

**RSPO PRINCIPLE AND CRITERIA
3rd Annual Surveillance Assessment (ASA3)
Public Summary Report**

Sime Darby Plantation Sdn Bhd
Head Office: Level 3A, Main Block Plantation Tower, No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Strategic Operating Unit (SOU 19) Pagoh Palm Oil Mill Lot 2159, Ladang Pagoh Mukim Jalan Bakri, 84309 Muar Johor, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Date	Member since: 6 September 2004
Company Name	Sime Darby Plantation Sdn Bhd		
Address	Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia Certification Unit: Strategic Operating Unit (SOU 19) – Pagoh Palm Oil Mill, Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia		
Subsidiary of (if applicable)	N/A		
Contact Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr Ahmad Fauzi Jantan (Pagoh Palm Oil Mill Manager)		
Website	www.simedarby.com	E-mail	kks.pagoh@simedary.com
Telephone	03-78484379 (Head Office) 07 9471131 (Mill)	Facsimile	03-78484356 (Head Office) 07 9474053 (Mill)

2. Certification Information			
Certificate Number	RSPO 600305	Certificate Issued Date	28/01/2014
		Expiry Date	27/01/2019
Scope of Certification	Palm Oil and Palm Kernel Production from Pagoh Palm Oil Mill and Supply Base (Estates: Lanadron Estate, Pengkalan Bukit Estate, Welch Estate and Pagoh 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	
		Easting	Northing
Pagoh Palm Oil Mill (Capacity: 45 mt/hr)	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	102° 43' 15"	2° 4' 58"
Lanadron Estate	Panchor, 84500 Muar, Johor, Malaysia	102° 44' 00"	2° 11' 00"
Pengkalan Bukit Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 42' 15"	2° 08' 58"
Welch Estate	Jalan Segamat – Jementah, 85200 Segamat, Johor, Malaysia.	102° 39' 11"	2° 27' 21"

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Pagoh Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 41' 07"	2° 07' 16"
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4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Lanadron Estate	1647.80	251.98	251.01	19.41	1899.78	2170.20	88
Pengkalan Bukit Estate	2481.88	502.63	169.50	2.87	2984.51	3156.88	95
Welch Estate	576.20	0	870.67	0.95	576.20	1447.82	40
Pagoh Estate	1567.45	420.57	328.81	9.10	1988.02	2325.93	85
Total	6273.33	1175.18	1619.99	32.33	7448.51	9100.83	82

Note: Infras = infrastructure

Lanadron Estate: Total area and planted area reduced after land ownership transferred to Sime Darby Properties for properties development

Welch Estate : other areas includes rubber plantation total of 778.90 ha

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Nov 2015 - Oct 2016)	Actual (Nov 2015 - Oct 2016)	Forecast (Nov 2016 - Oct 2017)
Lanadron Estate	251.98	635.94	624.61	172.36	214.89	51,094	34,717.46	35,400
Pengkalan Bukit Estate	502.63	978.14	1,438.01	65.73	0	59,279	43,849.88	45,000
Welch Estate	0	0	576.20	0	0	12,000	9,474.96	9,700
Pagoh Estate	420.57	587.99	249.10	730.36	0	39,376	27,042.69	29,518
Total	1,175.18	2,202.07	2,887.92	968.45	214.89	161,749	115,084.99	119,618

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6. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (ASA3) (Nov 2015 – Oct 2016)	Actual (ASA3) (Nov 2015 – Oct 2016)	Forecast (ASA4) (Nov 2016 – Oct 2017)
Lanadron Estate	51,094	34,717.46	35,400
Pengkalan Bukit Estate	59,279	43,849.88	45,000
Welch Estate	12,000	9,474.96	9,700
Pagoh Estate	39,376	27,042.69	29,518
Total	161,749	115,084.99	119,618

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (ASA3) (Nov 2015 – Oct 2016)	Actual (ASA3) (Nov 2015 – Oct 2016)	Forecast (ASA4) (Nov 2016 – Oct 2017)
Not applicable			

8. Certified Tonnage									
Mill	Estimated (ASA3) (Nov 2015 – Oct 2016)			Actual (ASA3) (Nov 2015 – Oct 2016)			Forecast (ASA4) (Nov 2016 – Oct 2017)		
	FFB	OER %	KER %	FFB	OER %	KER %	FFB	OER %	KER %
Pagoh Palm Oil Mill	161,749	39,882	9,040	115,085	27,845.53	6,807.17	119,618	25,119.78	5,980.90
Other certified estates (if any)	38,713	8,710	1,974	21,021.99	-	-			
Total	200,462	48,592	11,014	136,106.99	27,845.53	6,907.17	119,618	25,119.78	5,980.90

* Forecast OER:21%, KER: 5%

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This on-site 3rd Annual Surveillance Assessment was conducted from 1 – 3 November 2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Welch Estate & Lanadron Estate). A range of environmental and social factors were covered. This includes 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 and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder (when applicable) is listed in Appendix J.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E and the sampled smallholder (when applicable) is listed in Appendix J”

All the previous nonconformities are remains closed. The assessment findings for the 3rd Annual Surveillance Assessment are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

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 (Initial Assessment)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Pagoh Palm Oil Mill	√	√	√	√	√
Lanadron Estate	√		√		√
Pengkalan Bukit Estate		√		√	
Welch Estate	√		√		√
Pagoh Estate		√		√	

[Click here to enter a date.](#)

Tentative Date of Next Visit: November 7, 2017 –November 9, 2017

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin – Lead Auditor

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 140001, 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.

Hoo Boon Han – Team Member

He holds Master of Technology (Environmental Management) from the University Malaya and Bachelor of Science Forestry (Hons) Majored in International Tropical Forestry from University Malaysia Sabah. He has more than 3 years working experience in environmental monitoring & audit, carbon accounting & reduction, wastewater treatment, waste management and sustainable development. He has successfully completed the RSPO Lead Auditor and RSPO Supply Chain Training in April 2012. He has been involved in RSPO P&C audit in Indonesia and Malaysia as well as RSPO SC audit across different region including Asia, Europe and North America 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 and Mandarin.

Daniel a/I Francis – Team Member

Daniel Francis is a fulltime employee with BSI Services Malaysia. He holds a Bachelor of Applied Science Degree in Food Science, graduated from Charles Sturt University, Australia. He has over 8 years of working experience in the oil and gas industry and 3 years in the food & beverage industry. He is an experienced auditor for several management system standards including ISO 9001, ISO 14001, OHSAS 18001 and Integrated Management System. He had completed the ISO 9001:2015 Lead Auditor Course and RSPO SCC Lead Auditor Course. He had been involved in the RSPO audits with various companies in Malaysia. During assessment, he covers the legal issues and occupational safety and health.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- Sime Darby Plantations Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

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. Sime Darby has acquired NBPOL. NBPOL is managed as a separate management unit. NBPOL has its own RSPO membership (1-0016-04-000-00) and have achieved certification for all the certification units. As for the Plantation in Liberia, Sime Darby has completed the NPP in 2011. However, the plantation sites will be included in TBP upon completion of the mill which is delayed due to Ebola and long drought season.

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 2016 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 and Sime Darby was held on 14 January 2016. The current status details are provided in the Appendix B. 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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- a) There is no any other isolated lapse in Time Bound Plan.
- b) No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
- c) The changes in the Time bound Plan for PT Mitra Austral Sejahtera was justified and appropriate.

At the time of assessment, the date to complete the mediation is still tentative. Considering that there may be possibilities that the mediation could be completed before 2016, the TBP provided by Sime Darby Plantation Sdn Bhd is deemed realistic

BSI has continued involvement with assessments of Sime Darby Management Units during the 2014 period and beginning 2015. 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.

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	The time bound plan includes all SOUs in Malaysia and Indonesia. Malaysia- Effectively 34 SOUs: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down. Indonesia- Effectively 25 SOUs. For Liberia operations, a new mill is being set up and commissioned in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017.	Yes
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	Sime Darby Plantation's time bound plan for certification is initially 3 years, starting 2008 – 2011. SDP has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment by end Dec 2011 in accordance to the initial timebound plan. As at Dec 2011, all Malaysian SOUs have been RSPO certified (with the exception of 2 new oil mills commissioned to replace the current oil mills after the initial timebound plan targets). The 2 new mills have been RSPO Certified in Jan and Feb 2014. For Indonesian operations, currently, 1 SOU in Indonesia (PT MAS) is pending for RSPO Certification due to social legacy issues. SDP's is actively working on its certification targets given the span across a large geographical location and over 200 estates and mills in operation.	Yes

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<p>Have there been any changes since the last audit? Are they justified?</p>	<p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes and a new oil mill in Liberia has been commissioned in Feb 2016. SDP's time bound plan has been revised to take into consideration the social challenges encountered in Indonesia for the remaining SOU (PT MAS) yet to be certified. Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p>	<p>Yes</p>
<p>If there have been changes, what circumstances have occurred?</p>	<p>Indonesia- PT MAS has undergone RSPO Main Assessment in July 2011. 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. Ongoing and regular (bi-monthly) discussions is ongoing between Sime Darby Plantation and the project affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30th June 2016. Smallholders- As at June 2016, total of 24,820 Ha (59%) of total Ha, (42,008 Ha) of associated smallholders in Indonesia has been certified. Certification process for the remaining associated smallholders areas is on-going. SDP expect to achieve 100% RSPO certification of associated smallholders and outgrowers by end 2019. Liberia- A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p>	<p>Yes</p>
<p>Have there been any stakeholder comments?</p>	<p>Up to date, there is no comment. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p>	<p>Yes</p>
<p>Have there been any newly acquired subsidiaries?</p>	<p>In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified. A new mill has been set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. *RSPO NPP process has been completed in 2011. Internal assessment</p>	<p>Yes</p>

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	against the draft Liberia NI has been completed and closing of gaps is in progress.	
Have there been any isolated lapses in implementation of the plan?	No lapses.	Yes
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Indonesia - PT Mitra Austral Sejahtera has undergone RSPO Main Assessment in July 2011. 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. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30 th June 2016. Further details please refer to the RSPO Complaints Website: http://www.rspo.org/members/complaints/status-of-complaints/view/29 Liberia – New mill commissioned in Feb 2016, identification of gaps and preparation to meet the requirements of the RSPO P&C is in progress.	Yes
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	HCV assessment has been conducted for uncertified units i.e. PT Mas (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).	Yes
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/consultations/page/14?	Yes
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	Sime Darby (Liberia) Plantation Inc. Status: Box H - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29	Yes

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Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No stakeholder comments or complaints received.	
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None noted. No stakeholder comments or complaints received.	Complied.

3.3 Details of findings

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

During the 3rd Annual Surveillance Assessment there were two (2) Major & one (1) Minor nonconformities raised. The Asia Palm Oil Mill Certification unit 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. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400968M1	Requirements Indicator 2.1.1 i) Evidence of compliance with relevant legal requirements shall be available ii) Workers’ Minimum Standards of Housing and Amenities Act 1990, Section 23 - Weekly inspection iii) Scheduled Waste Regulations 2005, regulation 7: Application for special management of scheduled wastes	Major
	Evidence of Nonconformity i) According to Workers’ Minimum Standards of Housing and Amenities Act 1990, section 23 sub-section (2) “It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer...”. However, the inspection was carried out on three monthly basis where it did not comply with the requirement. The inspection was conducted on 02/10/2016, 05/7/2016 and 05/04/2016 for Pagoh Mill. ii) No approval for special management of waste (SW 404) granted from DOE as to date.	
	Statement of Nonconformity Evidence of compliance with relevant legal requirements were not effectively implemented.	

	<p>Corrective Actions Correction (immediate) i) Mill has appointed QA to perform a weekly inspection at all mill workers housing complex. ii) Special management for clinical wastes (SW404) request was sent for the 4th time to Ketua Cawangan DOE Muar on 4/11/2016. PSQM ESH HQ will follow up on the result/approval.</p> <p>Corrective action (long term) : i) Mill management will ensure that workers housing inspection were done in accordance to the legal requirement. Verified evidence of weekly inspection done by QA on 4/11 and 11/11/2016. ii) OUs management will ensure that all disposal of SW404 were handled in accordance to the legal requirement. Verified approval granted via email dated 14 December 2016 from DOE Johor Bahru for the special approval of SW404.</p>	
	<p>Assessment Conclusion On-site closed out verification is not required due to non-process related NC. Evidence required is more on documented evidences which can be verified off-site.</p> <p>Evidence submitted found to be sufficient and effective to close the above non-compliance. The continuous implementation will be further verified in the next audit</p> <p>Thus, the major NC was closed on 20/12/16.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400968M2	<p>Requirements Indicator 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.</p>	Major
	<p>Evidence of Nonconformity According to MAPA/NUPW Circular No. 22/2015 dated 4/8/2015, the employer required to fully subsidize RM 3.00 per month for each of the members of NUPW as premium towards NUPW/AIA Personal Accident Group Scheme. However, the management has yet to subsidize and deducted RM 11.00 from sampled workers below: a. Employment ID: 12374 b. Employment ID: 57061 c. Employment ID: 60721</p>	
	<p>Statement of Nonconformity Worker's contracts and extension 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.)</p>	

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	<p>were not implemented effectively. The management did not comply with the MAPA/NUPW Circular No. 22/2015</p>	
	<p>Corrective Actions Correction (immediate action) Estate has issued an internal memo on the reimbursement of the subsidy effective from Aug'15 to Oct'16 (15months) – RM45.00/worker.</p>	
	<p>Corrective Action (long term action) AAO will ensure that all new requirements are well aware by the management accordingly.</p>	
	<p>Assessment Conclusion On-site closed out verification is not required due to non-process related NC. Evidence required is more on documented evidences which can be verified off-site. Verified submitted evidences for the above issues (reimbursement memo dated 3/11/16 and latest payslip, December 2016). The corrective action found to be effective thus, the major NC was closed on 19/12/16.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1400968N1	<p>Requirements Indicator 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.</p> <p>Evidence of Nonconformity Due to the inconsistent water supply, empty drums were used to store treated water from SAJ or water from the mill (not suitable for drinking). However, the storage of the water sharing the same drums without any cleaning. Besides, some of these drums without cover which located outside the roof may lead to mixing of the treated water and rainwater. According to workers, they unable to access treated water for drinking purpose consistently. During line site inspection, larvae was observed in the drum at house no 9.</p> <p>Statement of Nonconformity Inconsistent of water supply and possible water contamination observed in Pagoh Palm Oil Mill line site.</p> <p>Corrective Actions Correction (immediate action) i) A briefing/training is conducted to all workers on the safe water storage/consumption during water cut off by SAJ. ii) All water containers were stored accordingly.</p> <p>Corrective Action (long term action) Mill management will continue establish/improve weekly housing inspection as per legal requirement</p>	Minor

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	Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment.	
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Observation	
OBS #	Description
Nil	

Positive Findings	
PF #	Description
1	Good relationship being maintained with surrounding smallholder and villages.
2	Mill has continued maximized the use of renewable energy by consuming fibre and shell which produced through internal process.
3	Alternative for class I chemical was used, Acephate under Class III chemical for bagworm treatment.

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Pagoh Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	Issues: Medical Assistant: Up to date, no dengue case being report in the estate area. Inspection of the worker housing only conducted three months once but he aware that it need to be conducted on weekly basics.
	Management Responses: Management will start to start to inspect the worker's housing area on weekly basics.
	Audit Team Findings: No further comments.
2	Issues: Gender committee chairman: Up to date, there is no sexual harassment reported in the estate area.
	Management Responses: Management will continue to maintain the mechanism in grievances and complaints.
	Audit Team Findings:

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	No further comments.
3	Issues: Headmaster of SK Ladang Welch: The estate always provide manpower in grass cutting within school area as well as sponsor fund for school activities.
	Management Responses: The management will continue to maintain good relationship with the school.
	Audit Team Findings: No further comments.
4	Issues: Head of Village Bukit Keledang – No land dispute has occurred. They have good relationship with the management. No land disputes or complaints received in the village. For wildlife, only wild boar sighted around the area.
	Management Responses: The management will continue to maintain good relationship with the villagers as well as enhance the monitoring of HCV if any.
	Audit Team Findings: Document reviewed and interview the villager found that no land dispute is sighted.
5	Issues: Police- Up to date, the crime rate surrounding the area still at lower rate despite the development of house and university. Recently case for the theft of FFB in the plantation already solved.
	Management Responses: Management appreciate for the police fast action in arresting the thief.
	Audit Team Findings: No further comments.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152M1	Requirements: Indicator 4.7.1 : A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.	Major
	Evidence of Nonconformity: Confined space entry programme i) Sample of permit to work (PTW) for confined space dated 24/3/15 (boiler furnace cleaning), 24/8/15 (boiler furnace cleaning), 4/8/15 (boiler furnace brickwork repair work, contractor Dynaneca) - No authorized gas tester (AGT) and authorized entrant and standby person (AESP) for the said activity. - No gas testing results recorded prior to confined space entry. - No health declaration noted in the PTW for confined space.	
	Statement of Nonconformity: Health and safety plan was not effectively implemented and monitored	
	Corrective Action: i) Formally request for Diamond Jubilee Oil Mill assistant to provide gas tester (AGT) and standby person (AESP) for confined space work/activity.	

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	ii) Formally request for PSQM assistance to provide health declaration for confined space work. iii) PTW issuance, cancellation and gas testing result will be carried out by AGT/AESP.	
	Assessment Conclusion: Effective implemnetion of confined space entry programme noted. The major NC is remain closed.	

Non-Conformity		
NCR #	Description	Catgory (Major / Minor)
1245152M2	<p>Requirements: Indicator 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.</p> <p>Evidence of Nonconformity: Pagoh estate: Extended employment contract for the following employee were not available: i.) Passport Number AS 014147 (Employment contract expired on 4/5/2013) ii.) Passport Number K 0855695 (Employment contract expired on 25/6/2013) iii.) Passport Number AS 031811 (Employment contract expired on 9/11/2013) Pengkalan Bukit estate: Extended employment contract for the following employee were not available: i) Passport Number AR 604876 (Employment contract expired on 20/9/2013) ii) Passport Number AR 604738 (Employment contract expired on 20/9/2013) iii) Passport Number AS 043471 (Employment contract expired on 18/3/2014)</p> <p>Statement of Nonconformity: Extended employment contract for foreign workers were not available for those extended their employment with the operating units.</p> <p>Corrective Action: Contract extension was updated and valid for 1 (one) year starting from the signing date for the said workers in Pagoh and Pengkalan Bukit Estate. Sample extension contract at Welch and Lanadron Estate has been updated accordingly</p> <p>Assessment Conclusion: No recurrence of such issues found during assessment. The major NC is remain closed.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152M3	<p>Requirements: Indicator 5.3.3 : A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	Major
	<p>Evidence of Nonconformity: Pagoh Estate: i) Online scheduled waste inventory & consignment – updated as of 28/10/2015 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal done on 27/4/2015, consignment # 001302-14 for SW 409, SW 410, SW 305 and SW 306 by Ranama Resource Sdn. Bhd. However record shown that the waste generated since the last disposal date was stored until the date of site visit which has exceed 180 days period. The waste labelling practices were also not complying with EQ (SW) Reg. 2005. ii) Inventory of clinical waste was recorded separately from other scheduled waste category. Latest Clinical Waste (SW 404) disposal was done on 28/9/2015 through Klinik Kesihatan Bukit Pasir and information recorded in Clinical Waste Record log book. However no consignment note available for the disposal of the clinical waste done on this six monthly bases</p>	
	<p>Statement of Nonconformity: Implementation of pollution prevention plan was not effective according to waste management plan for Scheduled Waste handling. This minor NC is escalated to major as per RSPO Certification System.</p>	
	<p>Corrective Action: i) Verified disposal/consignment note @ 6th schedule for SW 409, SW 410, SW 305 and SW 306 by Renama Resouces dated 30/10/15. ii) Monitoring programme will be monitored month to month basis. Refer to the attached monitoring table. iii) Sample of labelling standard used, SW305 in accordance with 3rd schedule requirements. iv) Request letter for special management of waste was sent to DOE, Muar on 15/11/15. Verified acceptance by DOE on the same date. Status of approval will be verified in the next assessment. Noted implementation of scheduled waste management at all visited OU. Only DOE approval was not made available for special management. This issue is raised under 2.1.1 under legal non-compliance.</p>	
	<p>Assessment Conclusion: Yes, but partially closed. NC raised under indicator 2.1.1</p>	

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152N1	Requirements: Indicator 2.1.4: A system for tracking any changes in the law shall be implemented	Minor
	Evidence of Nonconformity: Legal and other requirements register version July 2015 did not include other applicable laws such as "Enakmen Mengutip Tol 1974, Peraturan-Peraturan Tol 1975".	
	Statement of Nonconformity: System for tracking any changes in the law was not effectively implemented.	
	Corrective Action: Operating unit liaise with PSQM Department regarding updated version of the legal register. PSQM will update the new LORR and include the new applicable law.	
	Assessment Conclusion: Verified the new updated legal register with the updates on "Enakmen Mengutip Tol 1974, Peraturan-Peraturan Tol 1975". Thus, the minor NC was closed on 1/11/2016.	

Observation	
OBS #	Description

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
935929M0	Major	21/6/2013	Closed on 20/09/2013
935929M1	Major	21/6/2013	Closed on 20/09/2013
935929N3	Minor	21/6/2013	Closed on 25/11/2014
935929N4	Minor	21/6/2013	Closed on 25/11/2014
935929N5	Minor	21/6/2013	Closed on 25/11/2014
1130145N1	Minor	28/11/2014	Upgraded to major NC as per RSPO certification system. NC Ref: 1245152M3.
1245152M1	Major	29/10/2015	Closed on 6/12/2015
1245152M2	Major	29/10/2015	Closed on 6/12/2015
1245152M3	Major	29/10/2015	Closed on 6/12/2015
1245152N1	Minor	29/10/2015	Closed on 1/11/2016
1400968M1	Major	03/11/2016	One of corrective action from the previous ASA2 NC, ref#1245152M3 was found not effective and partially

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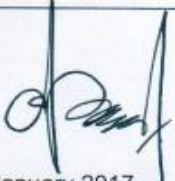

			closed. The issue was raised under different indicator, 2.1.1 related to obtaining approval from authority. Based on the submitted evidence, the Major NC was closed on 20/12/2016
1400968M2	Major	03/11/2016	Closed on 9/12/2016
1400968N1	Minor	03/11/2016	"Open"

During the assessment, the implementation of corrective action of all previously raised NCs were verified. All the previously raised NCs are deemed remained closed.

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Assessment Conclusion and Recommendation:

Based on the findings during the assessment Pagoh Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013 (MY-NI 2014) , and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Pagoh Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
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Company name: Sime Darby Plantation Sdn Bhd	Company name: BSI Services Malaysia Sdn Bhd
Title: Manager Pagoh Estate	Title: Lead Auditor
Signature:  Date: 9th January 2017	Signature:  Date: 9 th January 2017

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 DOSH, DOE visiting log book were attended accordingly.	Complied
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.	Complied
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.			

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Criterion / Indicator	Assessment Findings	Compliance	
<p>1.2.1</p> <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>	<p>Complied</p>	
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
<p>1.3.1</p>	<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>Committing to a code of ethical conduct and integrity in all operations and transactions documented and communicated to all levels of the workforce and operations. Every employee holds a handbook of ethical conduct.</p> <p>The awareness training for code of ethical conduct and integrity was conducted on 19 September 2016 for POM and Lanadron estate, 28 October for Welch estate.</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>			
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU 19 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 19 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were :</p> <p>PPOM</p> <ol style="list-style-type: none"> 1. MPOB license: 565809104000 (validity period 1/11/2016 - 31/10/2017) for 180,000MT. 2. DOE License: JPKKS 002366 (validity period 1/7/2016 - 30/6/2017) for 45MT/hr and method of POME discharge is water course. 3. River water extraction license: 08/A/Muar/020 (validity period until 31/12/2016) by Director of Water Resources Johor. 4. Energy commission license; Installation no.: ST(SJB)P/SJHR/01967; serial no.: 5447/2016 (validity period 22/07/2016 – 21/07/2017) for 1600 kW installation capacity. 5. Certificate of Fitness for Unfired Pressure Vessels:- <ol style="list-style-type: none"> i. (JKT15-Pin. 1/87 PMT-JH 127557) - JH PMT 20168 (valid till 20/06/2017). ii. (JKT15-Pin. 1/87 PMT-JH 115729) - JH PMT 20182 (valid till 06/12/2016). 6. Competency of Steam Engineer:- <ol style="list-style-type: none"> i. JKJ 19 - #053/2013 (1st grade) ii. JKJ 19 - #145/2009 (1st grade) 7. Competency of Engine Driver:- <ol style="list-style-type: none"> i. JKJ 18 – J.66/99 (Grade 1) ii. JKJ 18 – J.029/97 (Grade 2) 8. Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent CePPOME, Cert# CePPOME/16022 valid until 1/6/17. <p>Welch Estate</p> <ol style="list-style-type: none"> 1. License for Toll Collection - Ref: SUKJ(HED)74/4/17.JLD.2(34) License#12/2016 (01/01/2016-31/12/2016). 2. License for Storing Harmless Petroleum - Ref: 80518, License#3/2016 (valid till 31/12/2016). 3. KPDNKK – Ref: JH(SGT)0168/11PSK. Permit #J022779 (15/09/2016 – 14/12/2016). 4. Certificate of Fitness for Unfired Pressure Vessels (JKT15-Pin. 1/87 PMT-JH 132056) - JH PMT 22626 (valid till 20/04/2017). 5. Certificate of Fitness for Weights and Measures (Borang D) B718460 Device #B345967492 Safety #1-9-030203 SIS: 0034121 dated 09/05/2016. 6. MPOB license: 522499002000 (01/08/2016 - 31/07/2017). 7. Acephate purchase approval form DOA, refer to license# JHR/2016/ACP/47(GL) for 180 kg. (Nordanal Div) 	<p>Major nonconformance</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Lanadron Estate</p> <ol style="list-style-type: none"> 1. River water extraction license: BAKAJ:334/300/05/03/07/1 validity period until 31/12/2016) by Director of Water Resources Johor. 2. MPOB license: 522273002000 (01/08/2016 - 31/07/2017). 3. Diesel Permit # J024355, ref ref MR/PD/P-0007/13 (05/01/2016 – 04/01/2017) Quantity: 14,000 liter. 4. Certificate of Fitness for Unfired Pressure Vessels (JKT15-Pin. 1/87 PMT-JH 134239) - MK PMT 1873 (valid till 23/11/2017). <p>There were 2 issues related non-compliance to Workers Minimum Housing and Amenities Act 1990 and Scheduled Waste Regulations 2005, thus a major NC was raised. Refer to NC ref#</p>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p>	<p>List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008</p> <p>All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. At the mill the LORR was reviewed on 8/9/16</p>	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU4. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p>	Complied
2.1.4	<p>A system for tracking any changes in the law shall be implemented. - Minor compliance -</p>	<p>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. As per the last year's minor NC, the local statutory under "Enakmen Mengutip Tol 1974, Peraturan-Peraturan Tol 1975" has been updated in the legal register dated 8/9/2016.</p>	Complied
<p>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.</p>			

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Criterion / Indicator	Assessment Findings	Compliance	
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 -	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land was made available during assessment. Sample of land title checked: <u>Welch estate:</u> Land title – 6 land title (GN 82895, GN92574, GN84599, GN82893, GN43812, GN121096)	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Field visit to P90N at Lnadron Estate (Nordanal Division) noted that boundary between smallholder land is visibly maintained and verified during the visit. Legal boundaries are clearly demarcated and visibly maintained throughout the estate. All the boundaries are visibly maintained as per company SOP.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
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 is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
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 and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no land disputes.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
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 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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc. CAPEX budgeted for mill and estate : <u>Pagoh Mill</u> New boiler – 45 tph Water reservoir upgrading Equipment and utilities replacement/upgrade <u>Welch Estate</u> New upgrade ramp	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
3.1.2	<p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance -</p>	<p><u>Lanadron Estate</u> Most of the estate's area will be surrendered to Sime Darby Properties for the new township project. There will be no OP replanting in the next 5 years.</p> <p><u>Welch Estate</u> No OP replanting for the next 5 years. All field will be planted with rubber.</p>	Complied
<p>Principle 4: Use of appropriate best practices by growers and millers</p>			
<p>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</p>			
4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills are documented</p> <p>- Major compliance -</p>	<p>No changes noted in the existing SOP 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</p>	Complied
4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance -</p>	<p>External Mill Advisor and a Planting Advisor inspect and report on the operations on annual basis. There were other audits by PSQM and GCAD to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements. The following are rating given by internal and external for FY2015/2016 at SOU 19:</p> <p><u>Pagoh Mill</u> MA visit: report SOU19/PM//01/15-16, visit date June 16. PQR visit rating : 82, Safety rating: 84</p> <p><u>Welch Estate</u> PA visit : report SOU19/WE/1/15-16 dated 16-18/11/15 PQR visit rating – Mature (87.49 %), Immature (nil), Manuring (nil), crop recovery rating 4/5</p> <p><u>Lanadron Estate</u> PA visit : report SOU19/LE/1/15-16 dated 19-20/4/16 PQR visit rating – Mature (74.24%), Immature (89.75%), Manuring (90.48%)</p>	Complied
4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance -</p>	<p>MA visited Pagoh Mill on June 2016 (Performance Qualitative Report (PQR) – KKS Pagoh 2016). Report includes monitoring of all activities in the mill. It was noted that the mill achieved PQR rating of 82%. Internal RSPO audit was conducted on 7/9/2016 by the RSPO & Certification Unit, PSQM.</p>	Complied
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>No third party FFB purchased by the mill</p>	Complied

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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 -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	<p>Welch Estate</p> <p>Fertilizer recommendation by R&D (agronomist) based on the last visit on 15/2/16. Fertilizer recommendation for FY16/17 was made available.</p> <p>Recommendation for 3rd quarter (Sep –Nov 16)</p> <p>Compound fertilizer (NKC1 10.5/0/30) for field P02A. Recommendation is 3.75 kg/palm for total of 47.1 mt (942 x 50 kg). Total hectarage covered is 87.82 Ha.</p> <p>Lanadron Estate (Nordanal Division)</p> <p>Fertilizer recommendation by R&D (agronomist) based on the last visit on 15-16/10/16. Fertilizer recommendation for 2016 was made available.</p> <p>Recommendation for 3rd quarter (Aug-Oct 16)</p> <p>Compound fertilizer (NKC2 14/0/20) for field P07N. Recommendation is 3.5 kg/palm for total of 50.4 mt (1008 x 50 kg). Total hectarage covered is 105.86 ha.</p>	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<p>Welch Estate</p> <p>Periodic soil sampling carried out every 5 years. The latest monitoring was done in 2014. Refer to latest, S79/2014 dated 9/9/2014 for field OP02A & OP02C.</p> <p>Lanadron Estate</p> <p>Periodic soil sampling carried out every 5 years. The latest monitoring was done in 2014. Refer to latest, S47/2014 dated 23/5/2014 for field 072 L2, 02L and 00N1.</p> <p>Leaf sampling done on annual basis. Latest sampling was done on 17/5/16 for total 29 oil palm leaf samples from different fields.</p>	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 -	<p>EFB application: Targeted to yellowish problematic area (nutrient deficiency), low yield area.</p> <p>Immature: recommended rate of 30 mt/ha, completed (field 13A), 10 Ha.</p>	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			

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4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<u>Welch Estate</u> Soil map available, refer to soil map prepared by R&D-TTAS Precision Agriculture Unit dated January 2012. Majority (Serdang/Bungor Shallow 20.5% & Munchong Deep 19.9%) <u>Lanadron Estate</u> Soil map available, refer to soil map prepared by R&D-TTAS Precision Agriculture Unit (EIM) dated 15 June 2015. Majority (Briah 36.1%, Acid Sulphate 20.48%)	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 -	Slope map available. The slope ranging from 0° - 30°. Slope area constructed with terrace and side drainage. Planting terraces had been constructed where slope >10°. Areas more than 25° have been maintained as conservation area. Fields are established with cover crops such as muccuna and soft grasses and ferns.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	<u>Welch Estate</u> Road maintenance programme for FY16/17 available. Resurfacing and road grading programme noted. Completed programme at P00 and P02A was recorded for total of 27.56 ha. <u>Lanadron Estate</u> Road maintenance programme – 2016/17 for Panchor and Nordanal Division. Dec 16 : road side pruning Jan 17: grading and resurfacing	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil or soil categorised 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 categorised 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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<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Review for the 2016/2017 conducted on 11/7/2016. Items included are inspection of reservoir an water treatment, monitoing of processed water, water leakages and overflow, run-off and ETP monitoring.</p> <p>Contingency plan during water shortage for financial year 2016/2017: Water shortage/dry spell: - Purchase water from SAJ - Train staff/workers to conserve water - Revise demand and supply conditions - Monitor water supply Severe water pollution: - Purchase water from SAJ - Perform treatment of polluted water - Reusing/recycling/rationing</p>	<p>Complied</p>												
<p>4.4.2</p> <p>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 -</p>	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1" data-bbox="662 969 1299 1151"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Pagoh Mill: Monitoring of upstream and downstream Sungai Muar was done once per year as stipulated under "Jadual Pematuhan". Refer to test report# JWA1607-0193 and JWA1607-0192 dated 26/7/16. All parameter tested were within limit.</p> <p><u>Lanadron Estate</u> Water sampling: Monitoring of upstream, midstream and downstream of Sg Muar, refer to IE980/2016 dated 5/10/16.</p> <p>Domestic water monitoring, refer to latest monitoring dated 5/10/16, test report IE998/2016. 3 sampling point were selected at raw water, water tank and linesite. Comply with DWQS</p> <p>Microbiology water sample, refer to ML292/2016 dated 27/9/16. Result shows no E.Coli and total coliform detected.</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	<p>Complied</p>
River width	Buffer zone													
> 40 meters	50 meters													
20 to 40 meters	40 meters													
10 to 20 meters	20 meters													
5 to 10 meters	10 meters													
< 5 meters	5 meters													

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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 "Jadual Pematuhan", license# 002366. Limit of Biochemical Oxygen Demand (BOD) discharge is 100 mg/l for water course. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance. For the latest quarter, quarterly return report submitted via OER @ "Online Environmental Reporting". Refer to DOE file# AS(B)J31/152/000/090 for 2016 3 rd quarter report dated 13/10/16. Analysis report was verified and checked. EP587/2016 dated 5/9/16 EP522/2016 dated 3/8/16 EP457/2016 dated 13/7/16 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 -	Water usage for FY2015/2016 was at 1.29 m ³ /mt FFB processed. The latest 3 month water usage recorded a decending trend due to increase of FFB processed.	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 -	IPM is documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. Although there have been no outbreaks of leaf eating pests, beneficial plants are being established along roadsides to attract natural predators. The estates are continue to plant beneficial plants such as <i>Turnera subulata</i> .	Complied
4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the barn owl occupancy census team confirm their understanding of the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on census. Latest IPM training was conducted on 19/9/16 at Welch Estate.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment		

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<p>4.6.1</p> <p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>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:</p> <p>Immature planting (sample)</p> <ul style="list-style-type: none"> - General weeds : Glyphosate - Legume & broad leave : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate <p>Mature planting</p> <ul style="list-style-type: none"> - VOPs : glyphosate & sodium chlorate <p>The selection is also evaluated by the agronomist during his visit to the estate.</p>	<p>Complied</p>
<p>4.6.2</p> <p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was made available. Example for Aug 16: 0.252 Ai/Ha (metsulfuron methyl, triclopyr butoxy ethyl ester, glyphosate, warfarin and glufosinate ammonium)</p>	<p>Complied</p>
<p>4.6.3</p> <p>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.</p> <p>- Major compliance -</p>	<p>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</p>	<p>Complied</p>
<p>4.6.4</p> <p>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.</p> <p>- Minor compliance -</p>	<p>Refer to chemical register dated 21/7/16. No class 1A or Class 1B used in the plantation. Alternative chemical for class 1A, Acephate (class III) was used for bagworm treatment. License to purchase Acephate from DOA was verified. Refer to Acephate purchase approval form DOA, refer to license# JHR/2016/ACP/47(GL) for 180 kg. (Nordanal Division).</p>	<p>Complied</p>

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4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipments and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers	Complied
4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied
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 spray at SOU19	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 SOU19. 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 -	Disposal method of all identified waste was already included in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within mill and estates	Complied

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<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p><u>Pagoh Palm Oil Mill (PPOM)</u> Medical surveillance carried out once a year for all chemical handlers. Last medical check-up was conducted on 15/08/2016 & 22/08/2016 by DOSH Registered doctor No.: HQ/08/DOC/00(138). All 08 workers were found fit based on the medical results.</p> <p><u>Welch Estate</u> Medical surveillance carried out once a year for all chemical handlers. Medical check-up for the Manuring & Store unit was conducted on 14/10/2016 by DOSH Registered doctor No.: HQ/08/DOC/00/545 Report No. 078/OHD/2016. All 14 workers were found fit based on the medical results.</p> <p>Medical check-up for the Sprayer, Ammonia, Workshop, Fogger and Store Unit on 04/03/2016 by DOSH Registered doctor No.: HQ/08/DOC/00/545 Report No. 016/OHD/2016. All 17 workers were found fit based on the medical results.</p> <p><u>Lanadron Estate</u> Medical surveillance carried out once a year for all chemical handlers. Medical check-up for the Trunk Injection & Workshop unit was conducted on 17 & 18/05/2016 by DOSH Registered doctor No.: HQ/14/DOC/00383 Report No. F-NUR-SPC-TRIALRUN/SEP15. All 9 workers were found fit based on the medical results.</p> <p>Medical check-up on 17 & 18/05/2016 by DOSH Registered doctor No.: HQ/14/DOC/00383 Report No. F-NUR-SPC-TRIALRUN/SEP15. All 32 workers were found fit based on the medical results.</p> <p>Medical check-up on 08/06/2016 by DOSH Registered doctor No.: HQ/14/DOC/00383 Report No. F-NUR-SPC-TRIALRUN/SEP15. All 06 workers were found fit based on the medical results.</p>	<p>Complied</p>
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -</p>	<p><u>PPOM</u> Female workers confirmed knowledge of the policy of transfer to alternative duties if wished to continue working when pregnancy was confirmed or breast-feeding.</p> <p><u>Welch Estate</u> The 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.</p> <p><u>Lanadron Estate</u> The 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. Policy on no work with pesticides for confirmed pregnant and breast-feeding women is continuously implemented.</p>	<p>Complied</p>
<p>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>		

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<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>Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Managing Director of SIME Plantation on January 2015 and 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.</p> <p>Sample of PPOM program were :</p> <p><u>Audiometric Testing</u> Annual audiometric testing completed on 17/02/2016 (PRO/FEB/16/(KKSPSB/12) by Procoma Environmental (M) Sdn Bhd OHD (HQ/10/DOC/00/641. Total of 12 workers were sent for the annual testing. There 5 cases of hearing impairment – mild (25-40db), 1 case of hearing impairment – profound (91+db) and 1 case of Standard Threshold Shift (STS) reported. Re-test required for 1 worker (within 3 months). Record for retest for STS (621115-015299) dated 09/09/2016 (Audiometric Test Form). Re-test result to be verified during the next visit.</p> <p><u>Medical Surveillance Program</u> Medical surveillance carried out once a year for all chemical handlers. Last medical check-up was conducted on 15/08/2016 & 22/08/2016 by DOSH Registered doctor No.: HQ/08/DOC/00(138). All 08 workers were found fit based on the medical results.</p> <p><u>Personal Chemical Exposure Monitoring (PCEM)</u> PCEM was last carried out on 18/05/16 by registered IHT 1, JKPP/HIE/127/171-3/1(20) for Potassium Dichromate and n-Hexane. Monitoring results:-</p> <table border="1" data-bbox="660 1285 1299 1346"> <tr> <td>Chromium Hexavalent</td> <td>Below the MEL of 0.15 mg/m³</td> </tr> <tr> <td>n-Hexane</td> <td>Below the MEL of 528 mg/m³</td> </tr> </table> <p><u>Local Exhaust Ventilation (LEV) Testing & Inspection</u> Annual LEV System Inspection and Testing Report (PAC-LEV-160504) dated 11/05/2016 by JKPP HIE 127/171-3/2(160) for fume hoods located at the laboratory was observed. Reported that the performances of the LEV system for Laboratory Fume Hoods have face velocity of the hood and meets the minimum requirement of ACGIH.</p>	Chromium Hexavalent	Below the MEL of 0.15 mg/m ³	n-Hexane	Below the MEL of 528 mg/m ³	<p>Complied</p>
Chromium Hexavalent	Below the MEL of 0.15 mg/m ³					
n-Hexane	Below the MEL of 528 mg/m ³					

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<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>SOU19 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRADC) records, as well as CHRA reports were verified during the assessment.</p> <p>PPOM CHRA conducted on 02-03/04/2013 by registered assessor JKPP HIE 127/171-2(317). Based on the CHRA, a total of 08 findings/recommendations reported. HIRADC was reviewed on 11/07/2016 and approved by Mill Manager. No addition or changes observed.</p> <p>Welch Estate CHRA conducted on 07/04/2015 by registered assessor JKPP/IH 127/171-2(223). Based on the CHRA, a total of 06 findings/recommendations reported. HIRARC Revised (after accident on 22/08/2016) dated 17/10/2016. Section: Unit Harvester Activities: Frond-stacker Job Step: Positioning of bunch</p> <p>Lanadron Estate CHRA conducted on 09/03/2015 by registered assessor JKPP/IH 127/171-2(223). Based on the CHRA, a total of 06 findings/recommendations reported. HIRARC was reviewed on 28/10/2016. Department: Harvesting <ol style="list-style-type: none"> 1. Drive to & from workshop to field 2. Harvester to & from home 3. Harvesting bunches 4. Sickle Department: Workshop <ol style="list-style-type: none"> 1. Vehicle repair and maintenance Monitoring is carried out for all the best practices and checklists maintained to ensure the implementation and practicality.</p>	<p>Complied</p>

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<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. - Minor compliance -</p>	<p>Awareness and training program 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 SDS, safe working practices and the correct use of PPE.</p> <ol style="list-style-type: none"> 1. KKS Pagoh Staff/Workers Competency Training Plan for FY 16/17 was established and approved on 08/07/2016. 2. SOU19 - Welch Estate (17/17) was established and approved by the Manager. 3. SOU19 - Lanadron Estate (16/17) was established and approved by the Manager. <p>Suitable PPE has been provided to the workers based on the information in the 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> <ol 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. Field workers (sprayer, manurer & harvester) – N95 respirator/3m 9002, anti-mist goggles, wellington boots, apron and sickle cover. <p>During the site visit, it was noted that the PPE will be replaced by the workers when damaged or lost.</p> <p>The chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. SDS was placed at the chemical stores and is available. The person in charge understands the information written in SDS.</p>	<p>Complied</p>

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<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. - Major compliance -</p>	<p>OSH policy well briefed to all workers. Interview with workers reveal that they understand the policy and the importance of safety at work. Morning briefing carried out to ensure workers are aware of safe working practices.</p> <p>PPOM OSH meeting conducted on quarterly basis and last meeting conducted on 07/10/2016 attended by 14 persons. The work place inspection conducted on 02/10/2016 and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted. <u>OSH Committee Members for 2016/2017</u> Chairman – En Ahmad Fauzi Bin Hj Jantan (appointment letter dated 21/10/2016). Appointment letters for other OSH committee members dated 21/10/2016. OSH meeting: 07/10/2016, 11/07/2016, 11/4/2016 and 11/01/2016.</p> <p>Welch Estate OSH meeting conducted on quarterly basis and last meeting conducted on 07/09/2016 attended by 19 persons. The work place inspection conducted on 03/08/2016 and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted. <u>OSH Committee Members for 2016/2017</u> Chairman – En Norazmi B Ismail (appointment letter dated 01/09/2015). Appointment letters for other OSH committee members dated 01/01/2016. OSH meeting: 07/09/2016, 19/05/2016 and 18/02/2016.</p> <p>Lanadron Estate OSH meeting conducted on quarterly basis and last meeting conducted on 28/10/2016 attended by 11 persons. The work place inspection conducted on 21/10/2016 and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted. <u>OSH Committee Members for 2016/2017</u> Chairman – En Adenan Bin Hijoo (appointment letter dated 01/11/2016 not signed by the GM). Record to be reviewed during the next audit. Appointment letters for other OSH committee members dated 19/10/2016. OSH meeting: 28/10/2016, 14/07/2016, 26/04/2016 and 28/01/2016.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<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>Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <ol style="list-style-type: none"> 1. PPOM - Fire evacuation drill was last conducted on 14/03/2016 to test the state of readiness during emergency situation. 2. Welch Estate – Fire evacuation drill was last conducted on 27/04/2016 to test the state of readiness during emergency situation. 3. Lanadron Estate - no records of fire evacuation drill conducted (to-date 03/11/2016). <p>Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <ol style="list-style-type: none"> 1. Training for First Aid is conducted in every 3 month. Sufficient first aiders trained. 2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. 3. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date. 4. Emergency eye wash facility available at chemical store and laboratory. Both are in good working condition. <p>Quarterly review on accident cases carried out during OSH quarterly meeting.</p> <p>PPOM 1 accident reported. JKKP 6 available. JKKP 8 was sent to DOSH on 06/01/2016. DOSH visits (21/03/2016) been recorded in the DOSH log book and noted comments highlighted by DOSH has been taken action accordingly by the organization. No action plan available.</p> <p>Welch Estate 7 accidents reported. JKKP 6 available. Sime Darby Incident Detailed Report was observed. JKKP 8 was sent to DOSH on 05/01/2016. DOSH visits (21/01/2016) been recorded in the DOSH log book and noted comments highlighted by DOSH has been taken action accordingly by the organization. No action plan available.</p> <p>Lanadron Estate 24 accidents reported. No JKKP 6 available. Sime Darby Incident Detailed Report was observed. JKKP 8 was sent to DOSH on 25/01/2016. DOSH visits not recorded in the DOSH log book. Noted that the last DOSH visit was on 19/05/2015.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance																		
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances. Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for September 2016. Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance.</p> <table border="1"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>RHB Insurance Berhad (FW186440)</td> <td>27/04/16 – 26/10/17</td> <td>PPOM</td> </tr> <tr> <td>RHB Insurance Berhad (FW179972)</td> <td>20/01/16 – 19/01/17</td> <td>Welch Estate</td> </tr> <tr> <td>RHB Insurance Berhad (FW176815)</td> <td>05/12/15 – 04/12/16</td> <td rowspan="4">Lanadron Estate</td> </tr> <tr> <td>RHB Insurance Berhad (FW178920)</td> <td>10/01/16 – 09/01/17</td> </tr> <tr> <td>RHB Insurance Berhad (FW180694)</td> <td>23/02/16 – 22/02/17</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Insurance	Period	Remark	RHB Insurance Berhad (FW186440)	27/04/16 – 26/10/17	PPOM	RHB Insurance Berhad (FW179972)	20/01/16 – 19/01/17	Welch Estate	RHB Insurance Berhad (FW176815)	05/12/15 – 04/12/16	Lanadron Estate	RHB Insurance Berhad (FW178920)	10/01/16 – 09/01/17	RHB Insurance Berhad (FW180694)	23/02/16 – 22/02/17			Complied
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4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Accident records are found to be updated. All records on Lost Time Accident (LTA) metrics are maintained. Samples of accident statistic as shown below :</p> <table border="1"> <thead> <tr> <th>Year (to-date)</th> <th>PPOM</th> <th>Welch Estate</th> <th>Lanadron Estate</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1 (21 LTA)</td> <td>19 (126 LTA)</td> <td>15 (65 LTA)</td> </tr> <tr> <td>2016</td> <td>1 (6 LTA)</td> <td>13 (38 LTA)</td> <td>28 (124 LTA)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC) PPOM recorded LTI for 2015 – 243,128. Welch Estate recorded LTI for 2015 – 595,597. Lanadron Estate recorded LTI for 2015 – 725,348.</p>	Year (to-date)	PPOM	Welch Estate	Lanadron Estate	2015	1 (21 LTA)	19 (126 LTA)	15 (65 LTA)	2016	1 (6 LTA)	13 (38 LTA)	28 (124 LTA)	Complied						
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<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>																					

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Criterion / Indicator	Assessment Findings	Compliance
<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>SOU19 has established an annual training program that covers all aspects of the RSPO Principles and Criteria.</p> <ol style="list-style-type: none"> 1. KKS Pagoh Staff/Workers Competency Training Plan for FY 16/17 dated 08/07/2016. Implementation is still on-going. 2. Welch Estate – OSH Programme For FY 2016/2017. Implementation is still on-going. 3. Lanadron Estate – OSH Programme For FY 2016/2017. Implementation is still on-going. <p>Training Needs</p> <ol style="list-style-type: none"> 1. 14 training needs/requirements KKS Pagoh Training Need For 16/17 dated 08/07/2016 identified for various categories of operating units. 2. 27 training needs/requirements Welch Estate – OSH Programme For FY 2016/2017 identified for various categories of operating units. 3. 31 training needs/requirements SOU 19 - Lanadron Estate (16/17) identified for various categories of operating units. <p>Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. PSQM had also conducted the :-</p> <p>PPOM - RSPO Internal Consultative Assessment Report (07/09/2016) and reported a total of 4 major, 1 minor and 6 OFI.</p> <p>Welch Estate - RSPO Internal Consultative Assessment Report (05/09/2016) and reported a total of 4 major, 4 minor and 6 OFI.</p> <p>Lanadron Estate - RSPO Internal Consultative Assessment Report (06/09/2016) and reported a total of 6 major, 5 minor and 7 OFI.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																																																																								
<p>4.8.2 Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&C requirement. Samples of training record for 2016 as follows:</p> <p>PPOM</p> <table border="1" data-bbox="660 533 1297 1099"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>18-19/10/16</td> <td>OSH Compliance Support</td> <td>JKKP</td> </tr> <tr> <td>17/10/16</td> <td>Human Rights</td> <td>Local Training</td> </tr> <tr> <td>17/10/16</td> <td>HCV Training</td> <td>Local Training</td> </tr> <tr> <td>13/10/16</td> <td>Gender Committee</td> <td>PSQM</td> </tr> <tr> <td>13/10/16</td> <td>Human Rights</td> <td>PSQM</td> </tr> <tr> <td>12/10/16</td> <td>Safety Induction & COBC Training</td> <td>Local Training</td> </tr> <tr> <td>19/09/16</td> <td>AKG Bearing Training</td> <td>En Roslan (Siraga)</td> </tr> <tr> <td>16 & 30/09/16</td> <td>COBC</td> <td>Local Training</td> </tr> <tr> <td>24/08/16</td> <td>Schedule Waste Management</td> <td>PSQM</td> </tr> <tr> <td>04/08/16</td> <td>First Aid</td> <td>MA</td> </tr> <tr> <td>26/07/16</td> <td>Use of PPE</td> <td>AE/MS</td> </tr> <tr> <td>20/07/16</td> <td>Boiler Water & Chemical Handling</td> <td>NALCO</td> </tr> </tbody> </table> <p>Welch Estate</p> <table border="1" data-bbox="660 1128 1297 1397"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>27/09/16</td> <td>Refresher HCV Training</td> <td>PSQM</td> </tr> <tr> <td>19/09/16</td> <td>IPM Training</td> <td>Asst Mgr</td> </tr> <tr> <td>08/09/16</td> <td>eSWIS</td> <td>DOE</td> </tr> <tr> <td>07/04/16</td> <td>TNB Training (Working near OHPL)</td> <td>TNB JB</td> </tr> <tr> <td>25/02/16</td> <td>Training on Accident Reporting & LTI Calculation for HA/MA (SOU17,18,19)</td> <td>PSQM-ESH</td> </tr> </tbody> </table> <p>Lanadron Estate</p> <table border="1" data-bbox="660 1442 1297 1704"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>01/11/16</td> <td>Pruning Technique</td> <td>SA</td> </tr> <tr> <td>18/10/16</td> <td>Beneficial Plant Training</td> <td>SA</td> </tr> <tr> <td>03/10/16</td> <td>Manuring (NKC2) – 07N</td> <td>SA</td> </tr> <tr> <td>20/06/16</td> <td>FronD Cutting & Arrangement Training</td> <td>Tn Azizi</td> </tr> </tbody> </table>	Date	Training	Trainer	18-19/10/16	OSH Compliance Support	JKKP	17/10/16	Human Rights	Local Training	17/10/16	HCV Training	Local Training	13/10/16	Gender Committee	PSQM	13/10/16	Human Rights	PSQM	12/10/16	Safety Induction & COBC Training	Local Training	19/09/16	AKG Bearing Training	En Roslan (Siraga)	16 & 30/09/16	COBC	Local Training	24/08/16	Schedule Waste Management	PSQM	04/08/16	First Aid	MA	26/07/16	Use of PPE	AE/MS	20/07/16	Boiler Water & Chemical Handling	NALCO	Date	Training	Trainer	27/09/16	Refresher HCV Training	PSQM	19/09/16	IPM Training	Asst Mgr	08/09/16	eSWIS	DOE	07/04/16	TNB Training (Working near OHPL)	TNB JB	25/02/16	Training on Accident Reporting & LTI Calculation for HA/MA (SOU17,18,19)	PSQM-ESH	Date	Training	Trainer	01/11/16	Pruning Technique	SA	18/10/16	Beneficial Plant Training	SA	03/10/16	Manuring (NKC2) – 07N	SA	20/06/16	FronD Cutting & Arrangement Training	Tn Azizi	<p>Complied</p>
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

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.

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Criterion / Indicator		Assessment Findings	Compliance
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Plans and impact assessments relating to environmental impacts based on documents as following: <ul style="list-style-type: none"> • Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; Register • Appendix 5.4.1c - Environmental Aspect and Impact Identification form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-01/EAI • Appendix 5.4.1d – Environmental Impacts Evaluation form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-02/EIE 	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	There is no change of current practices required to mitigate negative effects based on identified impacts for both the mill and estates. However the mill and estates have conducted periodical review on the aspects and impacts identified and evaluated as registered. The mill and estates have continuously implemented annual programs that were established as part of its individual Pollution Prevention Plan. Managers and assistant managers of mill and estates were identified as person-in-charge of the programs which were established upon review of the aspect and impact register. Review of aspect and impact register were done as following: Pagoh Mill: Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 19/9/2016. Neither any change to current operation nor new activity identified by the mill other than normal mill operation including weighbridge operation, process, maintenance, water and waste water treatment. Noted changes for the latest Environment Quality, Clean Air Regulation 2014 has been incorporated in the register.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Pollution prevention plan and waste management plan was reviewed on yearly basis and was verified at all visited operating units.	Complied
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.			

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Criterion / Indicator	Assessment Findings	Compliance	
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	HCV Toolkit for Malaysia by WWF – Malaysia was used for the HCV assessment. There was an appropriate consultation process for identification, management and monitoring of HCVs. The latest review was conducted in the July 2016. Refer to revisited HCV report, version 2 dated August 2016. Based on the latest report, total HCV area within SOU19 is 32.33 Ha with the detailed breakdown per each estates: Welch Estate: 0.95 Ha (catchment area) Lanadron Estate: 19.41 Ha (river reserve, Muar river) Pagoh Estate: 9.10 Ha Pengkalan Bukit Estate: 2.87 Ha	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 -	IUCN & WCA 2010 – birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report. For example vulnerable animal; bearded pig (mammals) under category totally protected. The established management plan has been incorporated the action plan for those identified animals (IUCN and WCA 2010) for proper monitoring.	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signages as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires. Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There was no HCV set-aside that needs any negotiation process with the local communities.	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>Waste sources have been identified accordingly by both the mill and estates. Documentation was done as a waste management plan which was being reviewed by respective operating units on annual basis.</p> <p>Visits made to Pagoh Mill together with Welch and Lanadron estates showed that all waste products and sources of pollution were identified and documented. The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill. The aspect identifications were tabulated in SB/5.2/EAI and impacts evaluations were tabulated in SB/5.2/EIE</p> <p>For example based on the latest inventory at Pagoh Palm Oil Mill, inventory #0106J3187161102016 dated 5/10/16. There were 9 types of scheduled waste generated at Pagoh POM namely SW110, SW102, SW305, SW306, SW312, SW322, SW324, SW409 and SW410.</p>	<p>Complied</p>

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<p>5.3.2</p>	<p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>Records of waste disposal was made available and disposed through DOE license contractor. Samples of disposal arrangement made as follows:</p> <p><u>Pagoh Palm Oil Mill:</u></p> <p>Scheduled waste inventory & consignment updated using online ESWIS to DOE.</p> <p>Latest Scheduled Waste disposal done on 23/8/2016. Sample of consignment notes were verified:</p> <p>i) Consignment# 2016082315VDKUQC for SW410 for the quantity of 0.0545 mt</p> <p>ii) Consignment# 20160823143MYUPF for SW324 for the quantity of 0.046 mt</p> <p>iii) Consignment# 2016082315DJ4H1S for SW110 for the quantity of 0.0565 mt</p> <p>iv) Consignment# 20160823152FXLBC for SW322 for the quantity of 0.0174 mt</p> <p>v) Consignment# 2016082315SQNVJR for SW409 for the quantity of 0.2764 mt</p> <p>vi) Consignment# 2016082315OQA3YH for SW410 for the quantity of 0.4090 mt</p> <p>Scheduled waste disposed to Kualiti Alam Sdn Bhd. Refer license# 004047 validity period (1/5/16 – 30/4/16). Driver and lorry driver listed under the said compliance schedule.</p> <p><u>Welch Estate</u></p> <p>Disposal made by KA on 28/10/16 for SW410. Refer to consignment number, CN# 091471-001 for total of 0.0174 mt.</p> <p>Empty chemical container disposed by SS Setia Teknologi Enterprise, approved DOA recycler. Refer to appointment letter by DOA, ref:JP KRP 207/12/471 JLD VI() dated 7/12/15. Latest disposal was made on 25/10/16 and 13/6/16. Refer disposal record, ref# 0377 for total for 101 containers.</p> <p><u>Lanadron Estate</u></p> <p>Clinical waste, SW404 disposed by estate's (VMO), visiting medical officer, Dr Tajudin Abdul Majid. Latest disposal was made on 17/9/16</p> <p>Empty chemical container disposed by SS Setia Teknologi Enterprise, approved DOA recycler. Refer to appointment letter by DOA, ref:JP KRP 207/12/471 JLD VI() dated 7/12/15. dated 4/3/13. Latest disposal was made on 18/4/16. Refer 5th schedule for total of 602 containers.</p> <p>SW 410 and SW 305 was disposed by Renama Resources Sdn Bhd. Refer to consignment notes# 2016090912QYF3XV and 201609091151MD92 dated 9/9/16. 0.5 mt disposed for SW305 and 0.052 mt for SW410.</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance -</p>	<p>Waste management plan for 2016/2017 was made available. Document dated 11/7/16 was sighted.</p> <p>Domestic waste – rubbish (dispose by estate management)</p> <p>Recycled waste – Fibre, PK shell, boiler ash, scrap iron produced at palm oil mill</p> <p>Scheduled waste – Spent IPA, hexane, cotton pad filter, lubs, hydraulic oil, grease battery</p>	Complied
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>RE usage: 4.86 mt per CPO, kWh turbine (3,929,700) ratio 24.87 kWh/FFB (FY 15/16)</p> <p>Reduction plan – energy saving bulb, awareness etc.</p>	Complied
<p>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.</p>			
5.5.1	<p>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.</p> <p>- Major compliance -</p>	<p>Zero burning within estate area has been implemented in Welch Estate and Lanadron Estate as part of its pollution prevention plan. This was based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc.</p> <p>Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in both Pagoh and Pengkalan Bukit estates field showed no evidence of open burning</p>	Complied
5.5.2	<p>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.</p> <p>- Minor compliance -</p>	<p>The operating units have adhered to the zero burning policy for replanting at the estates. During the audit, there were no replanting activities carried out at Welch and Lamadron estates. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.</p>	Complied
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			

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Criterion / Indicator	Assessment Findings	Compliance																				
<p>5.6.1</p> <p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>Assessment of all polluting activities was conducted under Environmental Aspect Impact for identifying activities that contributes significant impact to environment. Pollution prevention plan FY2016/2017 has been established with the mitigation measures for those activities. Source of pollution from mill processes and related activities in the premise were described as follows :</p> <table border="1" data-bbox="665 607 1291 893"> <tr> <td>Mill Processes /Activity</td> <td>Source of pollution</td> </tr> <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> <tr> <td>Composting</td> <td>Composting leachate</td> </tr> </table> <p>As prescribed under "<i>Jadual Pematuhan</i> , license# 002366, air emission from boiler stack have to be monitored twice per year. Stack sampling result for 2016 :</p> <table border="1" data-bbox="673 1070 1279 1256"> <tr> <td>Date of monitoring</td> <td>Stack no.1</td> </tr> <tr> <td>12/4/16 (1st half)</td> <td>Solid particle – 0.345 g/Nm³ at 12%CO₂ NOx – 0.01 g/Nm³ Sox – ND</td> </tr> </table> <p>* Stack emission limit @ 0.4 g/Nm³</p> <p>2nd half was carried on October 2016 and full report will be further verified in the next audit.</p> <p>Ambient air monitoring was done every quarter as per compliance schedule, 002366. Ambient air monitoring for 2016 as summarized below:</p> <table border="1" data-bbox="673 1518 1279 1924"> <tr> <td>Date of monitoring</td> <td>Ambient air (Ug/m3)</td> </tr> <tr> <td>13-14/1/16 (1st quarter)</td> <td>Point A1: 35 Point A2: 38 Vs limit 260</td> </tr> <tr> <td>12-13/4/16 (2nd quarter)</td> <td>Point A1: 37 Point A2: 38 Vs limit 260</td> </tr> <tr> <td>25-26/7/16 (3rd quarter)</td> <td>Point A1: 32 Point A2: 26 Vs limit 260</td> </tr> </table> <p>Results of monitoring in compliance with Malaysian Recommended Air Quality Guidelines, 1989</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	Composting	Composting leachate	Date of monitoring	Stack no.1	12/4/16 (1 st half)	Solid particle – 0.345 g/Nm ³ at 12%CO ₂ NOx – 0.01 g/Nm ³ Sox – ND	Date of monitoring	Ambient air (Ug/m3)	13-14/1/16 (1 st quarter)	Point A1: 35 Point A2: 38 Vs limit 260	12-13/4/16 (2 nd quarter)	Point A1: 37 Point A2: 38 Vs limit 260	25-26/7/16 (3 rd quarter)	Point A1: 32 Point A2: 26 Vs limit 260	<p>Complied</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																					
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25-26/7/16 (3 rd quarter)	Point A1: 32 Point A2: 26 Vs limit 260																					

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Criterion / Indicator	Assessment Findings	Compliance
	<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. Verified smoke density report for October 2016. Noted there were a few occasion of black smoke (>40% opacity) but only during boiler start-up. Smoke density recorder was last calibrated on 24/5/16 and valid until 23/11/16 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>	
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	Complied
5.6.3	<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>	Complied
<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>		
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -</p>	Complied

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6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The assessment was conducted by the PSQM team. Methodology of the assessment was through field observation, dialogues with stakeholders and in-depth interview with affected parties. The stakeholders that involved in the assessment included social amenities, environment, road users, employee changes, safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers. It was confirmed during as during interview with stakeholder as they had participated in the meeting/assessment.	Complied
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 Plan for Social Assessment for FY 2016/2017 has been developed based on the findings from Social Impact Assessment conducted on June 2013 and also stakeholder meeting which conducted on yearly basics. The plan has incorporated issues & strategies, action plan, action by and time frame. The issues from the external and internal stakeholder such as government agency, contractor, village representative, Worker representative has been included in the plan and with the action plan. In POM, the issues such as lab personnel requested emergency shower and eye wash & hand wash at mini lab as well as schedule waste store at mill has been included in the approved budget under tendering process. The action plan of social impact assessment FY2016/17 for Welch and Lanadron estate has been implemented based on the findings from Social Impact Assessment and stakeholder meeting.	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 -	Action plan of social assessment for FY 2016/2017 has been reviewed on yearly basics. The latest review available in year 2016. The assessment was through conducted with the effected parties and stakeholders. For example, the action plan of social impact assessment FY2016/17 for Welch estate such as to keep clean the surrounding of fire hydrant accordingly.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at SOU19 Pagoh Certification Unit	Not applicable
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.		

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Criterion / Indicator	Assessment Findings	Compliance
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	<p>For social issue, documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 was established and available.</p> <p>Besides, procedure for external communication (version 1; issue 1 dated 1 Nov 2008) is to be activated when communicating and reporting on mil's quality, safety & health environment (QSHE) issues with all internal and external interested parties.</p>	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	<p>Specific personnel are responsible to communicate on social, OSH and environmental matters to Head Office, communication to employees on matters pertaining to social, OSH and environmental performance and receive all communication related to social, OSH and environment issues from employees and external stakeholders.</p> <p>In POM, the assistant manager- Mr Muhamad Izzad has been nominated on 26 September 2016 as the personnel in charge for the social issue. In Lanadron estate, the assistant manager- Azizi has been appointed as the person in charge for handling social issue.</p>	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 -	<p>Mill and estates have generated stakeholder list which included contractors and suppliers, local authorities, transporters, buyers and etc. The date of updates was on 4 July 2016 for mill, 2/11/2016 for Welch Estate and October 2016 for Lanadron Estate. Stakeholder meeting was conducted on 19/10/2016 for the POM. Contractors, villagers, local authorities and etc were invited to the meeting. Meeting minutes is sighted. No issue was raised during the meeting.</p> <p>Welch Estate has conducted stakeholder meeting with school, fire & rescue department and neighbouring villages on 30/8/2016 and 5/8/2016. Issue such as head of village request motorcyclist must wear helmet while riding. Similar meeting for Lanadron estate organised on 7 Oct 2016.</p>	Complied
<p>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.</p>		
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 -	<p>Under the sustainable plantation management system Appendix 5, procedure on handling social issue (version 1; year 2008) has been implemented</p> <p>Under Group policies and authorities GPA No 85 Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.</p> <p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is 14 days.</p>	Complied
6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	<p>SOP to resolve social disputes "Handling Social Issues" SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
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 -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled "Handling Land Disputes" SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
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 -	According to the Procedure Handling Land Disputes dated 1 Nov 2008, clause 6, in the event that the estate is required to provide compensation to affected local communities or stakeholders for loss of land rights, the Land Management Department shall determine the calculation and distribution of compensation to the affected parties.	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 -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit. It is confirmed during the interview with head of village as well.	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 -	Mill and estate have employed local and foreign workers. All the mill workers are under direct employment and estates consisted of direct and contract employment of workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. Sampled payslip from July - September 2016 as below: a) Employee No.: 86589 b) Employee No.: 115134 c) Employee No.: 122015 d) Employee No.: 125573 e) Employee No.: 115135 f) Employment ID: 12374 g) Employment ID: 57061 h) Employment ID: 60721 All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/ day.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>The mill and estates have employed local and foreign workers under direct employment and contract employment. Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 125573 joined on 14/09/2016 b) Employee No.: 115135 joined on 26/6/2015 c) Employee No.: 108211 joined on 24/11/2014 d) Employee No.: 114545 joined on 04/06/2015 e) Employee No.: 049109 joined on 19/10/2010 <p>Consent form and letter of Extension of employment for PLKS Foreign Workers has been sighted and acknowledged by the workers who have worked more than 2 years. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: 86361 extension (11 Dec 2015- 11 Dec 2016) b) Passport No.: 06907981 who joined on 19/10/2013 c) Employee No.: 626695 who joined on 27/10/2013 d) Employee No.: 626863 who joined on 10/10/2013 <p>In addition, according to MAPA/NUPW Circular No. 22/2015 dated 4/8/2015, the employer required to fully subsidize RM 3.00 per month for each of the members of NUPW as premium towards NUPW/AIA Personal Accident Group Scheme. However, the management has yet to subsidize and deducted RM 11.00 from sampled workers below:</p> <ul style="list-style-type: none"> a. Employment ID: 12374 b. Employment ID: 57061 c. Employment ID: 60721 	<p>Major nonconformance</p>
<p>6.5.3</p> <p>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.</p> <p>- Minor compliance –</p>	<p>In Pagoh POM, due to the inconsistent water supply, empty drums were used to store treated water from SAJ or water from the mill (not suitable for drinking). However, the storage of the water sharing the same drums without any cleaning. Besides, some of these drums without cover which located outside the roof may lead to mixing of the treated water and rainwater. According to workers, they unable to access treated water for drinking purpose consistently. During line site inspection, larvae was observed in the drum at house no 9.</p>	<p>Minor nonconformance</p>
<p>6.5.4</p> <p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Accesses to food for the workers are considered adequately and sufficiently. Grocery shop and food stalls are available at the neighbouring village which is located within walking distance.</p>	<p>Complied</p>

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.

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Criterion / Indicator	Assessment Findings	Compliance
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	The company has developed Social Policy dated January 2015 signed by Managing Director stated the employees have freedom of association. The employees are freely choose to join workers union. List of workers who joined union sighted during site visit.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<p><u>SOU19 Pagoh POM:</u></p> <p>The management has conducted meeting with Union and NUPW representatives on 04/7/2016. Total of 10 participants attended the meeting which consists of management representatives and NUPW representatives. Meeting minutes is sighted. The management has developed action plan for the issues raised during the meeting. One of the issue raised in the members request monsoon drain at mill works line site to be clean frequently.</p> <p><u>Welch estate:</u></p> <p>Latest union meeting was done on 29/8/2016 attended by 6 workers. Document reviewed of the meeting minutes found the issue regarding rubber tapper</p> <p><u>Lanadron estate:</u></p> <p>Union meeting was done on 5/9/2016 attended by 12 workers. Issue such as sport day and water supply being discussed in the meeting.</p>	Complied
<p>Criterion 6.7: Children are not employed or exploited.</p>		
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	SOU19 Pagoh has implemented Social Policy where they will not employed child labour according to Children and Young Persons (Employment) Act 1966. The policy has been communicated to each of the workers. Awareness training on child labour has been conducted on 13/10/2016 to all the workers. Review on the list of workers in POM and estates, all workers are complied with the minimum age requirement. No employees below the age of 18.	Complied
<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>		
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	SOU 19 has implemented Social Policy dated January 2015. Social Policy has been developed and the management is committed to support non-discrimination in any form. They respect equal opportunities and maintain an equal gender relationship on the work environment. Awareness training on no discrimination has been conducted on 20/9/2016 to all the workers.	Complied

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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 2 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
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 -	Policy on protection against Sexual Harassment and other forms of harassment available and implemented. There is no any reported case of harassment in the operating units. The refresher training for the relevant policy has been conducted on 13 October 2016.	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 -	Social and Humanity Management Policy dated January 2015 covers reproductive rights of all, especially of women was implemented through Gender committee. Latest gender committee meeting was held on 21/10/2016 attended by 10 members. Meeting minutes and interview with gender committee chairwoman found no harassment or violence issue was highlighted. Similar gender committee meeting minutes in Welch estates dated 26 August 2016 was documented. In Lanadron estate, gender meeting organised on 13 October 2016.	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 -	The mill and estates management have established Gender Committee. In the Gender Committee handbook (first edition 2014), the management has adopted the guidelines on monitoring and reporting process for evaluation implementation of the effectiveness of the policy. A reporting procedure has been developed and to be utilized if there is any sexual harassment case reported. In POM, latest gender committee meeting was held on 21/10/2016 attended by 10 members. The committee also has organized activities related to religion and social activities such as "Defend against Zika".	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			

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Criterion / Indicator		Assessment Findings	Compliance
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	SOU 19 Pagoh POM did not purchase FFB from third party or out growers. However, the mill has the details of FFB prices based on MPOB pricing.	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 -	Not applicable. There is no smallholder dealing with the SOU 19 Pagoh POM. Mill only receive FFB from their own certified estates.	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 -	Contractors' agreements were found expired and yet the relevant services such as grass cutting, transportation and harvesting are still continue in the estate. Following contracts were verified in Welch Estate: a. Contract no: 001-08/2016; Validity: 01 August 2016 to 32 December 2016 b. Contract no: T/SDPSB/PEN/FFB/0815/007; c. Contract no: I-0521 dated 29 Sep 2016	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Interviewed with the contractor confirmed that all the payment are made in a timely manner. Further verified their payment voucher and purchase order as below: a. Invoice date: 30 Sep 2016; Voucher date: 1 Oct 2016 b. Invoice date: 29 Sep 2016; Voucher date: 25 Oct 2016	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 -	Mill and estates management have made contribution to the internal and external stakeholders. For example: The management has organized activities and seminar related to religion to the workers, Welch sport day, seminar related to safety, donation to school for school trip (24 th Aug 2016), donation of computer to school, donation for PIBG SK Kota Raja Panchor (21 Sep 2016) and etc	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.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.			

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Criterion / Indicator		Assessment Findings	Compliance
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	SOU 19 has implemented Social Policy since January 2015. Social Policy has been developed and the management is prohibited to engage or support the use of forced labour in all of their operations and administrations. All the local and foreign workers were hold a valid identification card and passports prior to work.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract of substitution was noted.	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 -	SOU 19 has implemented Social Policy since January 2015. Human rights is one of the elements under the Social Policy. The management is treated the workers with respect and fair. Awareness training on human rights has been conducted on 13/10/2016 to all the workers.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable.	Not applicable
Principle 7: Responsible development of new plantings Pagoh Palm Oil Mill and supply base did not carry out any new plantings after November 2005. Therefore, the requirement of Principle 7 is not applicable during the annual surveillance			
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</p> <p>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); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Pagoh Palm Oil Mill and supply base estates have carried out annual review of the environmental and social aspects of its operations to identify improvements. The Social Action Plan has continued to work towards improving stakeholder relationship through engagement and dialogue besides further improving the workers housing. Gazzeted CAPEX for SOU19 showed that management committed towards continual improvement for operaton as well as for social and welfare components.</p> <p>Pesticide use is limited to use only when there is outbreak and justified with census prior to application. IPM is continuously implemented as part of efforts to reduce pesticide usage. Paraquat and other Class I chemicals (Monocrotophos and Methamidophos) were totally completely eliminated. Less hazardous alternative such as Acephate under class III chemical was introduced, Recycling awareness is progressively implemented and evidence of recycling was noted during the assessment.</p>	<p>Complied</p>

Appendix B: Approved Time Bound Plan

TIME BOUND PLAN – Certification Units in Malaysia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
1	Sg Dingin	Certified 2010 - Recertification Completed	Kedah
2	Chersonese	Certified 2011. Recertification completed in July 2016	Perak
3	Elphil	Certified 2011. Recertification completed in April 2016	Perak
4	Flemington	Certified 2011. Recertification completed in August 2016	Perak
5	Seri Intan	Certified 2011 – Recertification Completed.	Perak
6	Selaba	Certified 2011 – Recertification Completed.	Perak
7	Tennamaram	Certified 2011 - Recertification Completed.	Selangor
8	Bkt Kerayong	Certified 2011 – Recertification Completed.	Selangor
9	East	Certified 2010 - Recertification Completed	Selangor
10	West	Certified 2010 - Recertification Completed	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 - Recertification Completed	N. Sembilan
16	Sua Betong	Certified 2014	N. Sembilan
17	Kok Foh	Certified 2011	N. Sembilan
18	Kempas	Certified 2010 - Recertification Completed	Malacca
19	Diamond Jubilee	Certified 2011. Recertification completed in July 2016	Malacca
20	Pagoh	Certified 2014	Johor
21	Chaah	Certified 2010 – Recertification Completed	Johor
22	Gunung Mas	Certified 2010 – Recertification Completed	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- Recertification Completed.	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

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TIME BOUND PLAN – Certification Units in Indonesia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
1	Sekunyir (PT. Indotruba Tengah)	Certified 2010 (Recert. Completed)	Seruyan and West Kotawaringin District – Central Kalimantan
2	Manggala (PT. Tunggal Mitra Plantation)	Certified 2010 (Recert. Completed)	Rokan Hilir District – Riau
3	Bk. Ajong (PT. Sime Indo Agro)	Recertification completed June 2016	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
7	Pemantang (PT. Teguh Sempurna)	Certified 2011	Seruyan and East Kotawaringin District – Central
8	Alur Dumai (PT Lahan Tani Sakti)	Certified 2012	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 2012	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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<p>24</p>	<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>2016</p>	<p><u>Sanggau District – West Kalimantan</u> RSPO Certification Target Date for PT MAS</p> <ul style="list-style-type: none"> - The target date for certification is by 2016. However the progress of the matter being resolved. <p><u>Progress Update (As at end June 2016)</u></p> <ul style="list-style-type: none"> - Regular discussion is ongoing between Sime Darby Plantation and the project affected communities (PAC) through bi-monthly Tim Kerja Perwakilan Petani (TKPP) meeting since November 2012. - In October 2013, representatives from two of nine villages (Kerunang and Entapang) left TKPP and backed by TuK and OXFAM. They have then requested SDP to enter into Dispute Settlement Facility (DSF) in June 2014. - Hence, there are two groups of PAC: 1) TKPP (7 of 9 villages) and 2) Kerunang & Entapang (2 of 9 villages) <p><u>Engagement with TKPP:</u></p> <ul style="list-style-type: none"> - The most recent TKPP meeting was held on 16th October 2015. The meeting was on reviews on the current and planned CSR activities for the communities. - Engagement with Kerunang/ Entapang: - SDP visited the communities on 27 August 2014 to listen and have a better understanding on their requests - The subsequent meeting with the communities was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee (TKPP) meetings and will continue to engage directly with SD. <p><u>Engagement with RSPO:</u></p> <ul style="list-style-type: none"> - RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest briefing session on progress update to RSPO was conducted on 30th June 2016. To-date, 9 progress reports have been submitted to RSPO. The latest progress report was submitted on 30th June 2016. <p><u>Engagement with TuK-Indonesia:</u> In May 2015, TuK submitted a proposal (in the form of concept note). SDP has requested for a presentation from TuK for better understanding, before signing of agreement. SDP continues to work on direct engagement with PAC working towards a consensus with the PAC to resolve the issues.</p>
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			<ul style="list-style-type: none"> - The most recent TKPP meeting was held on 9th April 2016. Issues related to the 14 demands are closed except for two items related to land matters i.e. ownership of nucleus plantation after expiry of HGU and allocation of plasma farm within the plasma original village/customary area. SDP is engaging with the local authority on this matter together with TKPP. Current discussion is on moving forward especially on replanting activities.SDP continues to work on direct engagement with PAC – working towards a consensus with the PA C to withdraw their complaint.
25	Lembiru (PT Sandika Nata Palma)	Certified 2014	Ketapang District – West Kalimantan

Appendix C: Certification Unit RSPO Certificate Details

Sime Darby Plantation Sdn Bhd
Strategic Operating Unit (SOU 19)
Pagoh Palm Oil Mill
Lot 2159, Ladang Pagoh, Mukim Jalan Bakri
84309 Muar, Johor
Malaysia
RSPO membership number: 1-0008-04-000-00

BSI RSPO Certificate No. : RSPO 600305
Date of Initial Certificate Issued: 28/01/2014
Date of Expiry: 27/01/2019
Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D
– CPO Mills: Identity Preserved)

Pagoh Palm Oil Mill and Supply Base					
Location Address	Strategic Operating Unit (SOU 19) – Pagoh Palm Oil Mill, Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia				
GPS Location	Longitude: 102° 43' 15" E, Latitude: 2° 4' 58" N				
CPO Tonnage Total	25,119.78				
PK Tonnage Total	5,980.90				
CPO Claimed for Certification*	25,119.78				
PK Claimed for Certification *	5,980.90				
Own estates FFB Tonnage	119,618				
Scheme Smallholder FFB Tonnage	-				
*Other adjacent estates (certified FFB)	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Lanadron Estate	1647.80	251.98	270.42	2170.20	35,400
Pengkalan Bukit Estate	2481.88	502.63	172.37	3156.88	45,000
Welch Estate	576.20	0	871.62	1447.82	9,700
Pagoh Estate	1567.45	420.57	337.91	2325.93	29,518
TOTAL	6273.33	1175.18	1652.32	9100.83	119,618

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Appendix D: Assessment Plan

Date	Time	Subjects	Hidhir	Boon Han	Daniel
Monday 31/10/2016	PM	Audit Team travelling to the site.	√	√	√
Tuesday 01/11/2016 Pagoh Oil Mill Palm	0830-0900	Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	√	√
	0900-1200	Pagoh Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic etc	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	Pagoh Palm Oil Mill Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	1630-1700	Interim Closing briefing	√	√	√
Wednesday 02/11/2016 Welch Estate	0830-1200	Welch Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	0900-1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	Welch Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630-1700	Interim Closing briefing	√	√	√

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Date	Time	Subjects	Hidhir	Boon Han	Daniel
Thursday 03/11/2016 Lanadron Estate	0830-1200	Lanadron Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc	√	√	√
	1000-1200	Meeting with stakeholders (Government, village rep, smallholders, worker leader, contractor etc.)	-	√	-
	1200-1300	Lunch	√	√	√
	1300-1630	Lanadron Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630-1700	Closing Meeting: • Presentation of report and findings	√	√	√
Friday 04/11/2016	AM	Audit Team travelling back to KL	√	√	√

Appendix E: Stakeholders Contacted

Internal Stakeholders

<p>Internal Stakeholders Managers and Assistants Male Mill Staff/Workers Foreman Female Mill Staff/Workers Weighbridge Clerk Foreign Worker Field workers Male and Female Estate workers Hospital Assistant Lab Assistant Effluent Treatment Plant operator Union Representatives Gender Committee Representative Boiler operators Engine room operators Store clerk Staff and Workers at workshop</p>

EXTERNAL STAKEHOLDERS

Government Departments	NGOs and others	Local Communities
<p>Police PDRM Panchor Headmaster, SK Landang Welch Teacher, SK Kota Raja Senior Officer, Labour Department (JTK), Muar Branch Head, Department of Environment (DOE), Muar</p>	<p>-</p>	<p>Contractors- Soon Trading JKK Kg Hujung Tambak Village head, Kg Beohol Village head, Bukit Keledang</p>

Appendix F: CPO Mill Supply Chain Assessment Report (Module D: Identity Preserved)

Requirements	Compliance
D.1. Definition	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Pagoh Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. Complied.</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. Complied.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). Complied.</p>
D.3 Documented procedures	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard. 	<p>Latest written documented procedures (RSPO SCCS v.2 Year 2014) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Pagoh Palm Oil Mill. Noted draft procedure, SD/SSDP/PSQM/001, rev :0 dated 1/3/15 has yet to be approved for the SCCS procedure to incorporate latest changes internally and externally under RSPO SCCS November 2014.</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. Complied.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Pagoh Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs. Complied.</p>
D.4 Purchasing and goods in	

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<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Pagoh mill have system to verify at the weighbridge. Sample of weighbridge ticket :</p> <p>SOU 16 (Kempas Estate) Code : E-024, date:14/6/15, WB ticket# 81411, Field 1992A2, 1995B1 and 1995C2 (A crop)</p> <p>SOU 18 (Bukit Asahan Estate) Code : E-264, date:16/12/14, WB ticket# 75127, Field 2003C & 2006A (A crop)</p> <p>SOU 17 (Tangkah Estate) Code : E-129, date 21/6/15, WB ticket# 81837, Field 06B1(A crop)</p> <p>Complied.</p>
<p>D.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 and stated in the procedure. Complied.</p>
<p>D.5 Record keeping</p>	
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>All the inventory records are maintained and updated on daily basis and monthly and reported on monthly and 3 monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Pagoh Palm Oil mill. PK is sold to Sime Darby's Kernel Crushing Plant and also other 3rd party KCP. CPO sold to Sime Darby's owned refineries (SDP Nuri, SDP Joma) and the other 3rd party buyer. Daily records are prepared at the entry point at the weighbridge.</p> <p>Sample of CPO contract and WB ticket: June 2015 – S/C-PSD/1506/CPO0664 (SDP Nuri) Date: 2/6/15, Lorry: JKA6771, WB ticket# 006650, weight; 40.62mt.</p> <p>June 2015 – S/C-PS/1506/CPO0707 (SDP JOMA Refinery) Date: 3/6/15, Lorry: JLQ107, WB ticket# 006657, weight; 41.38mt.</p> <p>Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit. Complied.</p>
<p>D.6 Processing</p>	
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. There is a possibility that the mill will receive Certified FFB from other Sime Darby's Certified Estate which was certified under SOU 18 (SPO 591224 valid until 4/10/16), SOU17 (RSPO 005 valid until 19/5/20) and SOU16 (RSPO 928188 valid until 6/7/16). This will be further verified during next surveillance assessment if such cases occurred and observed. No non-certified FFB received. Complied.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached. Complied.</p>

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Actual Tonnage Certified Palm Production – 01 September 2015 – 31 October 2016 (ASA3)

Mill	Capacity	CPO	PK
Pagoh Palm Oil Mill	45 mt/hr	27,845.53	6,907.17

Actual Tonnage Sales of Certified Palm Products – 01 September 2015 – 31 October 2016 (ASA3)

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Pagoh Palm Oil Mill	13677.9	6,100	Sales of certified palm products in eTrace

9. Actual Certified FFB Tonnage Received Monthly – (12 months period : Oct 2015 – Sept 2016)													
Month	Certified Supply Base (from own certificate scope) (mt)				Certified FFB from other Group Estate* (mt)								Total FFB/ Month (mt)
Estates	Lanadron Estate	Pengkalin Bukit Estate	Welch Estate	Pagoh Estate	Kempas Estate	B.Asahan Estate	D.Jubilee Estate	Serkam Estate	Tangkah Estate	Sg. Gemas Estate	Sg. Senarut Estate	Muar River Estate	
Oct 2015	4038.83	5025.02	1361.52	2761.88	0	0	0	0	174.60	0	0	0	13361.85
Nov 2015	2663.36	3672.72	1049.51	2039.21	0	0	0	0	2728.37	90.30	43.51	130.32	12417.3
Dec 2015	2335.80	3185.71	810.04	1801.98	0	0	0	0	2947.90	0	0	0	11,081.43
Jan 2016	2214.15	2784.09	537.03	1852.16	0	0	0	0	2789.37	21.72	13.43	34.33	10246.28
Feb 2016	2726.61	3261.87	761.75	2350.10	0	0	0	0	3676.52	0	0	0	12776.85
Mar 2016	2004.01	2389.10	541.44	1583.32	0	0	0	0	2513.93	0	0	0	9031.8
Apr 2016	3034.24	3585.11	744.64	2434.25	0	0	0	0	1813.22	0	0	0	11611.46
May 2016	3054.05	3430.93	768.09	2728.49	0	0	0	0	1341.25	0	0	0	11322.81
June 2016	2916.23	3792.72	773.17	2223.58	390.44	49.33	59.46	50.93	1620.64	94.90	44.02	133.28	12148.7
July 2016	2598.24	3431.69	662.22	2014.73	0	0	0	0	260.22	0	0	0	8967.1
Aug 2016	3229.76	4064.47	703.07	2467.54	0	0	0	0	0	0	0	0	10464.84
Sept 2016	3902.18	5226.45	762.48	2785.45	0	0	0	0	0	0	0	0	12676.56
Total	34717.46	43849.88	9474.96	27042.69	390.44	49.33	59.46	50.93	19866.02	206.92	100.96	297.93	136,106.98

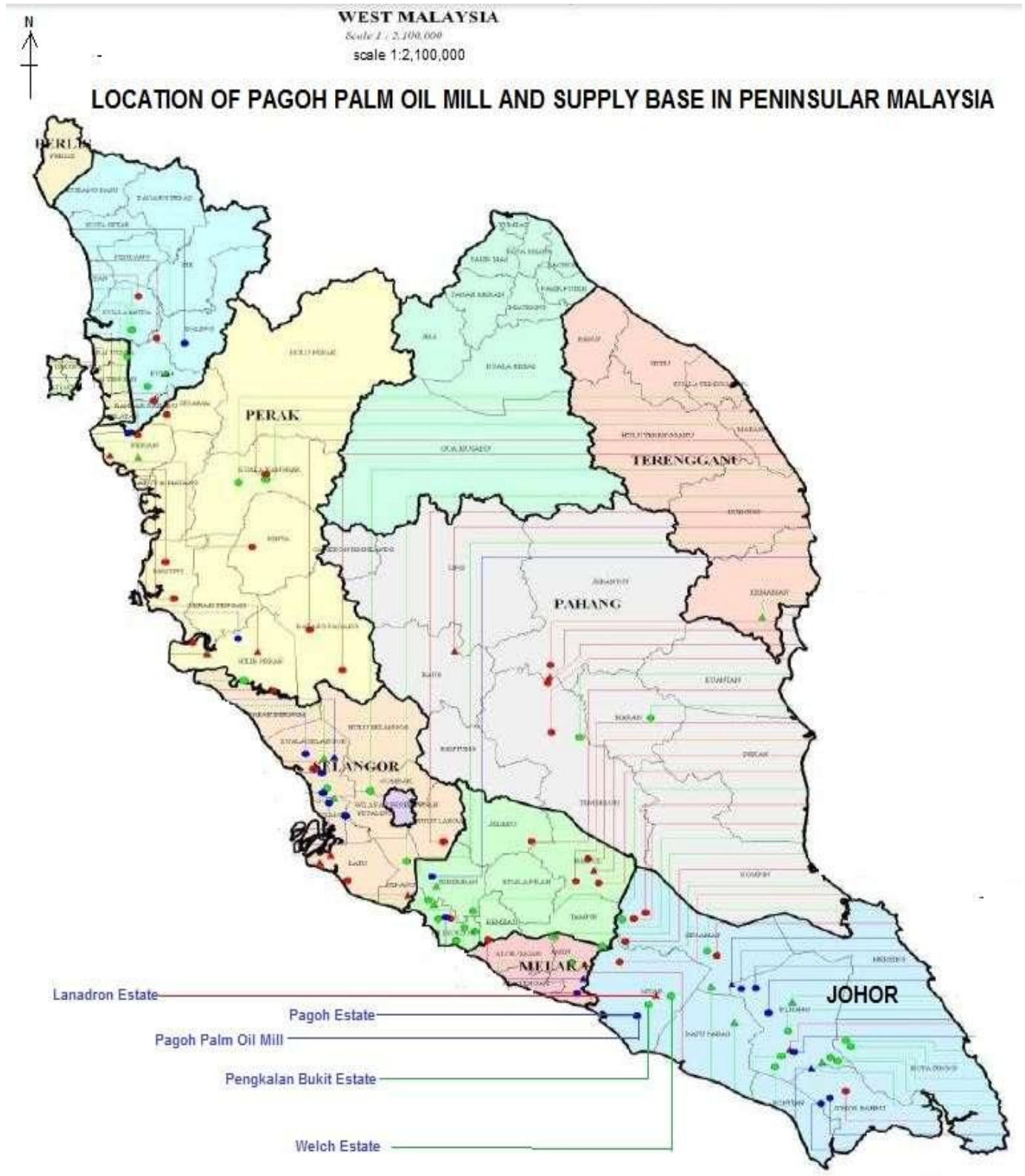
*Diversion crop received from other certified SOU (SOU 16, 17 & 18).

Diamond Jubilee SOU18 : cert# RSPO 591224 valid until 4/10/2021

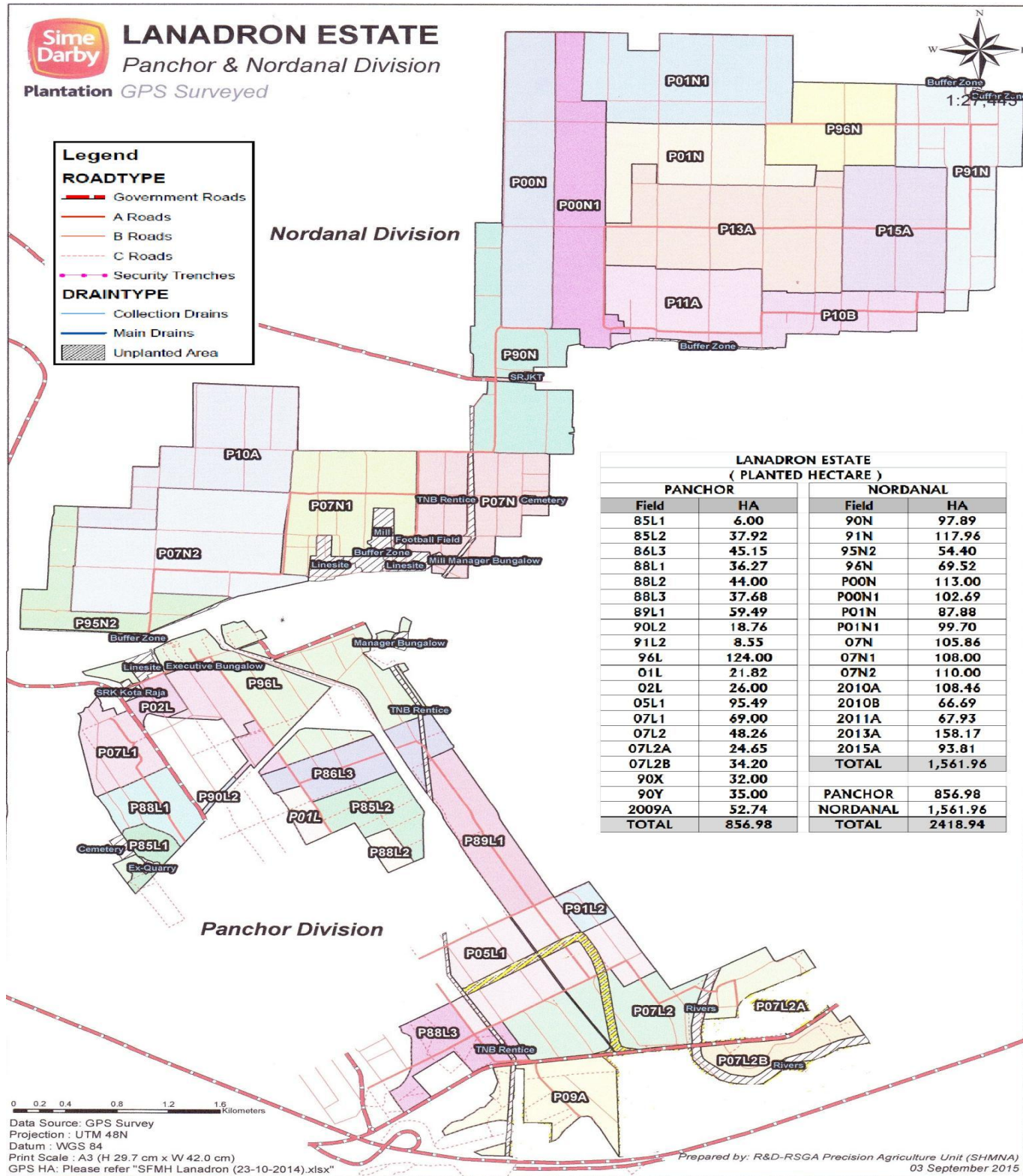
Kempas SOU17 : cert# RSPO 005 valid until 19/5/20

Kok Foh SOU16 : cert# 82450216051 valid until 6/7/2021

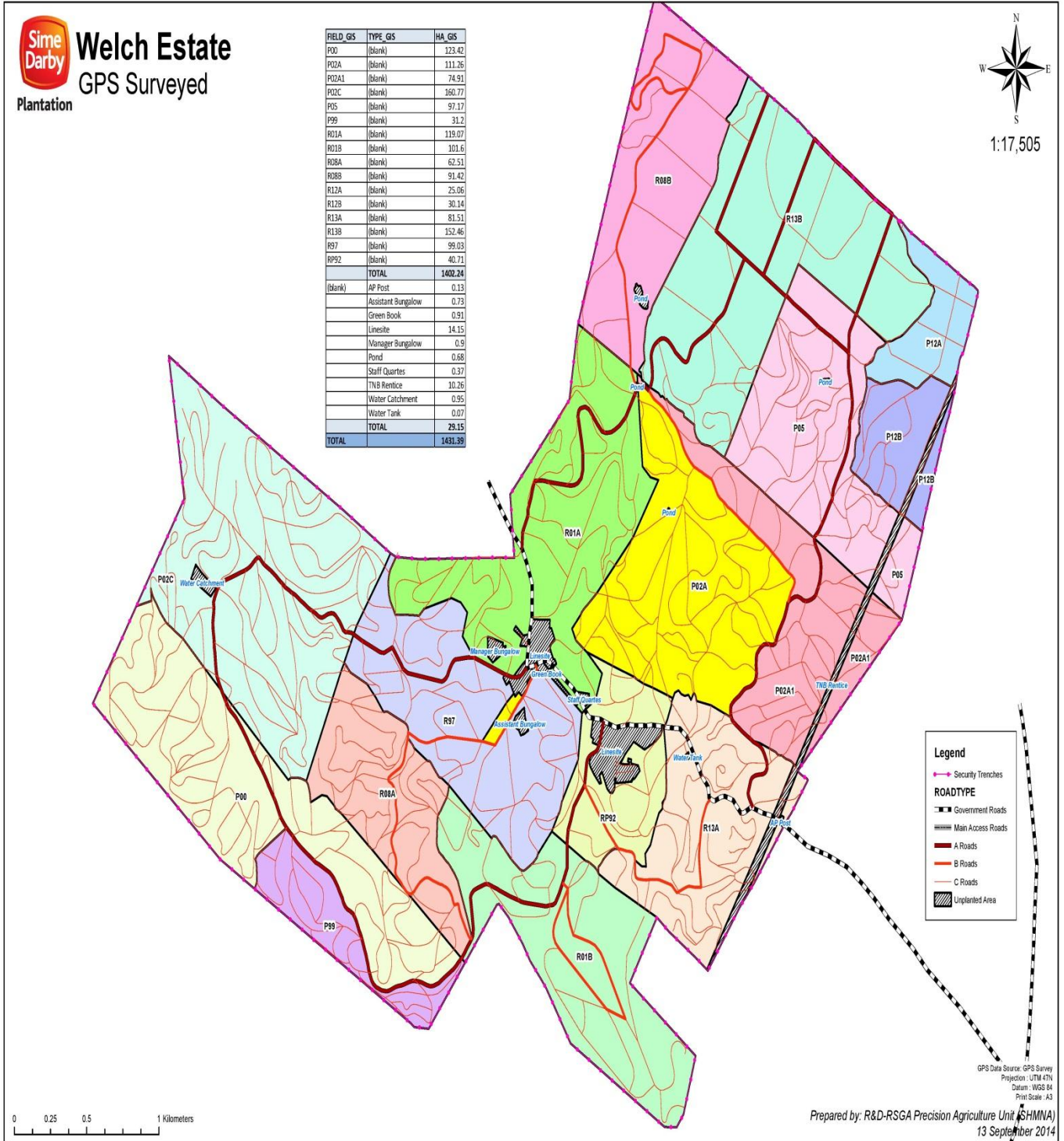
Appendix G: Location Map of Pagoh Palm Oil Mill Certification Unit and Supply bases



Appendix H: Lanadron Estate Field Map



Appendix I: Welch Estate Field Map



Appendix J: List of Smallholder Sampled

There is no smallholders for this certification.

Appendix K: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MAPA	Malayan Agricultural Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
NUPW	National Union of Plantation Workers
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SAJ	Syarikat Air Johor
SCCS	Supply Chain Certification Standard
SDPSB	Sime Darby Plantation Sdn Bhd
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure