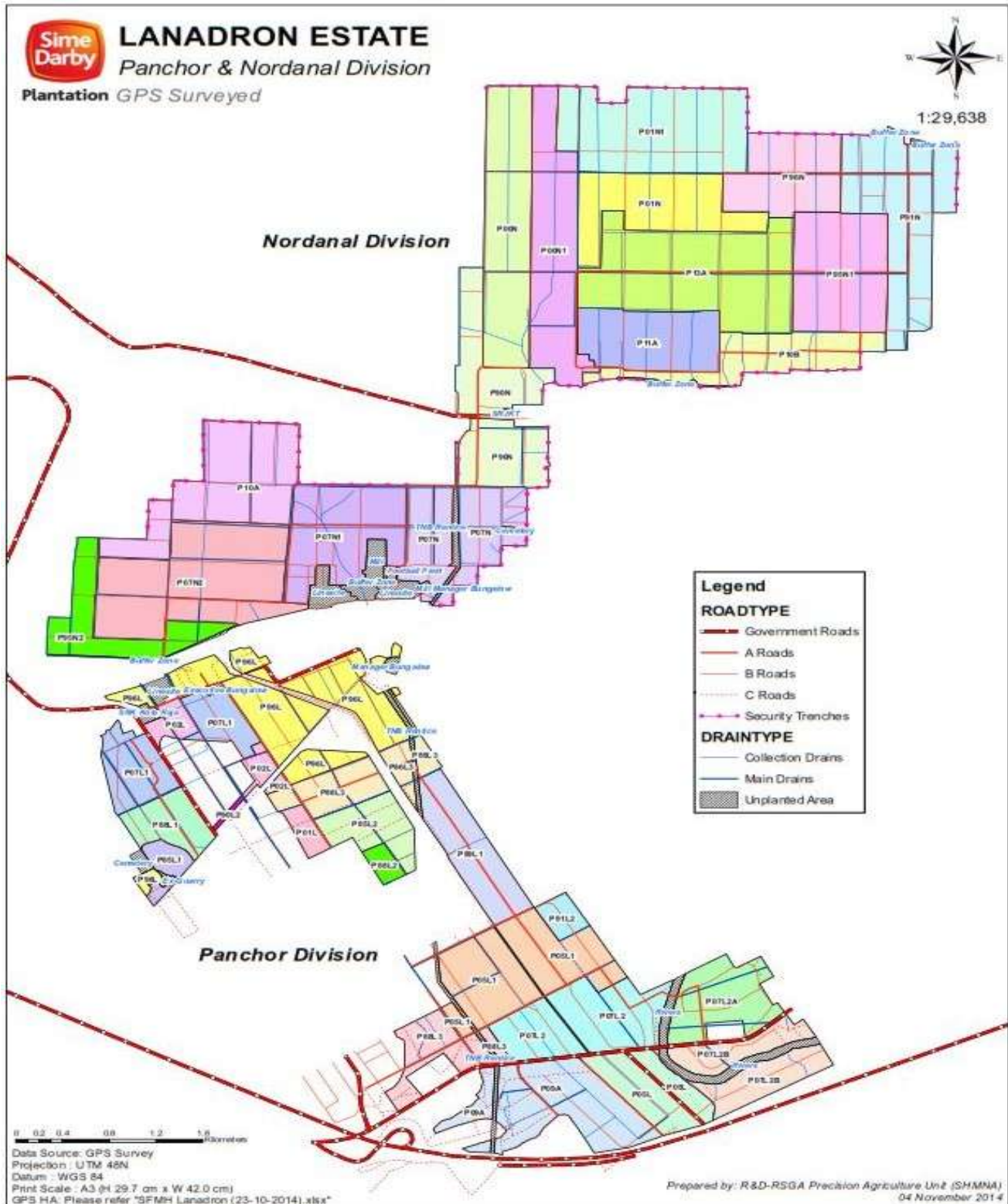


**Appendix G: Map shows location of the Pagoh Palm Oil Mill and Supply Base in Muar, Johor, Peninsular Malaysia**

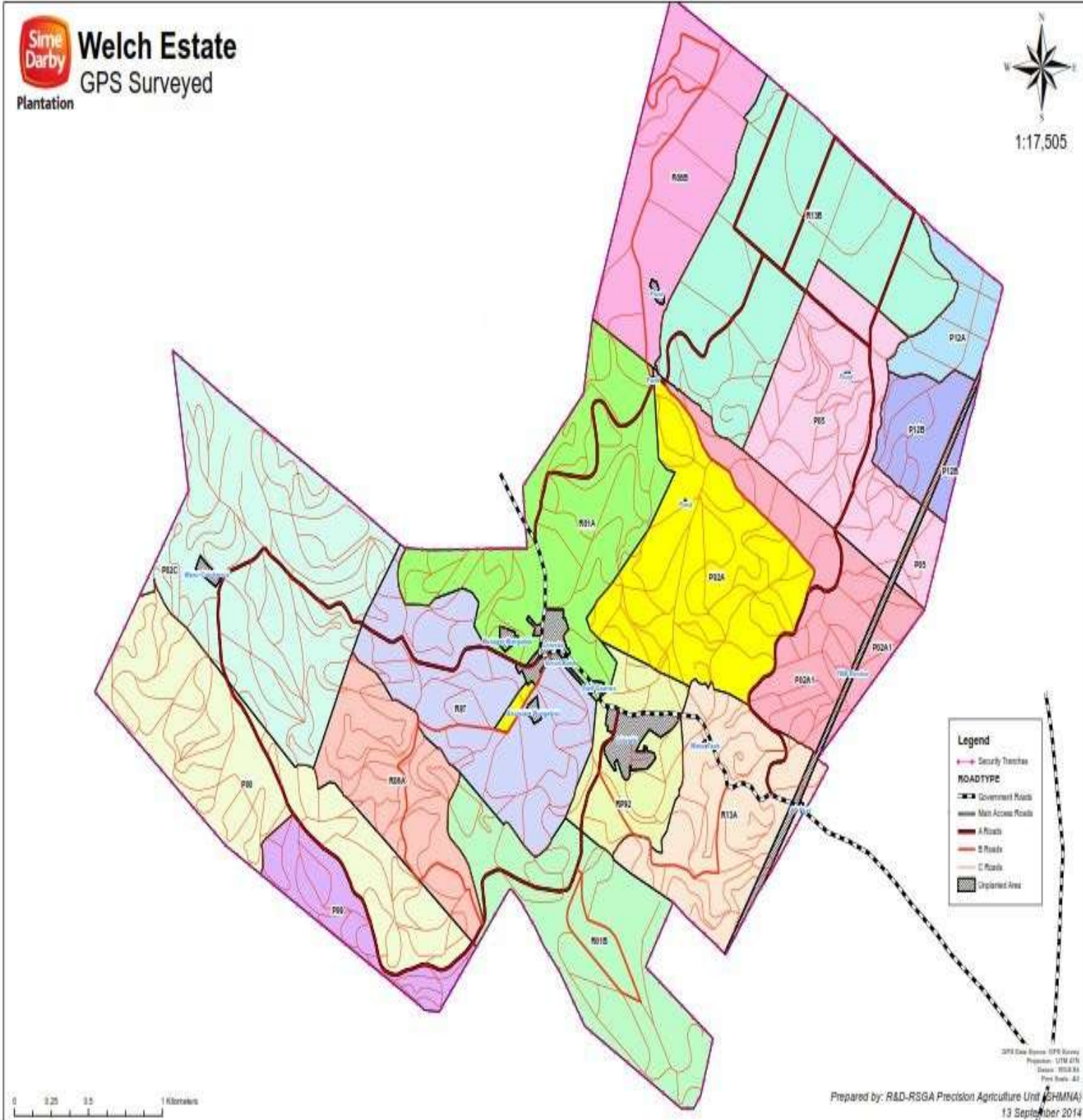




Appendix H: Map shows location of the Lanadron Estate



Appendix I: Map shows location of the Welch Estate



**Appendix J: List of Abbreviations Used**

ASA1	Annual Surveillance Assessment 1
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
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
PPOM	Pagoh Palm Oil Mill
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit