

RSPO – 1st ANNUAL SURVEILLANCE ASSESSMENT

<p>Sime Darby Plantation Sdn. Bhd.</p>
<p>Head Office: Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7 47301 Ara Damansara, Selangor, Malaysia.</p>
<p>Certification Unit: Sandakan Bay Palm Oil Mill Locked Bag 39, Suanlamba District, 90009, Sandakan Sabah, Malaysia</p>

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Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Date	6 SEPTEMBER 2004
Company Name	Sime Darby Plantation Sdn Bhd		
Address	Sandakan Bay Palm Oil Mill, Locked Bag 39, Suanlamba District, 90009, Sandakan Sabah, Malaysia		
Subsidiary of (if applicable)	NA		
Contact Name	Hudal Firdaus Bin Lahuri		
Website	www.simedarbyplantation.com	E-mail	kks.sandakan.bay@simedarby.com
Telephone	03-7848 4002	Facsimile	

2. RSPO Certification Information			
Certificate Number	SPO 537873	Date	1 st October 2008
Scope of Certification	Sandakan Bay Palm Oil Mill Sentosa Estate Tun Tan Estate Tunku Estate Tigowis Estate Segaliud Estate		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
NIL	-	-	-

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Eastings	Northing
Sandakan Bay Palm Oil Mill	Locked Bag 39, Suanlamba District, 90009, Sandakan	E 118° 10' 20"	N5° 45' 20'
Sentosa Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan	E118°10'21"	N5°43'44"
Tun Tan Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan	E 118° 10' 20"	N 5° 45' 20"
Tigowis Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan	E 118° 7'49"	N05°57'1"
Tunku Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan	E 118°10'19"	N 5°43'49"
Segaliud Estate	WDT 250, 9009, Sandakan	E 117°45'20'	N 5°43'33"

4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & Other (ha)	Total Hectarage	% of Planted
SEGALIUD ESTATE	2,967	1,342	4,309	511	4,820	89%
SENTOSA ESTATE	2,450	684	3,134	411	3,545	67%
TIGOWIS ESTATE	1,342	569	1,911	163	2,074	92%
TUN TAN ESTATE	2,001	812	2,813	330	3,143	90%
TUNKU ESTATE	2,414	549	2,963	240	3,203	93%
TOTAL	11,174	3,956	15,130	1,655	16,785	84%

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Previous Year)	Actual (This Year)	Forecast (Next Year)
SEGALIUD ESTATE	892	450	-	2,967	0	61,315	42,913	60,033
SENTOSA ESTATE	684	0	0	2,450	0	50,669	41,472	46,498
TIGOWIS ESTATE	569	0	0	1,342	0	24,446	25,179	22,694
TUN TAN ESTATE	812	0	0	2,001	0	33,446	34,479	31,468
TUNKU ESTATE	559	0	0	2,414	0	49,096	36,367	49,937
TOTAL	5875.63	447.72	0	8640.78	0	218,973	180,413	210,632

6. Certified Tonnage

Mill	Estimated (Previous Year Sept 2013 – August 2014)			Actual (This Year Sept 2013 – Aug 2014)			Forecast (Next Year Sept 2014 – Aug 2015)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Sandakan Bay Palm Oil Mill	218,973	43,794	10,948	180,413	37,273	9,429	210,632	46,169	11,585

Section 2 Assessment Process

Certification Body: PT BSI Group Indonesia, Menara Bidakara 2, 17th 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 www.bsigroup.com

Assessment Methodology, Programme, Site Visits

BSi has conducted the First Annual Assessment (ASA 1) of Sime Darby Plantation Sdn Bhd, Sandakan Bay Certification Unit (SOU26) located in Sandakan, Sabah, Malaysia comprising one mill, five company owned estates, support services and infrastructure. BSi concludes that Sandakan Bay Palm Oil Mill and five supply base estates comply with the RSPO requirements [RSPO P&C Generic 2013; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance Assessment; and Supply Chain Certification Standard: November 2014, Module E – CPO Mills: Mass Balance]

The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit. The mill was audited together with the plantations of its supply base. 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. Checklists 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 Nonconformities that were assigned during this First Annual Surveillance Assessment will be followed up on the effectiveness of corrective actions taken in the next audit. 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 Senniah Appalasamy, the RSPO Scheme Manager 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 (2013)	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)
Sandakan Bay Palm Oil Mill	√	√	√	√	√
Sentosa Estate		√		√	
Tun Tan Estate		√			√
Togowis Estate			√		√
Tunku Estate	√		√		
Segaiud Estate	√			√	

Tentative Date of Next Visit: July 2015

Total No. of Mandays: 10.5 BSI**Assessment Team:****Mohamed Hidhir Bin Zainal Abidin – Lead Assessor**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

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.

Kelvin Lim Kok Wei – Team member

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

Accompanying Persons: Not Applicable

Section 3 Assessment Findings

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

- ☒ Sime Darby Time Bound Plan – Appendix B
- ☒ RSPO Supply Chain Certification Checklist : Module E (CPO Mills – Mass balance)
- ☒ RSPO P&C GENERIC-2013 Checklist – Appendix A

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.

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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:

- 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 detail of findings by criteria is listed in Appendix A.

During the 1st annual surveillance assessment there were 1 major and 1 minor nonconformity raised. Sandakan Bay 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)
1149355M1	<p>Requirements a) Indicator 2.1.1 : Evidence of compliance with relevant legal requirements shall be available b) Environmental Quality Act 1974, Scheduled Waste Regulations 2005</p> <p>Evidence of Nonconformity <u>Sentosa Estate</u> i) There was no proper storage for the schedule waste generated and was found mixed with other used material and parts at the general store ii) 1 drum and 2 container of waste oil found at the general store without proper identification and labeling as per 3rd schedule requirements. iii) 5th schedule for scheduled waste was not available. Bin card was used for scheduled waste records and not tally with the physical stock on site. iv) Clinical waste (SW404) was stored more than 180 days without any approval from DOE. Last disposal was made on 20/5/14 by Faber Medi-Serve.</p> <p>Statement of Nonconformity Evidence of compliance with legal requirement was not effectively implemented</p> <p>Action i) To place scheduled waste separately from other non-scheduled waste items. Appropriate labels will be used and inventory will also be improved based on the EQA requirements. ii) To provide training for the PIC of the SW. iii) To follow-up with DOE on the application on extension of storage and also apply for special management of the scheduled waste.</p> <p>Evidence submission for NC close out : 1. Photograph of proper storage of scheduled waste, labelling and improved inventory was submitted and found to be adequate. 2. Scheduled Waste training was carried out on 27/3/15. Verified attendance sheet (signed) from all respective operating unit. 3. Application for SW404 storage extension and verified acceptance date on 17/2/14 by DOE. Alternatively, clinical waste was disposed on 26/2/15 by Faber-Medi.</p> <p>Status The major NC was closed on 4/4/15.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1149355N1	<p>Requirements Indicator 4.1.3 : Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p>	<p>Minor</p>
	<p>Evidence of Nonconformity Mill: Drinking water quality test result dated 21/11/14 by Dynakey Laboratories Sdn. Bhd (Ref. No.: 20141114/01L) found few parameters such as Turbidity, E-Coli and Coliform were exceeded the WHO limit. Furthermore, Health Department officer has recommended changing the current chlorine usage during his visit on 4/11/14. However, record of action taken was not available during the audit.</p> <p>Sentosa Estate :The upstream and downstream river water analysis of Mara Palut river which conducted on 24/11/14 and 17/9/14 had shown the COD value at downstream for more than 800mg/L where upstream COD value only shown around 20mg/L. Furthermore, there was no evidence or record shown action has been taken to investigate the causes of the significant increase of COD at downstream of Mara Palut river.</p>	
	<p>Statement of Nonconformity i) Records of actions taken were not available for the drinking water quality issue based on off limit test parameter. ii)There was no evidence that action has been taken to investigation of the significant increase of COD parameter at the downstream of Mara Palut river as compare from the upstream in the test report.</p>	
	<p>Status : The close out of the minor nonconformity will be followed up during the next surveillance.</p>	

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Positive Findings	
PF #	Description
1	“Chester Project” is one of initiative by Sime Darby Plantations Sdn Bhd for housing complex integrated with amenities, offices and workshop in one complex similar with the completed project at Tennamaram Estate, Selangor. This to ensure commitment by Sime Darby Plantation to provide decent living standard and conducive working environment to all employees regardless of their nationalities.
2	Replanting project was initiated with the EIA (Environmental Impact Assessment) and PMM (Proposed Mitigation Measure) approval granted by Environmental Protection Department (EPD). Environmental Compliance Report (ECR) was conducted as per schedule by approved EPD consultant to ensure compliance with the stipulated approval conditions.
3	SOU26 has extended the construction of concrete road connecting to each estate and mill as for effective crop evacuation, palm product transportation as well as providing decent road condition to workers and nearby communities.

Issues raised by Stakeholders	
IS #	Description
1	Issues Gender representative: No issues of sexual harassment at their workplace. Based on interview, female workers generally understand issues of sexual harassment in the workplace and the mechanism to report an alleged sexual harassment or violence.
	Management Responses Will further investigate if there is any report lodge by harassed worker.
	Audit Team Findings No further issues.
2	Issues Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted any issues in JCC meeting is the is any grievances among workers. Based on interview, they are treated equally with the locals. All foreign workers have access to all facilities similar to local workers.
	Management Responses The management treat all employees equally and no discrimination.
	Audit Team Findings No disputes were highlighted by foreign workers interviewed during field visit.
3	Issues Contractors: Contractors confirm payment is prompt as per agreed contract.
	Management Responses Payment is made as per the agreed terms.
	Audit Team Findings No other issues.
4	Issues Humana school teacher: It was re-confirmed that the management always support school activities. Infrastructure and furniture for the class rooms and accommodation for the teachers were provided for the new Humana School at Sentosa Estate. The relationship is good. No other issues.
	Management Responses Management assists wherever possible.
	Audit Team Findings No other issues.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1007353N7	<p>Requirements Indicator 5.1.2 : Field inspection found the concrete floor in the diesel tank station area was not built; furthermore, the safety drainage and bunds in the workshop floor were not properly constructed to avoid direct contamination of the pollutant spillages to the environment</p>	Minor
	<p>Evidence of Nonconformity Field inspection to Workshop and Diesel tank station of Segaliud Estate</p>	
	<p>Statement of Nonconformity Field inspection found the concrete floor in the diesel tank station area was not built; furthermore, the safety drainage and bunds in the workshop floor were not properly constructed to avoid direct contamination of the pollutant spillages to the environment</p>	
	<p>Action Taken Base floor at the workshop diesel tank has been concreted at Segaliud Estate. The other estate's (Sentosa and Tun Tan) workshop and diesel tank were constructed with concrete floor. The containment bund was built to prevent leakage and equipped with drainage and oil traps. It was also verified that drainage valve is working and completely closed during site review.</p> <p>The minor NCR was closed out on 5/2/15</p>	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1007353N10	Requirements Indicator 6.2.3 : Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders.	Minor
	Evidence of Nonconformity Documentation review and stakeholder consultation meeting.	
	Statement of Nonconformity Communication and actions taken in response to input from stakeholders are not properly recorded. Furthermore during stakeholder consultation meeting between auditors with company's stakeholders had received an input where company previously was not carried out any formal communication with relevant stakeholders.	
	Action Taken Records of regular stakeholder meeting and other related information with stakeholders were verified at all visited estates. The latest stakeholder meeting was carried out on 17/12/14 at Tun Tan Estate with contractors, village representative and smallholders. The minor NCR was closed out on 5/2/15	

Observation	
OBS #	Description
1	Indicator 2.1.1 Found License to employ foreign workers issued by Labour Department been renewed not following the requirement which to be submitted two months prior to the expiry date. Further clarification has been made with Labour Department officer and the license should be valid at all times. In addition, auditor also found the number of existing foreign worker exceeded the quota approved. Thus, necessary action needs to be carried out to update the labour department Action : All the foreign worker hired license was still valid at all visit operating unit

Observation	
OBS #	Description
2	Indicator 4.6.2 In Tunku and Segaliud Estates, the recent used of chemical, for example: Supremo (a.i Glyphosate), need to be registered to Agriculture Department as per Pesticide Act 1974 Action : The latest chemical register was sighted dated 31/1/15 and has included glyphosate in the register

Observation	
OBS #	Description
3	Indicator 4.6.5 The Pesticide operators (chemical store keeper and mandore) in the Estates need to be considered to undergone annual medical surveillance. Action : Store keeper and pesticides operator was sent for medical surveillance. Refer to medical surveillance record dated 5/11/14 under Klinik Mansor Sdn Bhd.

Observation	
OBS #	Description
4	Indicator 4.7.1 To ensure the welding operator in Mill and Estates appropriately dress up with long sleeves suite.
	Action : PPE usage has been standardized. Coverall, long leather glove and welding shield provided for welders.

Observation	
OBS #	Description
5	Indicator 4.8.2 To ensure established training programme 2013/2014 for contractor to be carried out by estate's
	Action : Training programme was conducted for contractor, i.e Safety Townhall and Tractor Driver Training

Observation	
OBS #	Description
6	Indicator 5.1.2 Tunku Estate management need to ensure the drainage at the worker housing is properly maintained
	Action : The housing drainage was well-maintained and no signage of household waste.

Observation	
OBS #	Description
7	Indicator 5.2.1 The hectarage of HCV 4 area (under category Slope area > 25 degree in Segaliud Estate) stated in
	Action : SOU 26 has made internal checking on the database of HCV area and confirmed to audit team on 5 August 2013 for the slope area (> 25 degree) is around 7.3 ha as stated in the HCV report. Re-visit to the site during this assessment to confirm the actual area size found it was 7.3ha as per the HCV report.

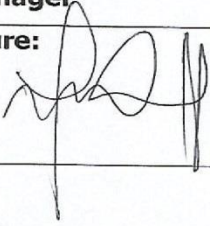

Observation	
OBS #	Description
8	Indicator 5.3.2 Follow up need to be taken with DOE for Extension of storing medical waste as currently found medical waste in Tunku and Segaliud Estates are exceeded 180 days storage.
	Action : Last SW404 disposal was done 20/5/14 and exceeded 180 days. Upgraded to Major NC under indicator 2.1.1

Observation	
OBS #	Description
9	Indicator 6.5.2 Segaliud and Tunku Estates could improve the employment detailing payment (e.g. deduction terms)
	Action : Interview with mill and estate staff and workers confirmed that they understand Terms and Conditions of their employment contracts and receive correct entitlements.

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3.3.2 Summary of Non-Conformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
CR01 4.2.2	Minor	02/06/2008	Closed 17/09/2009
CR02 4.4.6	Minor	02/06/2008	Closed 17/09/2009
CR03 2.1.1	Major	17/09/2009	Closed 16/11/2009
CR04 2.1.3	Minor	17/09/2009	Closed 24/09/2010
CR05 4.3.2	Minor	17/09/2009	Closed 24/09/2010
CR06 5.3.2	Minor	17/09/2009	Closed 24/09/2010
CR07 4.4.6	Minor	29/06/2011	Closed 24/05/2012
CR08 5.2.3	Minor	29/06/2011	Closed 24/05/2012
CR09 5.3.2	Minor	29/06/2011	Closed 24/05/2012
CR10 5.5.3	Minor	29/06/2011	Closed 24/05/2012
CR11 5.3.2	Minor	24/05/2012	Closed 02/08/2013
CR12 5.3.3	Minor	24/05/2012	Closed 02/08/2013
1007353M1 2.1.1	Major	02/08/2013	Closed 30/08/2013
1007353N7 5.1.2	Minor	02/08/2013	Closed 5/02/2015
1007353N10 6.2.3	Minor	02/08/2013	Closed 5/02/2015
1149355M1 2.1.1	Major	6/2/2015	Closed 4/4/2015
1149355N1 4.1.3	Minor	6/2/2015	"Open"

Acknowledgement of Assessment Findings by Sandakan Bay Certification Unit	Report Prepared by BSI
Name: Hudal Firdaus Bin Lahuri	Name: Mohamed Hidhir Bin Zainal Abidin
Company name: Sime Darby Plantation Sdn. Bhd. Sandakan Bay Palm Oil Mill	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Mill Manager	Title: Lead Auditor
Signature: 	Signature: 

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information 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.	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
Criterion 1.2:			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

1.2.1	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • 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). <p>- Major compliance –</p>	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>Sime Darby Plantations Sdn Bhd continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Procedure for complaints and grievances were available through Sime Darby Plantations Sdn Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Social Enhancement • Sustainability Management Programmes • Complaint and Grievances procedure. • Environmental Conservation <p>These documents highlight current Sime Darby Plantations Sdn Bhd practices and their continual improvement plans. Besides the above document Sime Darby Plantations Sdn Bhd policy on the followings are also available at the same website:</p> <ol style="list-style-type: none"> 1) Social 2) Quality 3) Food Safety 4) Occupational Safety & Health 5) Environment & Biodiversity 6) Slope Protection and Buffer Zone 7) Lean Six Sigma 8) Gender <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	Comply
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Criteria 1.3:

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Sime Darby plantation has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation. Policy displayed on the notice board and communicated to employees. Interview with employees reveal that they are aware of the policy.</p>	Complied
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Principle 2: Compliance with applicable laws and regulations

Criterion / Indicator

Assessment Findings

Compliance

Criterion 2.1:

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

<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU 26 had continued to comply with legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU 26 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were :</p> <p><u>Sandakan Bay POM</u></p> <ol style="list-style-type: none"> 1. Permit for the gen-set from Electricity Commissioner Permit# SSD0/1/2015 dated 12/1/15 to 11/1/16. 2. Competent person for handling gen-set with license# PJ-T-1-B-005-2007 that valid till 19/4/15 with approval from Electricity Commissioner. 3. Self-managed port with approval from Lembaga Pelabuhan Sabah, license# LPPS 600-13/1/61 that valid till 31/12/15. 4. License for hire foreign workers JTK.H.KBN.600-4/1/10401/0416 that valid till 20/6/15. The actual numbers of Indonesian worker and Philipines workers was according to the limit of the license. <p><u>Sentosa estate:</u></p> <ol style="list-style-type: none"> 1. License for hire foreign workers JTK.H.KBN.600-4/1/1/01261/0097 that valid till 19/8/15. The actual numbers of Indonesian worker and Philipines workers was according to the limit of the license. 2. MPOB license# 530353002000 that valid till 31/5/15 3. Permit to purchase control item such as Diesel and Fertilizer with permit# S004105 that valid till 15/5/15. 4. Business license# A195690 from local municipal authority that valid till 31/12/15. 5. Approval conditions @ "Aku Janji" for Oil Plam Replanting Projects of 254.44 ha at Paya Division, Sentosa Estate. Refer to JPAS/PP/17/600-1/11/1/195(23) dated 11/9/14. <p><u>Sentosa Estate</u></p> <p>Non-compliance was found at Sentosa Estate with regards to Scheduled Waste Regulations 2005. The recoded lapses were :</p> <ol style="list-style-type: none"> 1. There was no proper storage for the schedule waste generated and was found mixed with other used material and parts at the general store 2. 1 drum and 2 container of waste oil found at the general store without proper identification and labeling as per 3rd schedule requirements. 3. 5th schedule for scheduled waste was not available. Bin card was used for scheduled waste records and not tally with the physical stock on site. 4. Clinical waste (SW404) was stored more than 180 days without any approval from DOE. Last disposal was made on 20/5/14 by Faber Medi-Serve. <p>Thus, under the said indicator Major NC was issued for the above issues. Refer to NC 1149355M1</p>	<p>Major Non-Compliance</p>
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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. The list of applicable legal and other requirement was made available during the assessment. The list covers legal requirements such as : a) Factories and Machinery Act 1967 (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970 etc. b) Occupational Safety and Health Act 1994 (NADOOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004) etc. c) Industrial Code Of Practice for Confined Space 2010 d) Environment Quality Act 1974 (Prescribed Premise (CPO) Regulations 1977, Clean Air Regulation 1978, Scheduled Waste Regulation 2005 etc. e) Fire Services (Fire Service Act 1984 & Fire Certificate Regulation 2001) f) Housing and Amenities (Worker’s Minimum Standard of Housing and Amenities Act 1990) g) Labour, EPF and SOCSO (Employment Act 1955, Employee Provident Fund Act 1991, Employees Social Security Act 1969, Minimum Wages Order 2012, h) Electric Supply Act 1990 – Electricity Regulation 1994	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 (GCAD).	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
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land title clearly showing the land history and legal ownership for all company own estates, for instances Land Title No: CL075109545, CL075109394 and CL075109447 which from Sentosa estate and land title No: CL075109401 and CL075109545 from Tun Tan Estate. All the land title is clearly stated the land use term for agricultural crops of economic.	Complied

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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.	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 -	Review on land ownership records and interview with relevant stakeholders confirmed there are no conflict or dispute over the land within legal boundary of SOU 26.	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	Review on land ownership records and interview with relevant stakeholders confirmed there are no conflict or dispute over the land within legal boundary of SOU 26.	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	Review on land ownership records and interview with relevant stakeholders confirmed there are no conflict or dispute over the land within legal boundary of SOU 26.	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	There was no land conflict occur in SOU26 since the last visit. In addition, policy for prohibition uses of extra-judicial intimidation and harassment was in process of being documented and communicated to all levels of workforce in all operation units. This to be followed up on the next visit as this was the new requirement of the P&C 2013.	Complied
Criterion 2.3: 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 -	The estate lands are legally owned by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	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 -	The estate lands are legally owned by the company and no other users were identified within the land area.	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	The estate lands are legally owned by the company and no other users were identified within the land area.	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	The estate lands are legally owned by the company and no other users were identified within the land area.	Complied

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

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	SOU26 had an annual budget for the financial year 2014/2015. The palm oil mill budget includes the projected FFB processed, CPO and PK production which projected for five years. Sample of OPEX and CAPEX are : 1. Desludging programme for 2015 : Consist of 2 Anaerobic ponds as to improve pond hydraulic retention time (HRT) 2. Biogas Engine : Methane capturing for electricity generation and GHG reduction	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 -	Long range replanting programme was available until Financial year 2019/20. As for FY 2014/15, 254.44ha is in the progress of replanting and this was decided during the review on June 2014	Complied

Principle 4: Use of appropriate best practices by growers and millers

Criterion 4.1: 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 -	Sample of monitoring records sighted were : Sandakan Bay POM Drinking water quality test dated 21/11/14 by Dynakey Laboratories Sdn. Bhd (Ref. No.: 20141114/01L) : - WHO limit exceeded for Turbidity, E-Coli and Coliform Department of Health recommendation to change current chlorine usage during his visit on 4/11/14. However, record of action taken was not available during the audit. Sentosa Estate River water analysis report for upstream and downstream Sg Mara Palut dated 24/11/14 and 17/9/14 shown the COD level was at 800mg/l for downstream where the upstream was at 20 mg/l. Significant increase of COD level was noted without any records of investigation taken. Thus, minor NC 1149355N1 was raised.	Minor Non Compliance

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4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	The mill have records of all third party sourced FFB on daily basis. The mill currently receives FFB from 10 out grower and traders.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	GAP for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per agronomist recommendation. This was also observed during the field visit.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of application.	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	The R&D Department has maintained an active interest in the management of soil fertility and optimisation of FFB yields and it also monitors the changes in nutrient status through periodic soil and leaf sampling.	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 -	All palm by-products including fronds, EFB, and expeller are recycled. EFB is applied at the rate of 40mt/ha on selected area close to the mill.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	There are no peat soils or soil categorized as problematic or fragile soil at all 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 -	Landscapes of both estates visited are mostly flat and undulating. However, Sime Darby Plantation Sdn Bhd has a policy on slope planting and this will be implemented during replanting	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Road maintenance programme for 2014/15 is available. Sentosa Estate have prepared road maintenance programme for 2014/15 FY. There was tremendous improvement on the road maintenance and concrete road upgrading carried out since last visit.	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 categorized 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 or soil categorized as problematic or fragile soil at all estates visited.	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 categorized as problematic or fragile soil at all estates visited.	Complied
Criterion 4.4: 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 -	Based on the rainfall data, the water management plan was developed for the efficiency use of water, availability of resources, contingency plan during dry spell and flooding and water reduction plan.	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. Restoration of riparian buffer as per Sime Darby Plantation' s policy at both side of the stream is implemented. This was observed during the field visit to the field area which is near to the riparian buffer. Use of agrochemical has been ceased and replaced with manual weeding along the riparian buffer	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 -	Treated mill effluent discharge was regularly monitored as prescribed under " <i>Jadual Pematuhan</i> " JPKKS/12/001857. Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via " <i>Borang Penyata Suku Tahun</i> " to DOE for compliance. Sample of latest month analysis done by accredited laboratory dated 2/12/14 (Ref: AS/EF/211) was sighted. The latest " <i>Borang Penyata Suku Tahun</i> " 3 rd quarter of 2014 was sighted during the audit. Result was found in compliance with the regulatory limit.	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Sandakan Bay mill has maintained monitoring of daily water usage for Mill processing and domestic consumption (M3/tonne FFB) and it recorded every month. Review of record on Mill Water consumption of Sandakan Bay Mill – July 2013 to June 2014, data show average monthly consumption during the periods was below the target of 1.5 M3/tFFB. Mill has initiated to continue water consumption below the budget through recycling the water from cooling turbine and vacuum dryer. This has improve the water consumption to maintain the level of less than 1.0 M3/tFFB.	Complied
Criterion 4.5:			
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Beneficial plants such as Tunnera and Cassia has been planted along the road side of estate boundary by ratio of 1.05dm/ha. The estate also initiated the barn owl box at ratio of 1:20 per ha and the installation was in progress during the audit.	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment. Sample training checked: Barn Owl Census training on 22/11/14 for 6 workers.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6:			
Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are: Immature planting (sample) - General weeds : Glyphosate - Legume & broad leave : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate Mature planting - VOPs : glyphosate & sodium chlorate 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. 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

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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 at SOU26.	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 at SOU26. Employees demonstrate knowledge and skills on pesticide handling. MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster 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 of waste material disposal such as empty chemical container as in accordance with scheduled waste and domestic waste regulations and guidelines.	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 5/11/2014 by DOSH Registered doctor. No.: HQ/08/DOC/00(695) for Sentosa Estate. All 15 workers were found fit based on the medical results.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There are female pesticide operators but only for normal weeding work. However, based on 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
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

<p>4.7.1</p>	<p>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 -</p>	<p>SOU26 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. Environment safety and health (ESH) management plan for each operating unit had been established. The ESH management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training programme, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. The latest ESH plan FY2014/2015 was made available during this assessment. Sample of Sandakan Bay Palm Oil Mill ESH programme for FY2014/2015 were :</p> <p><u>Audiometric Testing</u> Last audiometric testing was done on 28/8/14 by DOBOH Sdn Bhd, OHD number (HQ/10/DOC/00/167). Total of 56 workers were sent for the annual testing. 2 workers was reported affected with serious HI and recommended for further check by ENT doctor. Full report will be verified in the next audit.</p> <p><u>Medical Surveillance Programme</u> As per CHRA recommendation dated July 2010 by (JKKP IH 127/171-(2)277, medical surveillance programme has been planned for those exposed to N-hexane, potassium chromate, IPA and Clay (Silica). The latest medical surveillance was carried out by registered OHD, (HQ/08/DOC/00(167) under Klinik Dr Mansor for 12 workers from laboratory and process operator. From the results, all workers sent for medical surveillance are fit to work with no detrimental of heath.</p> <p><u>Personal Chemical Exposure Monitoring (PCEM)</u> PCEM was last carried out on 26/8/14 by registered IHT 1, (JKKP/HIE/127/171-3/(163) for 2 type of chemical, N-hexane and IPA. The results was found below permissible exposure limit for 8 hours Total Weighted Average (TWA₈)</p> <p><u>Local Exhaust Ventilation (LEV) Testing & Inspection</u> The latest LEV inspection was conducted on 26/4/14 by HT Consultant & Services, JKKP HIE 127/171-3/2(144). Cubic feet meter (CFM) measured for face and transport velocity above the requirement of ACGIH at half and full opening hood cover.</p>	<p>Complied</p>
<p>4.7.2</p>	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p>	<p>SOU 26 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Refer to CHRA report for Sandakan Bay POM(JKKP IH 127/171-(2)277 dated July 2010. All CHRA for estates and mill and have yet to be revisited and will be expired in 2015. Status will be verified in the next assessment.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>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.</p> <p>- Minor compliance -</p>	<p>Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/SDS and CHRA assessor's recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <ul style="list-style-type: none"> i) Sterilizer and boiler/power operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff ii) Lab operator – Respirator (double cartridge) Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB) iii) Field workers (sprayer, manurer & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. 	<p>Complied</p>
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Assistant manager at each of the operating units are appointed as OSH Coordinators and Estate Hospital Assistant as Safety and Health Committee Secretary. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc.</p> <p><u>Tun Tan Estate</u> SHC organization chart FY14/15 i) Chairman – Adenan Hj Hijoo (Estate Manager) ii) Secretary – Azrin Hanis (QA)</p> <p>Date of SHC meeting carried out</p> <ul style="list-style-type: none"> - 1/14 : 10/1/14 - 2/14 : 10/4/14 - 3/14 : 10/7/14 - 4/14 : 10/10/14 	<p>Complied</p>

<p>4.7.5</p>	<p>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 -</p>	<p>Emergency Response Plan (ERP) has been established and defined in procedure, Level 2, Standard Operation Manual, Sub Section 5.5, Management Responsibility, Appendix 5.5.3.3 Emergency Preparedness and Response Procedure, version:1, issue :1 dated 1/11/2008. Emergency response activities were also included in the ESH plan FY 14/15. The following were Emergency Response Plan were addressed: Fire Outbreak, Accident and incident occurrence, Oil Spillage and etc. In addition to the current situation in Sandakan and Lahad Datu, SOU26 has established Emergency Response & Evacuation Management Plan (ERPMP). Document (SD/SDP/Security 1/2014)rev :0 dated 8/10/14 was referred to.</p> <p>Accident and emergency procedures have been 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 JKPP 6 & 8 forms. The previous nonconformity remains closed and the action plans implemented.</p>	<p>Complied</p>									
<p>4.7.6</p>	<p>All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p>	<p>Reviewed on workers profile records found all the workers are covered by the accident insurances. Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial); while for foreign workers is covered by Foreign Workers Compensation Scheme Certificate of Insurance (RHB Insurance Berhad).</p> <p>All the insurance registration for all employees is still valid. For example in the POM, Foreign worker compensation scheme by RHB with policy# FW072829 that valid from 1/7/14- 30/6/15 and Policy# FW069427 that valid from 1/7/14- 30/6/15 for all foreign workers has been provided by the Mill and Estate.</p>	<p>Complied</p>									
<p>4.7.7</p>	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard and reported to PSQM-ESH department using new online system called SMS-IT. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="687 1480 1281 1581"> <thead> <tr> <th>Year</th> <th>Tun Tan Estate</th> <th>Sentosa Estate</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>11 (6 LTA)</td> <td>4 (14 LTA)</td> </tr> <tr> <td>2014</td> <td>7 (10 LTA)</td> <td>6 (37 LTA)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p>	Year	Tun Tan Estate	Sentosa Estate	2013	11 (6 LTA)	4 (14 LTA)	2014	7 (10 LTA)	6 (37 LTA)	<p>Complied</p>
Year	Tun Tan Estate	Sentosa Estate										
2013	11 (6 LTA)	4 (14 LTA)										
2014	7 (10 LTA)	6 (37 LTA)										

Criterion 4.8:

All staff, workers, smallholders and contract workers are appropriately trained.

<p>4.8.1</p>	<p>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 -</p>	<p>A formal training programme on all aspects of RSPO principle and Criteria has been established and implemented. The training program FY14/15 includes:</p> <ul style="list-style-type: none"> • Fire fighting and first aid training • Operator Safety training • Steriliser competency training • Spraying calibration training • Manuring training dated 24/11/14 • PPE training dated 22/11/14 • Tractor Driver training • Chemical Handling Training • IPM Training 	<p>Complied</p>																																								
<p>4.8.2</p>	<p>Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>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.</p> <table border="1" data-bbox="683 898 1289 1944"> <thead> <tr> <th>Date Training</th> <th>Title</th> <th>Trainer(s)</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td>29/10/14</td> <td>Fire fighting and first aid training</td> <td>Management</td> <td>Staff and workers</td> </tr> <tr> <td>21/12/14</td> <td>Operator Safety training</td> <td>Management</td> <td>Mill Operator</td> </tr> <tr> <td>17/12/14</td> <td>Steriliser competency training</td> <td>Management</td> <td>Sterilizer Operator</td> </tr> <tr> <td>15/1/15</td> <td>Spraying calibration training</td> <td>Shaz-Agro</td> <td>Spraying gang</td> </tr> <tr> <td>24/11/14</td> <td>Manuring training</td> <td>Management</td> <td>Manurer</td> </tr> <tr> <td>19/1/15</td> <td>PPE training</td> <td>PSQM- ESH</td> <td>Harvester</td> </tr> <tr> <td>23/12/14</td> <td>Tractor Driver training</td> <td>Sime Darby Industries</td> <td>Estate driver</td> </tr> <tr> <td>18/3/14</td> <td>Chemical Handling Training</td> <td>PSQM- ESH</td> <td>Chemical Handler</td> </tr> <tr> <td>15/10/14</td> <td>IPM Training</td> <td>PSQM- ESH</td> <td>Staff and workers</td> </tr> </tbody> </table>	Date Training	Title	Trainer(s)	Participants	29/10/14	Fire fighting and first aid training	Management	Staff and workers	21/12/14	Operator Safety training	Management	Mill Operator	17/12/14	Steriliser competency training	Management	Sterilizer Operator	15/1/15	Spraying calibration training	Shaz-Agro	Spraying gang	24/11/14	Manuring training	Management	Manurer	19/1/15	PPE training	PSQM- ESH	Harvester	23/12/14	Tractor Driver training	Sime Darby Industries	Estate driver	18/3/14	Chemical Handling Training	PSQM- ESH	Chemical Handler	15/10/14	IPM Training	PSQM- ESH	Staff and workers	<p>Complied</p>
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

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Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			
<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Identification environmental aspect and impact at SOU26 was done by management team at respective operating unit. Environmental impact assessment for Sentosa Estate replanting project was done by engaging a consultant (Sinoh Environmental Sdn Bhd, EPD registered consultant) to carry out Proposed Mitigation Measure (PMM) on May 2014. Report dated 26/5/ 2014 which entitled "Oil Palm Replanting Project of 264.44 ha at Paya Division, Sentosa Estate, Sabah" was sighted. The report has been approved by the Sabah's EPD on 11/9/14 [(ref.: JPAS/PP/17/600-1/11/1/195(23)]. Among the environmental aspect and impact identified are:</p> <ol style="list-style-type: none"> 1) Soil erosion and water quality 2) Biomass disposal 3) Ecological Impacts 4) Human settlement Impacts 5) Usage of agrochemicals 6) Hazardous materials disposal 7) Abandonment <p>The mitigation measures for the above environmental aspects were recommended by the consultant and can be seen in the PMM report. The recommendation then translated onto the estate's management action plan and reviewed during meeting from time to time. Most of the action plans were adequately implemented. The same consultant was appointed to conduct the evaluation of compliance against the conditions stipulated in the approval letter of the PMM once in four months. Environmental Compliance Monitoring (ECR) will be verified in the next audit.</p>	<p>Complied</p>
<p>5.1.2</p>	<p>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 -</p>	<p>The continuous implementation of the improvements activities were checked during the field and document audit. The HCV & environmental management plan has been established based on PMM report to monitor the identified HCV areas and significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented</p>	<p>Complied</p>
<p>5.1.3</p>	<p>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 -</p>	<p>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. For HCV monitoring, the plan is being reviewed on yearly basis with latest review was done on July 2014. Continuous awareness training programme has been carried out by the company to its workers and other stakeholders.</p>	<p>Complied</p>

Criterion 5.2:			
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 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 -	Internal Sime Darby competent personnel conducted Biodiversity assessment & HCV identification within SOU 26 landholdings. Report was prepared by PSQM Dept of Sime Darby Plantation Sdn Bhd on May 2013. The objective of this assessment is having additional ground check on the existing identified HCV area done on 2007 in order to be detailed and accurate in database and mapping.	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 -	Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.	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 -	The program to regularly educate the workforce and community about the status of these RTE species are also established with on-going consultation with the relevant authorities. There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.	Complied
5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> • 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. There are no reported RTE at the Sandakan Bay operating units, as reported in the PSQM HQ Report. Verification were also made during on-site assessment and found to be satisfactory.	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 -	It is verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited. Thus negotiated agreement of such nature is not applicable	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -	The Mill and estates have identified and documented all waste products and sources of pollution. For example, the mill has listed POME, EFB, chemical containers, domestic waste, clinical waste and etc as sources of pollution.	Complied
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	Mill has requested DOE for extension of Schedule waste storage on 22/12/2014 and obtain approval for additional 90 days (Ref. No.: ASSH (B) 91/110/619/011.	Complied
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required and is being carried out responsibly. Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the estates. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.	Complied
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	The mill has used average of 10.3 kW-hr/Mt FFB for processing in 2014. This is above the target due to the low crop trend. Shell and fibre is being used as renewable energy for boiler to reduce the fossil fuel usage.	Complied

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Criterion / Indicator	Assessment Findings	Compliance																
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.																		
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the „Guidelines for the Implementation of the ASEAN Policy on Zero Burning“ 2003, or comparable guidelines in other regions. - Major compliance -	Sentosa estate: Visit to the newly replanted area found previous palm were felled and chipped as per Sime Darby SOP. No signs of burning were noted at the area	Complied															
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in „Guidelines for the Implementation of the ASEAN Policy on Zero Burning“ 2003, or comparable guidelines in other regions. - Minor compliance -	Sentosa estate: Visit to the newly replanted area found previous palm were felled and chipped as per Sime Darby SOP. No signs of burning were noted at the area	Complied															
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.																		
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Assessment of all polluting activities was conducted under Environmental Aspect Impact for identifying activities that contributes significant impact to environment. Source of pollution from mill processes and related activities in the premise were described as follows : <table border="1" data-bbox="655 1144 1305 1323"> <thead> <tr> <th>Mill Processes /Activity</th> <th>Source of pollution</th> </tr> </thead> <tbody> <tr> <td>Boiler and genset operation</td> <td>Clinkers@ soot, smoke and particulate emission</td> </tr> <tr> <td>POME (palm oil mill effluent)</td> <td>POME liquor and solid</td> </tr> </tbody> </table> <p>As prescribed under "Jadual Pematuhan" JPKKS/12/001857, air emission from boiler stack have to be monitored twice per year. Stack sampling results for 2014 were :</p> <table border="1" data-bbox="655 1469 1305 1648"> <thead> <tr> <th>Date of monitoring</th> <th>Stack no.1</th> <th>Stack no.2</th> </tr> </thead> <tbody> <tr> <td>28/2/14 (1st half)</td> <td>0.167 g/Nm³ at 12%CO₂</td> <td>0.191 g/Nm³ at 12%CO₂</td> </tr> <tr> <td>22/7/14 (2nd half)</td> <td>0.171 g/Nm³ at 12%CO₂</td> <td>0.156 g/Nm³ at 12%CO₂</td> </tr> </tbody> </table> <p>* Stack emission limit @ 0.4 g/Nm³</p> <p>Smoke emission was monitored using online system (CEMS-DIS) to DOE based on the transmitted data from boiler smoke density indicator and recorder. Emission result was found in compliance with the regulatory limit. Smoke density recorder was last calibrated on 26/1/15 and valid until 26/7/15 for the next calibration.</p> <p>For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE. Refer to Indicator 4.4.3 for details.</p>	Mill Processes /Activity	Source of pollution	Boiler and genset operation	Clinkers@ soot, smoke and particulate emission	POME (palm oil mill effluent)	POME liquor and solid	Date of monitoring	Stack no.1	Stack no.2	28/2/14 (1 st half)	0.167 g/Nm ³ at 12%CO ₂	0.191 g/Nm ³ at 12%CO ₂	22/7/14 (2 nd half)	0.171 g/Nm ³ at 12%CO ₂	0.156 g/Nm ³ at 12%CO ₂	Complied
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<p>5.6.2</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	<p>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.</p>	<p>Complied</p>
<p>5.6.3</p>	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -</p>	<p>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. POME is treated using anaerobic and aerobic ponds or biological treatment system. To monitor effective mitigating method for particulate emission, 3rd party environmental consultant was appointed to conducted stack emission monitoring as prescribed under "<i>Jadual Pematuhan</i>".</p>	<p>Complied</p>
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</p>			
<p>Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			
<p>6.1.1</p>	<p>A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -</p>	<p>SOU 26 continued annually to update Social Impact Assessment with updated Social Action Plan with participation of local community, latest update July 2014. The social action plan was reviewed and updated based on input received during public consultation meeting with stakeholders carried out on July 2013 respectively. The meeting was attended by internal stakeholders (staffs and workers) and external stakeholders (contractors, neighbouring estates, and local village representatives) Record of meeting with attendance list and minute of meeting are available. There was no issued raised during the stakeholders meeting.</p>	<p>Complied</p>
<p>6.1.2</p>	<p>There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -</p>	<p>The meeting was attended by internal stakeholders (staffs and workers) and external stakeholders (contractors, neighboring estates, and local village representatives).</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Action plans denoting person in charge and timelines have been established in Management Plan for Social Impact Assessment FY2014/15 on each operating units.	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	All the Operating units within the SOU 26- Sandakan Bay has planned to review the SIA plans (FY 2014/2015) at least once a year for follow-up and updating to current practices and implementation.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	It was verified that there were no smallholder schemes in the certification units.	Complied
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	SOU 26 has their Communication and Consultation procedures (July 2013) with at least once a year carry out stakeholder meeting to have social impacts and social action plan are identified and implemented in a participatory ways.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	The mill and estate managers with supported by field assistant are responsible for communication with local communities and other stakeholders. Interview of local community representatives confirmed that they are able to take issues to the managers for discussion and action.	Complied
6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	Each operating units has reviewed and updated the list of stakeholders based on latest formal meeting on 24/1/15 for Sentosa estate and 17/12/14 for Tun Tan estate. All communication and records of actions taken in response to input from stakeholders are available for Mill and each estate, in term of Communication and Consultation Book and meeting of minutes of the stakeholder meeting.	Complied
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Sime Darby has maintained a procedure on dispute resolution (1 April 2008). The external dispute resolution procedure has been implemented and records shows to date there have not been any grievances raised..	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	There has been no dispute issue requiring any resolution and thus though the mechanism was available there was no apparent case as was verified during current surveillance. Mechanisms are appropriately established and implemented. Records of meeting and any resolutions or outcomes are maintained through Minutes or in Complaints Log.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOU26 has maintained to implement a procedure on land compensation that includes identification of Legal and Customary Rights and assessment of entitlement to compensation	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. 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 -	Review of records showed there have been no claims for land compensation since the initial assessment. Therefore, no outstanding claims for land compensation payments.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	Verified that has been no dispute by any parties relating to legal, customary or user rights at the SOU 26 since the initial assessment.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Interview with employees and workers from local and foreign country reveal that they understand details and deductions outlined on their pay slips. Payroll checks confirm that correct remuneration was paid for standard hours as well as for any overtime hours worked. Employee's payslip (e.g. employee# 96862, 108157, 108168, 97974 106337) which from mill and estate) for the month of December 2014 was checked and verified shows the basic pay, allowances and incentives were paid and deduction for EPF, SOCSO, NUPW and personal insurance are clearly stated. The minimum wages of RM 900 set by the government has been implemented as well.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Pay and conditions are documented through Sabah Plantation Industry Employee Union (SPIEU) Agreement and SPIEU Field and Other General Employees and Fringe Benefits Agreement and complies to Minimum Wage Order. Similar to the last surveillance assessment, interview with mill and estate staff and workers confirmed that they understand Terms and Conditions of their employment contracts and receive correct entitlements.	Complied
6.5.3	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 –	The standard of housing provided for workers and their families meets government regulations. SOU26 has continued implementing the plan for replacing housing. Electricity is subsidized and water is supplied at no charge. Water to housing was self-treated water where the treated water undergo monitoring on at least half yearly basis. The last test conducted on Sentosa estate was on 25/11/14 with report# IE727/2014 and Tun Tan estate with report# ML305/2014 dated 12/12/14 that show the result was meeting the domestic drinking water standard of Malaysia. Free medical treatment and medication was provided for workers and their dependents by the clinic operated by Estate Health Attendance. Free transport is provided for children to attend a local school. A Crèche is available for children of staff and workers. The children at the crèche are provided with malt drink and biscuits by the operating units at no cost. The new Humana School is now operating in Tun Tan Estate. SOU26 has provided infrastructure and furniture for the class rooms and also accommodation for the teachers.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	Access to food for the workers are considered adequately and sufficiently provided through sundry shops available in each estate and mill linesite.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated April 2008.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Last JCC meeting was done on 22/10/14 attended by 17 people including local and foreign workers. As for Sentosa estate, last meeting was conducted on 26/1/15 attended by 14 members.	Complied
Criterion 6.7: Children are not employed or exploited.			

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<p>6.7.1</p>	<p>There shall be documentary evidence that minimum age requirements are met. - Major compliance -</p>	<p>The minimum working age is 16 under the National Labour Law. Company policy is to only hire persons over the age of 18. Malaysian workers have to provide ID card - foreign workers provide passports. Inspection of employment records confirmed checks are made of staff and worker age before hiring. During field visit children were not observed at any of the working place at both mill and estate. Interview with workers confirmed the understanding of company policy on children workers.</p>	<p>Complied</p>
<p>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			
<p>6.8.1</p>	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -</p>	<p>SOU26 maintained an anti-discrimination policy approved by Top Management on April 2008, documented in Bahasa and displayed at notice board at muster in mill and estates.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	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 to highlight their concerns and grievances if any. Interview of male and female workers at the mill and estates including foreign workers confirmed understanding and awareness of the policy and admitted no discrimination against with.	Complied
6.8.3	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
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	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 -	SOU 26 maintained a gender policy approved by Top Management April 2008 and is displayed in local Muster Notice board at mill and estates. Female workers interview confirmed understanding of the mechanism and no issue was raised during the assessment. Gender Committees have been established at all mill and estates. Quarterly meetings noted held during the FY2014/2015. The last meeting was conducted on the 28/1/15 and the meeting agenda covered prevention of sexual harassment, violence against women, protection of women reproductive rights, recreational and social activities, reflected communication on harassment issue, general understanding of sexual harassment in the workplace and the mechanism to report an alleged sexual harassment or violence.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Sime Darby continued collaboration with NGO Tenaganita to assist the development monitoring of implementation of a Gender Policy for the company. Tenaganita and Wild Asia was involved in facilitating a workshop back on 3-4 May 2008 at Sandakan for Sime Darby's Sabah region women staff and worker representatives to develop gender based social policies on sexual harassment and domestic violence. Tenaganita also is assisting with the development of a Gender Grievance Procedure. As an interim measure, the Group Grievance Procedure is utilized.	Complied

Criterion 6.10:			
Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Purchase of oil palm fruit from external parties is arranged by Sime Darby Head Quarter – Global Trading & Marketing (GTM) department. FFB pricing is based on Malaysian Palm Oil Board (MPOB) published prices updated regularly. SOU26 maintains records of FFB prices, including the payment.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	SOU26 has continued to purchase FFB from Smallholders and Small-growers and has maintained a good relationship with them. Interview of the Smallholders confirmed they understood their contracts and they stated they had been supplying FFB to SOU26 for several years. The current pricing is written in the notice board near the weighbridge station at the mill and up to date. The latest price will be forwarded by GTM Dept. of Sime Darby to the mill every week.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	All parties having contractual agreements with operating units had entered their contracts with adequate understanding of the terms and conditions set between both parties. Evidence was obtained during the viewing of the contracts sampled which among others included various contractors providing labour, transport and maintenance works at the grouping. Examples in the Mill, Contract# P/AGC/0414/FFB 01127L dated 27/3/14 with company name OCP Borneo Samudera S/B which was the supplier of the FFB and Sentosa estate field work contractor Mr Amiruddin with contract from# 430020717. On site stakeholder interviews and consultation carried out with the various parties further confirmed their understanding of the contracts entered.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Review on payment records found all payment was made in timely manner.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	SOU26 continued to make contributions for local communities surrounding when requested that are considered appropriate for the situation. Examples such as free water supply and medical assistance were given to Manggis Villagers as there were no nearby government clinic and government water supply to the village. Effort has been made by the SOU 26 to construct new local primary school in the estate which was waiting approval from ministry of education. Apart from that, Plan of allocate a police station in the Sentosa estate was in progress was part of plan to maintain safety and security in the certification unit.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholders.	Complied
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	All foreign workers have valid passport. Thus no evident of forced or trafficked labour. Interviews with migrant workers and their dependents in the housing are confirmed that there were no forced or trafficked labours..	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No incidents have been found and this is confirmed that during interviews with workers and relevant stakeholders where this issue has not been raised.	Complied
6.12.3	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
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The Sime Darby Social Policy prohibits any discrimination based on race, caste, nationality, gender, disability, sexual orientation, union membership, political view, religion and age. Generally the policy covers human rights of the workers and staff in the PMU.	Complied
Principle 7: Responsible development of new plantings Sandakan Bay 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.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimizing the yield of the supply base. <p>- Major compliance -</p>	<p>SOU26 prohibited the use of paraquat in the field and totally replaced by systemic herbicides, glufosinate ammonium. IPM implementation is progressively improving with the current density programme as well as barn owl occupancy rate to reduce pesticides usage.</p> <p>Environmental impacts of the operations were identified and evaluated. The mitigations measures which were derived from the identification of environmental aspects were adequately implemented and monitored. Plan on GHG reduction was noted with the gazette CAPEX on biogas engine for electrical generation and GHG reduction and utilization. For 2015, OPEX for desludging of 3 unit anaerobic pond has been allocated as to improve pond Hydraulic Retention Time (HRT) as well as the BOD of final discharge.</p> <p>New housing project of 6 units has been budgeted in 2014/2015 which has been approved while further 12 units has been budgeted in 2015/2016 budget and waiting for approval for the POM. Road condition has been improved with the construction of concrete road connecting one estate to another. The upgrading project will be continued for the next financial year.</p> <p>SOU26 generally active in maximizing the recycling. This could be evident through sales of recyclable materials such as plastic and metal. Process waste is fully utilized for boiler fuel (shell and fibre) and POME used as organic fertilization.</p>	Complied

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

TIME BOUND PLAN – Certification Units in Malaysia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
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	Bukit Kerayong	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

TIME BOUND PLAN – Certification Units in Indonesia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
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	Pematang (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
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

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24	<p>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.</p> <p>RSPO Certification Target Date for PT MAS</p> <ul style="list-style-type: none"> The target date for certification is by end 2015. However, this is subject to the progress of the matter being resolved. <p>Progress Update (Sept 2014 – March 2015)</p> <ul style="list-style-type: none"> Regular discussions is ongoing between Sime Darby Plantation and the project affected communities (PAC). The most recent SDP-PAC meeting was held on 23 Feb 2015. SDP will maintain to liaise with the communities via 'Tim Kerja Perwakilan Petani (TKPP) and direct discussion with Kerunang/ Entapang communities. On the community request for DSF mediation (from 2 out of 9 villages), ref letter to RSPO 12 June 2014. SDP visited the communities on 27 August 2014 to listen and have a better understanding on the requests from these two communities and the subsequent meeting with the communities of Entapang and Kerunang was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee meetings and will continue to engage directly with SD. SDP is continuing to work on direct engagement with PAC – working towards a consensus with the PAC to withdraw their complaint. RSPO Secretariat is well informed on the progress of this matters through regular briefing and progress reports. To-date, 12 out of 14 demands from the other 7 communities have been resolved, another two remaining demands are related to land matters. 	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 26 Sandakan Bay Certification Unit
 RSPO Certificate Details**

Sime Darby Plantation Sdn. Bhd.
 Strategic Operating Unit (SOU) 26 - Sandakan Bay
 Locked Bag 39, Suanlanmba Dictrict,
 Sandakan Sabah 90009
 Malaysia

BSI RSPO Certificate N^o: SPO 537872

Date of Initial Certificate Issued: 1st October 2008

Date of Expiry: 30 September 2018

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

Applicable Standards: RSPO P&C Generic 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 21November 2014 Module E - CPO Mills: Mass Balance

Sandakan Bay Palm Oil Mill and Supply Base					
Location Address	Strategic Operating Unit (SOU) 26 - Sandakan Bay Locked Bag 39, Suanlamba District, Sandakan Sabah 90009 Malaysia				
GPS Location	E 118° 10' 20" N 5° 45' 20"				
CPO Tonnage Total	46,169				
PK Tonnage Total	11,585				
CPO Claimed for Certification	46,169				
PK Claimed for Certification	11,585				
Own estates FFB Tonnage	210,632				
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)			
SEGALIUD ESTATE	2,967	1,342	511	4,820	60,033
SENTOSA ESTATE	2,450	684	411	3,545	46,498
TIGOWIS ESTATE	1,342	569	163	2,074	22,694
TUN TAN ESTATE	2,001	812	330	3,143	31,468
TUNKU ESTATE	2,414	549	240	3,203	49,937
Total	11,174	3,956	1,655	16,785	210,632

*Production from Smallholders and Small-growers is not included in the Certificate.

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Appendix D: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Mohd Hidhir	Kelvin	Muhd Haris
Monday 2/2/2015	1030 am	Audit Team travelling to Sandakan via MH2710 and check in hotel at Sandakan town	√	√	√
Tuesday 3/2/2015	0700-0800	Travelling to Sandakan Bay Palm Oil Mill			
Sandakan Bay Palm Oil Mill	08.00 – 08.30	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). 	√	√	√
	09.00 – 12.00	Sandakan Bay Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME, discharge, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 1600	Sandakan Bay 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.	√	√	√
	16.00 - 16.30	Interim Closing briefing.	√	√	√
	16.30 – 17.30	Travelling back to Sandakan town	√	√	√

PRELIMINARY AGENDA					
Date	Time	Subjects	Mohd Hidhir	Kelvin	Muhd Haris
Wednesday 4/2/2015 Sentosa Estate	07.00 – 08.00	Travelling to Sandakan Bay CU – Sentosa Estate	√	√	√
	08.00 – 12.00	Sentosa 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 – 16.00	Sentosa 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 - 16.30	Interim Closing Briefing	√	√	√
	16.30 – 17.30	Travelling back to Sandakan town	√	√	√
	Thursday 5/2/2015 Tun Tan Estate	0700 - 0800	Travelling to Sandakan Bay CU – Sentosa Estate		
8.00 – 12.00		Tun Tan 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 and etc.	√	√	√
12.00 – 13.00		Lunch	√	√	√
13.00 – 16.00		Tun Tan 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).	√	√	√
16.00 - 16.30		Interim Closing Briefing	√	√	√
16.30 - 17.30		Travelling back to Sandakan town			
Friday 6/2/2015 Sandakan Bay Palm Oil	7.00 – 8.00	Travelling to Sandakan Bay Palm Oil Mill	√	√	√
	8.00 – 10.30	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	10.30 – 11.30	Closing Meeting	√	√	√
	11.30 - 12.30	Travelling back to Sandakan town and airport check in (via MH2711)	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Managers and Assistants Male Mill Staff/Workers Female Mill Staff/Workers Foreign Worker/JCC Field workers Male and Female Estate workers Medical Assistant Clinic Aider Gender Committee Secretary Boiler operators Engine room operators Electrical Chargeman Store clerk Water Treatment Operator Nursery mandore</p>	<p>External Stakeholders</p> <p>Contractors & Consultants Contractor Auxiliary Police (Sri Likas) Sundry Shop Worker</p>
<p>Government Departments</p> <p>Non</p>	<p>Non Governmental Organisation & Others</p> <p>Humana School Teacher Sabah Plantation Industry Employee Union (SPIEU)</p>

Appendix F: Sandakan BayPalm Oil Mill Supply Chain Assessment (Module E – CPO Mills: Mass Balance)

Requirements	Compliance
E.1. Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>The Sandakan Bay Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.</p>
E.2. Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report</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>E.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>
E.3. Documented Procedure	
<p>E.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: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The name 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 procedures for the implementation of this standard</p>	<p>Sandakan Bay Palm Oil Mill has procedures for the incoming FFB, processing and outgoing Crude Palm Oil and Palm Kernel for the traceability with Mass Balance model covering certified and non-certified FFB received.</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>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs</p>	<p>Sandakan Bay Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received</p>
E.4. Purchasing and Goods In	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The facilities aware of this procedure.</p>

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E.5 Record Keeping	
<p>E.5.1 a) 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.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) For further details refer to Module C.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Computerized system in place. Records verified by internal and external audit.</p> <p>Computerized system in place with the delivery deducted accordingly.</p> <p>The Mill aware that only positive stock can be delivered. No short selling.</p>
<p>E.5.2 In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	<p>No outsourcing activities.</p>

Actual Certified Palm Production –September 2013 – August 2014 (ASA 1)

MILL	CAPACITY	CPO	PK
Sandakan BayPalm Oil Mill	60 mt/hr	37273	9429

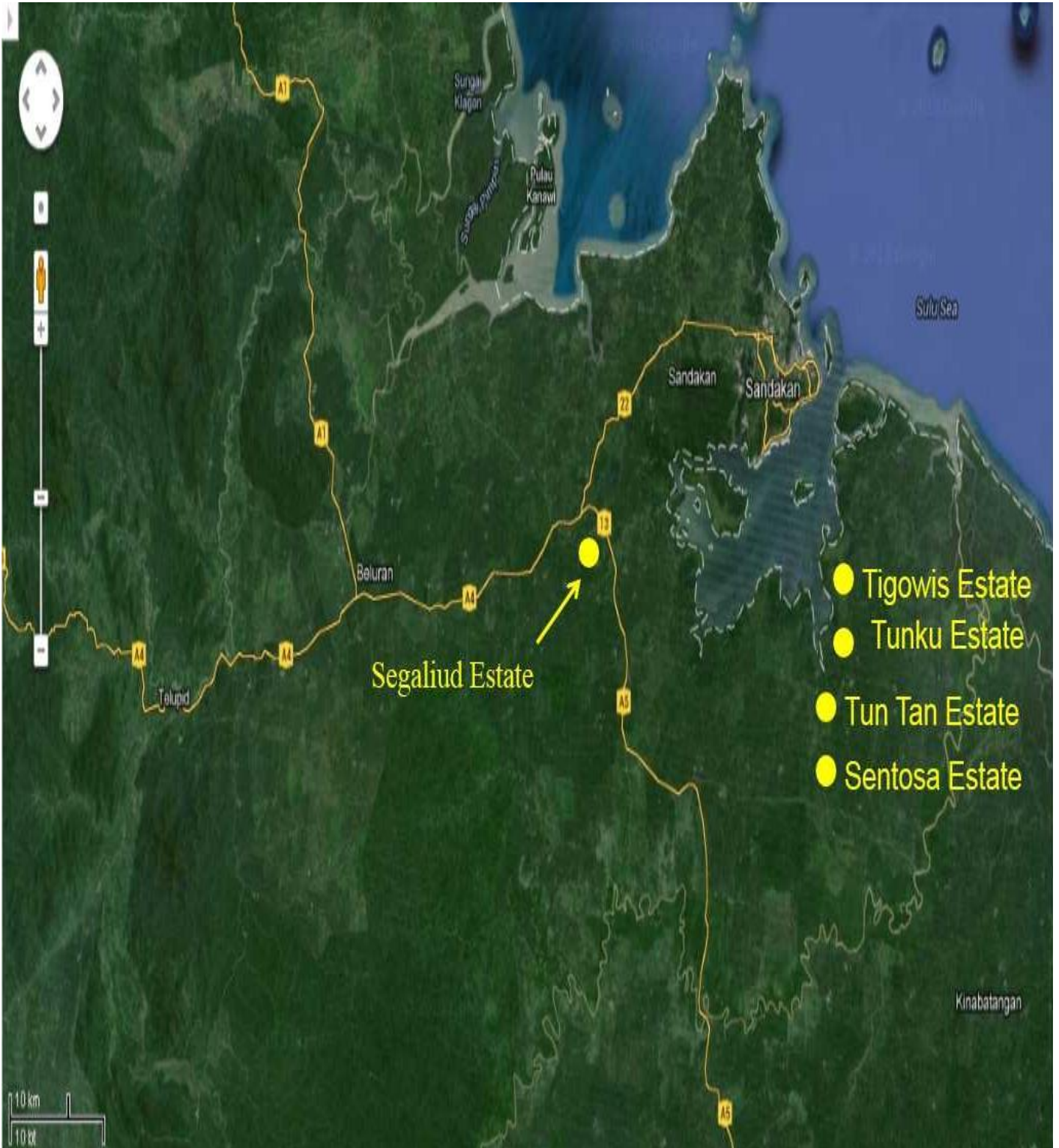
Actual Sales of Certified Palm Products –September 2013 – August 2014

MILL	Certified CPO Sales	Certified Sales	PK	Remarks
Sandakan Bay Palm Oil Mill	4000	NIL		Verified from e-trace system

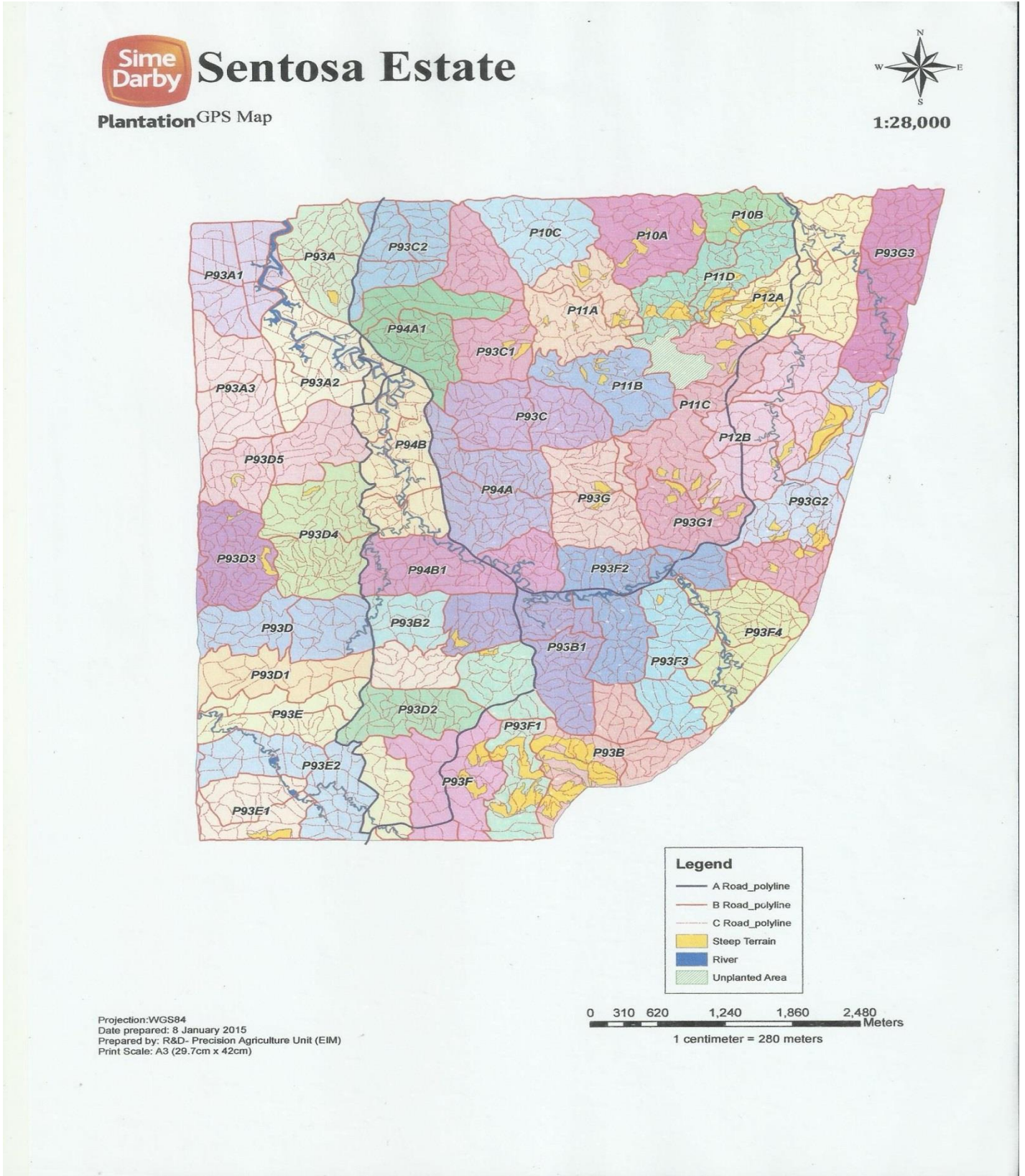
Actual Certified FFB Received Monthly –September 2013 – August 2014(ASA 1)

Month	Sentosa Eatate	Tun Tan Estate	Tigowis Estate	Tunku Estate	Segaliud Estate	Total FFB/Month
September 2013	3,563.980	3,289.710	2,141.180	3,110.870	0.000	12,105.740
October 2013	3,167.730	3,224.360	2,277.260	3,952.910	0.000	12,622.260
November 2013	3,936.240	3,629.580	2,426.890	3,961.080	0.000	13,953.790
December 2013	3,747.820	3,437.970	2,427.260	3,793.290	3,535.120	16,941.460
January 2014	3,661.100	3,109.570	2,488.860	3,844.580	6,763.250	19,867.360
February 2014	3,091.690	2,918.380	1,458.390	2,656.410	4,172.330	14,297.200
March 2014	2,995.880	2,704.430	1,902.260	2,578.640	4,548.390	14,729.600
April 2014	3,300.980	2,427.430	1,981.940	2,433.440	3,941.620	14,085.410
May 2014	3,305.280	2,376.240	2,183.230	2,484.680	5,031.580	15,381.010
June 2014	3,285.950	2,413.100	1,975.670	2,521.380	4,761.020	14,957.120
July 2014	3,150.660	2,281.790	1,700.540	2,337.110	4,713.010	14,183.110
August 2014	4,265.640	2,666.480	2,216.490	2,692.790	5,447.650	17,289.050
Total	41,472.950	34,479.040	25,179.970	36,367.180	42,913.970	180,413.110

Appendix G: Map shows location of the Sandakan Bay Palm Oil Mill and Supply Base in, Sandakan, Sabah, Malaysia



Appendix H: Map shows location of the Sentosa 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
SBPOM	Sandakan Bay Palm Oil Mill
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
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
SPIEU	Sabah Plantation Industry Employee Union