

**RSPO PRINCIPLE AND CRITERIA
RECERTIFICATION ASSESSMENT (RC)
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 22) Bukit Benut Palm Oil Mill KM 12, Jalan Mengkibol 86009 Kluang Johor, Malaysia

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Section 1: Scope of the Recertification 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	Strategic Operating Unit (SOU 22) – Bukit Benut Palm Oil Mill, KM 12, Jalan Mengkibol 86009 Kluang, Johor, Malaysia		
Subsidiary of (if applicable)	N/A		
Contact Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr. Khaizarudin Bin Awaludin (Mill Manager)		
Website	www.simedarby.com	E-mail	shylaja.vasudevan@simedarby.com kks.bk.benut@simedarby.com
Telephone	03-78484379 (Head Office) 07-7723479 (Mill)	Facsimile	03-78484356 (Head Office) 07-7766479 (Mill)

2. Certification Information			
Certificate Number	RSPO 591229	Certificate Issued Date	05/10/2011
		Expiry Date	04/10/2021
Scope of Certification	Palm Oil and Palm Kernel Production from Bukit Benut Palm Oil Mill and Supply Base (Bukit Benut Estate, CEP Nyior Estate, Lambak Estate)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
AR0119	ISO 9001 QMS (Bukit Benut Mill)	SIRIM	29 September 2017
AR1094	ISO 9001 QMS (Bukit Benut Estate)	SIRIM	8 July 2018

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Bukit Benut Palm Oil Mill	KKS Bukit Benut, PO Box 513, 86009 Kluang, Johor	103° 19' 59"	1° 54' 42"
Bukit Benut Estate	Ladang Bukit Benut, PO Box No. 513, 86009 Kluang, Johor	103° 21' 54"	1° 54' 42"
CEP Nyior Estate	Ladang CEP Nyior, K/B No. 514 86009 Kluang, Johor	103° 16' 22"	1° 54' 30"

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Lambak Estate	Ladang Lambak/Elaeis, PO Box 510, 86009 Kluang, Johor	103° 19' 08"	1° 58' 43"
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4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	HCV (ha)	Infra/Other (ha)	Total Hectarage (ha)	% of Planted
Bukit Benut	2,150.88	429.55	2,580.43	-	220.70	2,801.13	92.12
CEP Nyior	1,137.18	350.72	1,487.90	-	50.84	1,538.74	96.70
Lambak	3,001.97	318.84	3,320.81	32.94	391.01	3,744.76	88.68
Total	6,290.03	1,099.11	7,389.14	32.94	695.49	8,084.63	91.40

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3*	4 - 10*	11 - 20	21 - 25	26 - 30	Estimated (July 2015-June 2016)	Actual (July 2015 – June 2016)	Forecast (July 2016 – June 2017)
Bukit Benut	429.55	402.80	507.74	402.27	838.07	45,421.55	35,132.80	41,875.61
CEP Nyior	350.72	464.95	672.23	-	-	27,468.95	11,744.02	27,468.95
Lambak	318.84	1,438.66	1,133.16	430.15	-	66,372.41	50,464.39	66,033.00
Total	1,099.11	2,306.41	2,313.13	832.42	838.07	139,262.91	97,341.21	135,377.56

6. Certified Tonnage

Mill	Estimated (ASA4) July 15 – June 16			Actual (ASA4) *July 15 – June 16			Forecast (RC) **July 16 – June 17		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Bukit Benut POM	138,339.19	31,403.00	7,331.98	97,341.21	21,354.359	51,24.052	135,377.56	29,783.06	7,445.77
<i>*FFB from Adjacent Certified Estate</i>	-	-	-	1,374.90	300.11	72.01	-	-	-
Grand Total	138,339.19	31,403.00	7,331.98	98,715.11	21,654.47	5,196.06	135,377.56	29,783.06	7,445.77

*Actual (ASA4) OER: 21.83 %; KER: 5.24%;

**Forecast (RC) OER: 22 %; KER: 5.5%

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 and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site re-certification was conducted from 26 – 29 July 2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply bases as a RSPO Certification Unit. Mill was audited together with the sample estates (Lambak and CEP Nyior 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, review of documentation and monitoring data. RSPO P&C MYNI-2014 was used as Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 23 June 2016 through BSI website as per following link: [http://www.rspo.org/uploads/default/pnc/Public_Notification_for_Re-Certification_Sime_Darby_Bkt_Benut_Palm_Oil_Mill_and_Supply_Base_\(English\)_v1.pdf](http://www.rspo.org/uploads/default/pnc/Public_Notification_for_Re-Certification_Sime_Darby_Bkt_Benut_Palm_Oil_Mill_and_Supply_Base_(English)_v1.pdf)

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.

The Major nonconformity that was assigned during the fourth annual surveillance audit (ASA4) which was closed during the last assessment was followed up to ensure it is remaining closed. Previous nonconformities remains closed and re-verified during this assessment. Except one previous Minor Non-conformity (1223225N1) corrective action implementation plan was ineffective. Thus this Minor Nonconformity been escalated to Major Non-conformity. Subsequently, the Major Non-conformity has been closed on 5/9/2016. The assessment findings are detailed in Section 3.3.

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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 internally reviewed by Mr. Mohamed Hihdir and externally reviewer by Dr Suhaili Sahari 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)	Re-certification (2016)	ASA1 (2017)	ASA2 (2018)	ASA3 (2019)	ASA4 (2020)
Bukit Benut Palm Oil Mill	✓	✓	✓	✓	✓
Bukit Benut Estate		✓		✓	✓
Lambak Estate	✓	✓	✓		✓
CEP Nyior	✓		✓	✓	

Tentative Date of Next Visit: July 18, 2017 – July 20, 2017

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Hafriazhar Mohd Mokhtar – Lead Auditor

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea and Solomon Islands. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

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 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.

Ragu Samy Erulappan- Team Member

Ragu Erulappan is a fulltime employee with BSI Services Malaysia. He graduated from University Technology Malaysia. He attended internal RSPO training in 22 December 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training, ISO 14001, ISO 18001 Lead Auditor Training. Currently he is an ISO 9001:2008, ISO 14001, ISO 18001, C-TPAT (Supply Chain Security) and GDPMD (Good Distribution Practice for Medical Devices) Lead Auditor. He has more than 5 years of auditing experience since August 2010 covering Environment, Safety and Health, Legal aspects in various industries. He is involved as Environment, Safety and Health Auditor during the RSPO Assessment. For this assessment he assesses Mill and Estate OSH, Legal, and Environment aspects. He is able to speak and understand Bahasa Malaysia, English and Tamil.

Accompanying Persons: Not applicable**Section 3: Assessment Findings****3.1 Details of audit results are provided in the following Appendix:**

- RSPO P&C MYNI 2014 Checklist – **Appendix A:** Summary report of the Assessment.
- Sime Darby Plantations Sdn Bhd Time Bound Plan – **Appendix B:** Time Bound Plan.
- RSPO Supply Chain Certification Checklist – **Appendix F:** CPO Mill Supply Chain Assessment Report.

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

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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.

- 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.

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? • 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	Yes

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	200 estates and mills in operation.	
Have there been any changes since the last audit? Are they justified?	<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.</p> <p>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.</p> <p>Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p>	Yes
If there have been changes, what circumstances have occurred?	<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.</p> <p>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.</p> <p>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>	Yes
Have there been any stakeholder comments?	<p>Up to date, there is no comment.</p> <p>SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p>	Yes
Have there been any newly acquired subsidiaries?	<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</p>	Yes

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	<p>Certified.</p> <p>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 against the draft Liberia NI has been completed and closing of gaps is in progress.</p>	
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?	<p>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 30th June 2016.</p> <p>Further details please refer to the RSPO Complaints Website: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Liberia – New mill commissioned in Feb 2016, identification of gaps and preparation to meet the requirements of the RSPO P&C is in progress.</p>	Yes
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <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.	<p>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.</p> <p>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>*Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/consultations/page/14?</p>	Yes

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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 G - 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
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 Recertification Assessment there were five (5) Major nonconformities and three (3) Minor nonconformity raised. The Bukit Benut 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.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1359037M1	Requirements: Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available.	Major
	Evidence of Nonconformity: Lambak Estate: Diesel storage permit has been expired since June 2016.	
	Statement of Nonconformity: Evidence of compliance with legal requirements for Diesel Storage Permit was not available.	
	Action: Root cause: Implementation Coordination Unit (ICU) introduce new system Business Licensing Electronic Support System (BLESS) is a portal that provides information and facilities for companies to apply licenses or permits to start operating business in Malaysia. It is a virtual One Stop Service Centre that assists companies to obtain business licenses efficiently and in an organized manner. A tracking system to ensure the validity of the permit and license not	

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	<p>implemented. The person in-charge did not realize that the diesel permit has expired.</p> <p>Immediate correction: Communicate with Jabatan Bomba Daerah Kluang for the inspection and verify the skid tank. The formal letter has been submitted to the Jabatan Bomba on 12/8/2016.</p> <p>Corrective action: Master list of all permits and licenses with validity date/expiry date have been established.</p> <p>The list will be periodically monitored and reviewed by the estate management</p> <p>Status: Closed on 5/9/2016.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1359037M2	<p>Requirements: Indicator 4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>Evidence of Nonconformity: Lambak Estate: Specific annual medical surveillance for pesticide operators were yet to be conducted for year 2016. Further verification indicates that the scheduling and arrangement of specific annual medical surveillance for pesticide operators for year 2016 has exceeded 12 months interval period. The last medical surveillance for pesticide operators were conducted on 12/1/15.</p> <p>Statement of Nonconformity: Specific annual medical surveillance for pesticide operators were not effectively demonstrated.</p> <p>Action: Root cause: The person in-charge overlook to carry out the specific annual medical surveillance for the pesticide operator at the Ldg Lambak.</p> <p>Immediate correction: Propose to conduct medical surveillance for pesticide operators during month of August 2016. A letter was sent to OHD dated on 28.07.2016</p> <p>Corrective action: Healthcare Assistant (HA) as a responsible person to ensure the annual medical surveillance and health surveillance to be carried out timely.</p> <p>Status: Closed on 5/9/2016.</p>	Major

Non-Conformity

NCR #	Description	Category (Major / Minor)
1359037M3	<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: There are no records or document to confirm that the workers were given the extended contract of employment and acknowledged signed the extension of employment. Bukit Benut POM: One of the worker's (passport no: AR470460) contract already expired without any extension. The contract only valid from 22 Aug 2012 to 21 Aug 2015. Lambak /Elaeis Estate: Employee Number 0000067076: Employment contract expired on 31/07/2014 Employee Number 0000069743: Employment contract expired on 28/02/2015 Employee Number 0000084936: Employment contract expired on 30/06/2016 CEP Niyor Estate: Employee Number 0000055372: Employment contract expired on 23/09/2013 Employee Number 0000084005: Employment contract expired on 19/10/2015 Employee Number 0000055371: Employment contract expired on 23/09/2013</p> <p>Statement of Nonconformity: Extension contract of employment for the workers is not available.</p> <p>Action: Root cause: Initial worker's employment contract has been issued. Unaware of subsequence follow up. Estate management not realize the implementation extension of employment contract for foreign workers who have worked more than 3 year</p> <p>Immediate correction: New contract of employment had been issued and filed in month of August 2016. Estate management to reissue the extension contract agreement to the respective workers.</p> <p>Corrective action: Chief clerk as a person in-charge and ensure the extension employment contracts available and will review regularly on yearly basis.</p> <p>Status: Closed on 29/9/2016.</p>	Major

Non-Conformity

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NCR #	Description	Category (Major / Minor)
1359037M4	<p>Requirements: Indicator 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Evidence of Nonconformity: Lambak Estate: Noted the demolished bungalow debris was still left unmanaged, schedule waste records (inventory and consignment note) yet to be updated the Lambak Estate.</p> <p>Statement of Nonconformity: Previous Minor Non-conformity corrective action implementation plan was ineffective. Thus this Minor Non-conformity been escalated to Major Non-conformity.</p> <p>Action: Root cause: 1) Unavailability of suitable machinery for bungalow’s waste disposal. 2) Overlook on updating the inventory and record keeping of consignment</p> <p>Immediate correction: 1) Communicated with the replanting contractor to dispose construction waste during a month of August 2016 with commencement of replanting programmed. 2) To update the inventory and consignment according to EQA (2005) SW</p> <p>Corrective action: 1) Will be disposed during month of August 2016. 2) To prepare a schedule on the disposal which include checklist for inventory update and consignment detail. 3) Training conducted to the schedule waste handler.</p> <p>Status: Closed on 5/9/2016.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1359037M5	<p>Requirements: D2.2 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>Evidence of Nonconformity: The despatch volume of RSPO Certified CPO & PK recorded on the balance sheet records of Bukit Benut Mills (July 2015- June 2016) did not match with the volume announced in the etrace. For period July 2015- June 2016, the despatch recorded RSPO Certified 21467.83 MT CPO and 5133.69 MT PK while etrace only recorded 2000 MT CPO and 4078.12 MT PK.</p> <p>Statement of Nonconformity: The mill did not meet all registration and reporting requirements for the</p>	Major

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	<p>appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>Action: Root cause: It was noted that CPO/PK contracts from mills to refineries/KCP will be sent as RSPO IP/MB as a provisional condition. But the final sales of products and its RSPO status will be confirmed later by the refineries/KCP, refineries/KCP will then select the relevant contracts matching the RSPO sales, and only selected contracts will be announced in e-Trace. This is applicable for contracts from mills to Sime Darby refineries/KCP but not for third party customers. Mills shall then key in the necessary details in weighbridge tickets in accordance to the contracts allocated.</p> <p>Immediate correction: PSQM will discuss with the GTM pertaining this issue.</p> <p>Corrective action: The existing Supply Chain SOP will be amended accordingly to incorporate the necessary changes to fulfil the requirements of RSPO.</p> <p>Status: Closed on 5/9/2016.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1359037N1	<p>Requirements: Indicator 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained</p> <p>Evidence of Nonconformity: Legal & Other Requirement Register (LORR) found to be not updated. Minimum Wage Order 2016 which takes effect 1st July 2016 was yet to be included Legal and Other Requirements Register (LORR).</p> <p>Statement of Nonconformity: Legal & Other Requirement Register (LORR) is not updated.</p> <p>Action: Root cause: Adaptation of LORR from a generic format for all operating units throughout the company was practiced. Commencement of new minimum wages started in July 2016 by PSQM</p> <p>Immediate correction: PSQM to amend the specific section mentioned in the LORR based on the current update. The updated section will then be circulated to Mill and Estates.</p> <p>Corrective action: PSQM will update the LORR based on Group Compliance Office's latest legal list applicable to Estate and Mill. The changes of legal requirements will be notified to the operation unit.</p> <p>Status:</p>	Minor

	To be verified during next surveillance audit. NC remains open.	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1359037N2	Requirements: Indicator 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
	Evidence of Nonconformity: Lambak Estate: Noted open burning activity at workers housing complex. Debris of dried leaves was burned in front of worker's house.	
	Statement of Nonconformity: Disposal of Waste material was not effectively demonstrated.	
	Action: Root cause: Poor of understanding on the company best practice and SOP Workers Minimum Housing Standard guideline. Immediate correction: Immediately communicate to the worker dependent on prohibition open burning as mention in 6.7 Fire Safety, SOP Workers Minimum Housing Standard Guideline.	
	Corrective action: Planned to conduct awareness training to the all workers and dependent.	
	Status: To be verified during next surveillance audit. NC remains open.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1359037N3	Requirements: Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.	Minor
	Evidence of Nonconformity: CEP Niyor Estate: Implementation of Foreign Worker Compensation Scheme Certificate of Insurance Policy is ineffective.	
	Statement of Nonconformity: Renewed Foreign Worker Compensation Scheme Certificate of Insurance Policy was not available for verification.	
	Action: Root cause: Foreign Worker Compensation Scheme policy not retrievable during the audit due to change of the department in the HQ level effective July 2016. Immediate correction: Requesting the insurance policy from the Workers Management Unit regarding on the policy for year 2016/2017.	

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	Corrective action: Chief Clerk as a responsible person to ensure the policy available and update timely.	
	Status: To be verified during next surveillance audit. NC remains open.	

Observation	
OBS #	Description
Nil	

Positive Findings	
PF #	Description
1	Good commitment present from management and all personnel involved were very cooperative during the assessment process
2	Interview with both male and female employees indicate understanding of their rights
3	Employees indicated positive impacts to their livelihood as Sime Darby employee

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 Bukit Benut 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	<p>Issues: DOE- Total three main regulations where the mill/ plantations need to comply which is clean air, effluent and schedule waste. Now all the effluent being 100% use for land application. Generally no comment towards Sime Darby SOU22 as they have strong commitments towards the compliance.</p> <p>Management Responses: The management is continued to commit in compliance of relevant regulations.</p> <p>Audit Team Findings: No further issues.</p>
2	<p>Issues: Wildlife & Forestry Department generally no comment on the SOU22 as the plantation itself did not</p>

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	<p>surrounded by forest reserve. Besides, Wildlife Department also highlighted that if the SOU22 always can engage them to conduct baseline survey in their plantations. They also propose SOU22 may include them as part of the stakeholders.</p> <p>Management Responses: Comment noted and review their list to include more different stakeholder.</p> <p>Audit Team Findings: No further issues.</p>
3	<p>Issues: Replanting Contractor- Safety and health training prior replanting activities and well aware of the zero burning policy. Contractors confirm payment is prompt as per agreed contract.</p> <p>Management Responses: Payment is made as per the agreed terms.</p> <p>Audit Team Findings: No further issues.</p>
4	<p>Issues: Chairman of Gender Committee – No issue on sexual harassment and violence happened in the estate. Organize some activities every quarterly, for example: blood donation in CEP Niyor</p> <p>Management Responses: Information noted by the management.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: NUPW representatives – Good relationship between members and management.</p> <p>Management Responses: The management will keep maintaining good relationship with the members.</p> <p>Audit Team Findings: No further issue.</p>
6	<p>Issues: Village – Good relationship between members and management. Always support them by providing manpower or machinery assistance especially celebration of festival such as Hari Raya.</p> <p>Management Responses: The management will keep maintaining good relationship with the members.</p> <p>Audit Team Findings: No further issue.</p>
7	<p>Issues: Contractor (Machinery vendor)</p> <ul style="list-style-type: none"> - Payment processing – argy bargy through HQ – cause long wait, more cost if documents got issue or need - Price issue – payment rate getting lower over 25 years - Driver training <p>Management Responses:</p> <ul style="list-style-type: none"> - Issues of payment and price were referred to HQ. - All lorry drivers were briefed by AP during registration at gate prior to enter mill <p>Audit Team Findings: No further issue.</p>
8	<p>Issues: FFB Transporter</p> <ul style="list-style-type: none"> - 40 years long relation with Bukit Benut, Lambak, Bukit Paloh (10 yrs), Kempas Klebang & Gunung Mas (5 yrs) - Attended quarterly meeting

	<ul style="list-style-type: none"> - No delivery issue – payment - Lorry breakdown – estate send AP - Contract tenure (2+1) years (3+2 previous) - Road maintenance issue (estate road – up 10km distance) - Rate of transport different (reduce 10-15%) <p>Management Responses:</p> <ul style="list-style-type: none"> - Road maintenance was conducted based on established program. - Contractor pricing was controlled by HQ. <p>Audit Team Findings: No further issue.</p>
9	<p>Issues: SJK (T) Ladang Bukit Benut Headmaster/Teacher</p> <p>Management Responses:</p> <ul style="list-style-type: none"> - Student: 10; Teacher: 9 - Power point source at school office/classroom limited (only one point) - Attended stakeholder meeting last done on April 2016 - Thanks estate to support on provision of estate facilities including football field for school sports activity <p>Audit Team Findings: No further issue.</p>
10	<p>Issues: Temple Secretary</p> <ul style="list-style-type: none"> - Positive response - Annual event every August - Permit obtained from Police Station - Thanks to management for continuous support - Break-ins the temple – theft case – money stolen (tabung kuil) – normally happen during/before annual festival - To install CCTV & alarm system <p>Management Responses: Temple management has informed the break-in case. Estate provided AP to patrol the site as support.</p> <p>Audit Team Findings: No further issue.</p>
11	<p>Issues: JKKK Kg Bukit Benut</p> <ul style="list-style-type: none"> - Facilities such as badminton court not well maintained - Volleyball court not well maintained - Further education aid program - Housing issue – machineries/lorry/tractor (contractors) – estate housing area (together with mill) <p>Management Responses:</p> <ul style="list-style-type: none"> - Facilities maintenance was done based on approved annual budget. - Warning letters were issued to contractors not to park lorry within housing compound. <p>Audit Team Findings: No further issue.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major /

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		Minor)
1223225M1	<p>Requirements: Indicator 2.1.1 i) Evidence of compliance with relevant legal requirements shall be available ii) Highly Toxic Pesticides Regulations 1996 : Regulations 4 - Maintenance of records</p>	Major
	<p>Evidence of Nonconformity: Referred to application date 14/7/15 and 15/7/15 at field 02A i) Information recorded in form I, II & III was incomplete for the said date. ii) Permit to Work (PTW) used was not completely filled, without applicant details, PPE visual inspection checklist, approval and verification part after completion of work.</p>	
	<p>Statement of Nonconformity: Records of highly toxic pesticide (methamidophos) application was not consistently recorded and maintained as per legal requirement and Trunk Injection SOP, under section 2.3 (Permit To Work)</p>	
	<p>Corrective Action: Close out Evidence: CAP: To retrain the person in-charge of the activity and workers involved in TI. Evidence: Training has been planned to be conducted by PSQM- ESH on 20th August 2015. Status: Trunk injection training was conducted on 18/8/15 involving executive, staff and trunk injection gang. Verified training attendance for the said group and sample of PTW used as well as form I, II and III. As for the long term measures, management has decided to substitute the use of class I chemical to class III chemical (Acephate). The major NC was close out on 22/8/15.</p>	
	<p>Status: Trunk injection training was conducted on 18/8/15 involving executive, staff and trunk injection gang. Verified training attendance for the said group and sample of PTW used as well as form I, II and III. As for the long term measures, management has decided to substitute the use of class I chemical to class III chemical (Acephate). The major NC was close out on 22/8/15.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1223225N1	<p>Requirements: Indicator 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented</p>	Minor
	<p>Evidence of Nonconformity: i) It was found that there are no records of storage (inventory-5th schedule) and disposal (consignment-6th schedule) of SW 102 (used lead acid batteries); SW 410 (contaminated oil filters) and SW 404 (medical waste) (although it was sighted being stored during the site visit in the scrap/waste store and clinic of Lambak Estate ii) It was found that the debris of demolished old bungalows was left unmanaged</p>	

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	at Lambak Estate	
	<p>Statement of Nonconformity:</p> <p>i) Waste management and disposal plan not being implemented for three scheduled waste categories i.e. SW 102, SW 410 and SW 404 in Lambak Estate</p> <p>ii) Management and disposal plan for construction waste was not documented and implemented in Lambak Estate</p>	
	<p>Corrective Action:</p> <p>i) To train the new person in-charge of the activity and workers involved in Scheduled Waste Management. Training has been planned to be conducted on the 21st August 2015.</p> <p>ii) To update schedule waste records (inventory and consignment note) and clear all demolished bungalow debris.</p> <p>Status: Noted the demolished bungalow debris was still left unmanaged, schedule waste records (inventory and consignment note) yet to be updated the Lambak Estate.</p>	
	<p>Status:</p> <p>Previous Minor Non-conformity corrective action implementation plan was ineffective. Thus this Minor Nonconformity been escalated to Major Non-conformity. NC was satisfactorily closed on 5/9/2016.</p>	

Observation	
OBS #	Description
Nil	

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
04/2009	Minor	24/02/2009	Closed out on 27/9/2012
05/2009	Minor	24/02/2009	Closed out on 27/9/2012
06/2009	Minor	24/02/2009	Closed out on 27/9/2012
A787320/1	Major	25/9/12	Closed out on 23/11/2012
A787320/1	Minor	25/9/12	Closed out on 28/6/2013
A787320/2	Minor	25/9/12	Closed out on 28/6/2013
A787320/3	Minor	25/9/12	Upgraded to Major NC (938174M1)
A787320/4	Minor	25/9/12	Closed out on 28/6/2013
938174M0	Major	28/6/13	Closed out on 20/8/2013
938174M1	Major	28/6/13	Closed out on 20/8/2013
938174M2	Major	28/6/13	Closed out on 20/8/2013
938174N4	Minor	28/6/13	Closed out on 1/7/2014
938174N5	Minor	28/6/13	Closed out on 1/7/2014
938174N6	Minor	28/6/13	Closed out on 1/7/2014



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938174N7	Minor	28/6/13	Closed out on 1/7/2014
1071995M0	Major	4/7/14	Closed out on 11/7/2014
1223225M1	Major	13/8/15	Closed out on 22/8/2015
1223225N1	Minor	13/8/15	Reissued in 29/7/2016 as 1359037M4
1359037M1 – 2.1.1	Major	29/7/2016	Closed out on 5/9/2016
1359037M2 – 4.6.11	Major	29/7/2016	Closed out on 5/9/2016
1359037M3 – 6.5.2	Major	29/7/2016	Closed out on 29/9/2016
1359037M4 – 5.3.3	Major	29/7/2016	Closed out on 5/9/2016
1359037M5 – D2.2	Major	29/7/2016	Closed out on 5/9/2016
1359037N1 – 2.1.2	Minor	29/7/2016	Open – to be verified in next audit
1359037N2 – 4.6.10	Minor	29/7/2016	Open – to be verified in next audit
1359037N3 – 4.7.6	Minor	29/7/2016	Open – to be verified in next audit

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Assessment Conclusion and Recommendation:

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

Acknowledgement of Assessment Findings	Report Prepared by
Name: Khaizarudin Awaludin	Name: Hafriazhar Mohd Mokhtar
Company name: Sime Darby Plantation Sdn Bhd Bukit Benut Palm Oil Mill & Supply Base	Company name: BSI Services Malaysia Sdn Bhd
Title: Mill Manager	Title: Lead Auditor
Signature:  SIME DARBY PLANTATION SDN. BHD. BUKIT BENUT OIL MILL. ----- KHAIZARUDIN BIN AWALUDIN MILL MANAGER Date: 10/10/2016	Signature:  Date: 29/9/2016

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 during compliance visit were attended and no noncompliance or complaints were noted.
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.
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>Sime Darby plantation has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation under Corporate Policy Statement dated January 2015. Policy displayed on the notice board and communicated to employees.</p> <p>Code of Business Conduct (COBC) Refresher Course had provided to all the workers on 18 August 2015. Attendance list and signed of code of business conduct sighted during onsite visit. Interviewed with employees reveal that they are aware of the policy.</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</p> <p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU 22 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 22 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were :</p> <p><u>Bukit Benut Palm Oil Mill:</u></p> <ul style="list-style-type: none"> • DOE Licence/ Jadual Pematuhan: 002208 (validity period 1/7/2015 - 30/6/2016) for 20 MT/hr and method of POME discharge is Land application (BOD below 3500mg/l) • MPOB: 528154004000, processing capacity 120,000 Mt, valid until 31/3/17 • Water Tube Steam Boiler Certificate of Fitness (CF): JH PMD 940; valid until 6/6/2017, Unfired Pressure Vessel (UPV): JH PMT 1959 for Boiler Steam Drum valid until 6/6/2017 • Water extraction license – No. 08/A/Klg/014 with max abstraction limit at 700m³ valid until 31/12/2016 by Badan Kawalselia Aur Johor (BAKAJ) • Electrical Charge man license – A4 authorization no. PJ-T-4-H-0006-2006 ref. no. 09393 • Confined space competence person license – AESP & AGT (NW-HQ-AE-R-4340-M) valid until 3/11/2016. <p><u>Lambak Estate:</u></p> <ul style="list-style-type: none"> • CF for air compressor – JH PMT 11573, last inspection was done on 15/9/2015, valid until 14/12/2016 • Diesel permit valid until June 2016 • MPOB: 518641002000, validity period from 1/3/2016 until 28/2/2017 <p><u>CEP Nyior Estate:</u></p> <ul style="list-style-type: none"> • CF for air compressor – JH PMT 5775, last inspection was done on 27/7/2016 • Diesel, petrol and fertilizer permit : BPGK.JH(KLU) 0614 SK serial no.: J022337, validity period from 29/9/2015 until 28/9/2016 • MPOB 5088445102000 – validity period from 1/4/2016 until 31/3/2017. <p>Major nonconformity - Lambak Estate: Diesel storage permit has been expired since June 2016.</p>	<p>Major noncompliance</p>

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Criterion / Indicator	Assessment Findings	Compliance
2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	<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>POM, Lambak/Elaeis Estate & CEP Niyor Estate: Legal & Other Requirement Register (LORR) found to be not updated. Minimum Wage Order 2016 which takes effect 1st July 2016 was yet to be included Legal and Other Requirements Register (LORR).</p> <p>Minor Non-Compliance has been raised.</p>	Minor noncompliance
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	<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 SOU22. 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 A system for tracking any changes in the law shall be implemented. - Minor compliance -	<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. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.</p>	Complied

Criterion 2.2:
 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

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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 were made available at all visited sites. Sample of land title and its latest quit rent for 2016 are as following: <u>Bukit Benut Palm Oil Mill (As per Bukit Benut Estate):</u> Lot #1085, hectarage: 180.8942 ha, Mukim Renggam Type of land used : Agriculture DHM# 120741 (Sime Darby Plantation Sdn Bhd) Quit rent receipt# 890732 <u>Lambak Estate:</u> Lot #01 LOT 00003139, area: 6.0475ha, Mukim Kluang Type of land used : Agriculture DHM# 00094876 (Sime Darby Plantation Sdn Bhd) Quit rent receipt# S205073 <u>CEP Nyior Estate:</u> Lot #02 LOT 00000309, area: 53.3691ha, Mukim Kluang Type of land used : Agriculture DHM# 00101738 (Sime Darby Plantation Sdn Bhd) Quit rent receipt# S633355	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Sample boundary marker checked at Bukit Benut estate field No.: Po2B bordering with smallholder was visibly maintained	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 -	Sime Darby did not acquire land from landowners, but leased it directly from the government. There were no issues of land disputes noted during the stakeholder interview and documents check.	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 SOU22 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 SOU22 at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Complied
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 -	Complied
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities’ decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company’s title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied

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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	There is no land dispute in the SOU22 at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	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 -	SOU22 has continued its commitment to long term sustainability and improvements through a capital expenditure programme. Bukit Benut Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. Sample of applied CAPEX noted at the visited operating unit are: <u>Bukit Benut Palm Oil Mill:</u> <ul style="list-style-type: none"> Enhance mill throughput from 20mt/hr to 25mt/hr and subsequently increase capacity from 480mt/hr to 600mt/hr <u>Lambak Estate:</u> 2 units of 1mt steel body single scissor lift trailer (goose neck)	Complied
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Lambak Estate: Replanting programme sighted available for the period from FY 2015/16 until 2036/2037. Based on the plan, a total of 99.84ha has been planted for FY 2015/16. The program will be continued on 2017/18 for another 168.55ha. CEP Nyior Estate: Replanting programme sighted available for the period from FY 2015/16 until 2036/2037. Based on the plan, a total of 99.84ha has been planted for FY 2015/16. The program will be continue on 2017/18 for another 168.55ha.	Complied
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. SOP for the Composting Plant dated 15/8/2011: Composting Management System version 1:2011 Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc.	Complied

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4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Mill Advisor and a Planting Advisor inspect and report on the operations on annual basis. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators.	Complied
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	<p>The records of monitoring and the actions taken maintained for more than 12 months. Records were verified during the document review found compliance.</p> <p><u>Bukit Benut Palm Oil Mill:</u></p> <ul style="list-style-type: none"> • Mill advisor visit; latest dated on 6-8/4/2016; report no.: SOU22/BBM/02/15-16) • Latest DOE visit on 12/7/2016 – follow-up on application to upgrade mill capacity from 20mt to 25mt – ongoing • Latest DOSH visit on 7/3/2016 – annual inspection • Internal RSPO audit was conducted on 26/4/2016 by the PSQM executives. <p><u>Lambak estate:</u></p> <ul style="list-style-type: none"> • Plantation Advisor visited the on 28-31/12/15 (Report ref. no.: SOU22/LE/01/15-16 • Agronomist visit: 19 & 20/5/2016 • Internal RSPO audit was conducted on 27/4/2016 by the PSQM executives. <p><u>CEP Nyior estate:</u></p> <ul style="list-style-type: none"> • Plantation Advisor visited the on 25-27/8/15 (Report ref. no.: SOU22/CNE/01/15-16 • Agronomist visit: 21& 22/1/2016 <p>Internal RSPO audit was conducted on 28/4/2016 by the PSQM executives.</p>	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Bukit Benut mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received. Bukit Benut mill only receives FFB from own supply base and other Sime Darby adjacent estates.	Complied
<p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
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 -	<p>SOU22 estates operate in accordance with the Sime Darby management systems and standard operating procedures. The practices consistently monitored by mill and plantation advisors and recommendations for improvements are given to maintain the sustainable practices.</p> <p>Lambak Estate: Agronomist visited the estate on 19 & 20/5/2016 prior to the fertilizer recommendation developed</p> <p>CEP Nyior Estate: Agronomist visited the estate on 21 & 22/1/2016 prior to the fertilizer recommendation developed</p>	Complied

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4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<u>Lambak Estate:</u> Latest leaf sampling has been carried out by R&D department on February 2016 for Lambak estate and the results were incorporated in the fertilizer recommendation. Last soil sample analysis was conducted on 3/3/2015 (Test Report No.S37/2015 dated 24/4/2015) by R&D Carey Island. <u>CEP Nyior Estate:</u> Latest leaf sampling has been carried out by R&D department on February 2016 for Lambak estate and the results were incorporated in the fertilizer recommendation.	Complied
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	All palm by-products including fronds, EFB, and expeller are recycled. EFB is applied at the rate of 40mt/ha on selected mature area while for replant rate will be 3 layer circles of 200kg per immature palm.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<u>Lambak Estate:</u> Based on the soil series map, there are no peat soils or soil categorised as problematic or fragile soil at estate field. Soils are mostly Rengam (55.68%), Local Alluvium I (16.37%) and Rengam Shallow (12.01%) series. Other soil types including Berserah, Jerangau, Masai and etc. <u>CEP Nyior Estate:</u> Based on the soil series map, there are no peat soils or soil categorised as problematic or fragile soil at all estate field. Soils are mostly Tampoi (37.12%), Harimau (21.11%) and Bungor (12.32%). Other soil types including Local Alluvium 11, Kawang, Jerneh and etc.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Landscapes of both estates visited are mostly flat and undulating. However, Sime Darby has a policy on slope planting and this will be implemented during replanting. Areas more than 25 degrees were maintained as conservation area. Jungle tree were planted at the area to enhance the biodiversity.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates have implemented annual road maintenance programme. Example of programme checked at Lambak and CEP Nyior estates shows the map indicating road repairs and maintenance for the whole estate roads includes grading, compacting and stone application to strengthen the road surface. Visit to the field and main roads found to be well maintained and accessible.	Complied

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Criterion / Indicator	Assessment Findings	Compliance												
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 are no soils categorized as problematic or fragile soil at all estates. 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 are no soils categorized as problematic or fragile soil at all estates. 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 are no soils categorized as problematic or fragile soil at all estates. Complied												
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.														
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	<u>POM & Estates:</u> Based on the rainfall data, the water management plan was developed for the efficiency use of water, availability of resources, contingency plan during dry spell and flooding and water reduction plan. Monitoring and Measuring method includes Monitoring of flowmeter, water treatment chemical usage monitoring & water quality monitoring. Sampled the water domestic water sampling report dated 4/3/16 for mill. Complied												
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following: <table border="1" data-bbox="660 1323 1299 1503"> <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> Bukit Benut Estate implemented the monitoring of river water flowing towards Sungai Lambak sampling point. Complied	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
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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Criterion / Indicator	Assessment Findings	Compliance
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" JPKKS 002208 (validity period 1/7/2016 - 30/6/2017) for 20 MT/hr and method of POME discharge is 100% land application. Limit of Biochemical Oxygen Demand (BOD) for final effluent discharge is 3500mg/l. Last desludging Aerobic Pond was done on 5/12/14 and for anaerobic digester tank no. 3 done on 24/6/16 & complied with Jadual Pematuhan frequency requirement. Sample of latest month analysis done by accredited laboratory dated 14/1/16 (Ref: IE111/2016) was sighted. The latest "Borang Penyata Suku Tahun " 3rd quarter of 2016 was sighted during the audit. Result was found in compliance with the regulatory limit.	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Mill: Average Achievement for Financial year 2015/2016 as from Jul-15 to June-16: Total FFB Processed: 97762.679mt Total Process Water Usage: 130402.82m ³ Total Consumption: 1.33 m ³ /mt FFB	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 plan consist of biological control and chemical control of pest including census program, establishment of beneficial plant, trunk injection and barn owl box establishment. Beneficial plants such as Tunera and Cassia has been planted along the road side of estate boundary by ratio of 1.05dm/ha.	Complied
4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Training records for staff on IPM implementation were available and verified to be satisfactory during on-site assessment.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment		
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the Sime Darby Agriculture Reference Manual Section 15 item 3.4. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate for a minimum of 5 years (2010 to 2015). Verified that records of monitoring were satisfactorily.	Complied

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4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5.
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. At the time of assessment there was no class 1a or 1b pesticide. Alternatives such as Glyphosate were used with the elimination of Paraquat.
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 equipment's 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.
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.
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.
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying implemented in Bukit Benut complex estates.

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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 -	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 -	Minor nonconformance
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Major nonconformance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Complied
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:		

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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.</p> <p>- Major compliance -</p>	<p>OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health. Occupational Safety and Health (OSH) Plan in compliance with OSH Act and Factory Machinery Act had been documented and implemented. The Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p>	<p>Complied</p>
<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Risk assessment had been carried out on all operations where health and safety is an issue at mill and estates. Significant hazards were determined and documented in the HIRARDC analysis which included noise exposure, chemical and pesticides exposure, accident and fire outbreak. Procedures and control measures were implemented to mitigate the risks. Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers. Annual audiometric tests/ reports conducted for all mill staff and workers were available and maintained. The workers checked did not suffer from significant hearing disabilities. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise levels. The workers are also aware of the complaints process and mechanism available. "Permit to work" system was applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entry and stand-by involving work in confined space. It was verified that the mill and estates have provided the appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, ear plugs, ear mufflers) and the associated training to address safety and health issues. The audit for determining compliance with the minimum standards had been annually conducted on all types of PPE used by the Safety and Health Officer and team for the operating units.</p> <p>POM: Chemical Health Risk Assessment (CHRA) done on 11/2/14-12/2/14. Audiometric test done on 30/5/16. LEV Monitoring inspection done on 1/2/16 by Spectrum Laboratories (Johore) Sdn Bhd. Medical Surveillance as per CHRA recommendation conducted on 15/5/16.</p> <p>Lambak Estate: Chemical Health Risk Assessment (CHRA) done on 2/8/15-13/10/15 by NM Laboratory Sdn Bhd. DOSH Registration No. JKPP HIE 127/171-2(363). Medical Surveillance last conducted on 19/1/15.</p> <p>CEP Niyor Estate: Chemical Health Risk Assessment (CHRA) done on 30/7/15-13/10/15 by NM Laboratory Sdn Bhd. DOSH Registration No. JKPP HIE 127/171-2(363). Medical Surveillance as per CHRA recommendation conducted on 21/10/15.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <ul style="list-style-type: none"> - Minor compliance - 	<p>Training programme planned for year 2016 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>Training also provided on use of fire extinguishers and fire drill, awareness and understanding of MSDS/CSDS and first aid. Employees interviewed at POM confirmed to be provided with safety training relating to their work at least once a year by the qualified Safety & Health Officer and training records are available. Evaluation carried out on each training programme to determine its effectiveness. The training content was revised periodically for improvement. The safety and health training on exposure to noise levels conducted by the qualified Safety & Health Officer complied with the requirements of the Factories and Machinery (Noise Exposure) Regulations. All staff and mill employees attended the training as indicated in the records maintained. The content of the training include the said provisions of the regulations, purpose and explanation of audiometric test, proper usage of ear plugs and ear mufflers, and consequence of hearing loss. Appropriate PPE had been provided to all workers at the place of work to cover all potentially hazardous operations. There are warning signs to use PPE (this includes helmet, safety boots, ear plugs, ear mufflers, etc.) displayed at appropriate work areas for the protection of safety and health.</p>	<p>Complied</p>
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <ul style="list-style-type: none"> - Major compliance - 	<p>The responsible persons are the Managers of the respective operating units. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p> <p>POM: OSH meeting for year 2016 done on 23/6/16, 31/3/16. DOSH visit log book sighted visit report dated 7/3/16.</p> <p>Lambak Estate: OSH meeting for year 2016 done on 18/5/16 & 12/2/16.</p> <p>CEP Niyor Estate: OSH meeting for year 2016 done on 17/6/16 & 18/3/16.</p>	<p>Complied</p>

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4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	<p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety & Health (OSH).</p> <p>POM: Fire Drill done on 15/2/16. First Aid Training by Medical Assistant on 22/1/16 and participated by workers and staff.</p> <p>Lambak Estate: Fire Drill done on 8/3/16. First Aid Training by Medical Assistant on 25/4/16 and participated by workers and staff.</p> <p>CEP Niyor Estate: Fire Drill done on 19/7/16. First Aid Training by Medical Assistant on 13/4/16 and participated by workers and staff.</p>	Complied
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>POM: Sighted Foreign Worker Compensation Scheme RHB Insurance Guarantee No. BR-BG139048 valid until 26/10/17.</p> <p>Lambak Estate: Foreign Worker Compensation Scheme Certificate of Insurance Policy No. FW 149430.</p> <p>CEP Niyor Estate: Implementation of Foreign Worker Compensation Scheme Certificate of Insurance Policy is ineffective. Renewed Foreign Worker Compensation Scheme Certificate of Insurance Policy is not available for verification. Minor Non-conformity has been raised.</p>	Minor noncompliance
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p> <p>POM: JKKKP 8 submitted for year ending 2015 to DOSH on 11/1/16.</p> <p>Lambak Estate: JKKKP 8 submitted for year ending 2015 to DOSH on 12/1/16.</p> <p>CEP Niyor Estate Estate: JKKKP 8 submitted for year ending 2015 to DOSH on 7/1/16.</p>	Complied
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>		
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	<p>Formal training program for the year 2016 available and implemented. Regular assessment of training conducted to ensure understanding among the employees. Trainings conducted include a formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System. The various trainings conducted and the training records maintained to be acceptable.</p>	Complied

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4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	Records of training for each employee are available in Mill and estates. Some of the samples checked; 1. POM: Safety, 5S Concept, Loto System Training dated 10/6/16. 2. Lambak Estate: Harvesting Competency Training dated 2/6/16, Training on Chemical Handling and Method of Spraying dated 27/8/15 and Schedule Waste Training dated 18/2/16. 3. CEP Niyor Estate: Trunk Injection Training dated 30/3/16, Sprayer Training dated 18/3/16 and Scheduled Waste Management Training dated 28/6/16.	Complied
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.		
5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -	POM and Estates carried out the annual review of environmental impacts in term of Environmental Impact Evaluation. The last review for year 2016 was conducted in 17/6/16 at POM, Lambak Estate on 4/7/16 & 3/2/16 at CEP Niyor Estate.	Complied
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	The continuous implementation of the improvements activities were checked during the field and document audit. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.	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. Continuous awareness training programme has been carried out by the company to its workers and other stakeholders.	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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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 -	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 -	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 -	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 -	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 -	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
5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>Visits made to Mill together with CEP Niyor Estate 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. Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410) and Waste of non-halogenated organic solvents (Spent IPA) SW 322. Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p>For Lambak Estate a major non-conformity been raised under criterion 5.3.3 for ineffective closure of previous minor non-conformity corrective action plan.</p>	Complied
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	<p>The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and CEP Niyor Estate disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estate also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor e.g. for POM by Kualiti Alam Sdn Bhd.</p> <p>For Lambak Estate a major non-conformity been raised under criterion 5.3.3 for ineffective closure of previous minor non-conformity corrective action plan.</p>	Complied
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the POM & CEP Niyor Estate. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Lambak Estate: Previous Minor Non-conformity corrective action implementation was ineffective. Noted the demolished bungalow debris was still left unmanaged, schedule waste records (inventory and consignment note) yet to be updated the Lambak Estate. Thus this Minor Non-conformity been escalated to Major Non-conformity.</p>	Major nonconformance
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.		

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Criterion / Indicator	Assessment Findings	Compliance
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fiber and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel. Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available. At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends.	Complied
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	It was noted that zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008 implemented. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted during the field visit.	Complied
5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring of dust particulate. Latest stack monitoring done on 23/6/16 but report still pending. This will be verified during next visit, seen monitoring report done on 30/11/2015 by Spectrum Laboratories (Johore) Sdn. Bhd. (Report ref. # ETD/SE/BBPOM/2015/11/13424) for boiler chimney no. 3. Result shown the stack emissions are within approval limit. 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.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented. It was noted that the PSQM Department from HQ have established plans for implementation and monitoring of GHG emissions.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations. POME is treated using anaerobic and aerobic ponds or biological treatment system. To monitor effective mitigating method for particulate emission, 3rd party environmental consultant was appointed to conduct stack emission monitoring as prescribed under "Jadual Pematuhan".	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	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	The assessment of SIA which conducted every 5 years has been done by Sime Darby Sustainability Department for the whole SOU 22 from 16 th - 19 th May 2016 with the participation of affected parties' i.e stakeholders, estate management & staff, field workers, government agencies, neighboring villagers. The PSQM department is responsible to perform the SIA assessment. The social action plan contains a timetable with person responsible to manage and monitor each issue.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	There is evidence that the assessment has been done with the participation of affected parties. All records of meetings, consultation takes place during the SIA is incorporated in the document. List of the stakeholders consulted are also available. Observed that the stakeholder consultation of the SIA was conducted on 16 th - 19 th May 2016.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	<p>Bukit Benut POM The Mill Social Action Plan prepared on 1 July 2016 has incorporated the new issues raised by stakeholders such as housing condition/living improvement during the stakeholder meeting conducted on 16th – 19th May 2016 with timeframe for action.</p> <p>Lambak/Elaeis Estate Social management plan has been included in the SIA assessment to mitigate the negative impacts with timeframe and person in charge.</p> <p>CEP Niyor Estate: The social action plan which review in 2016 almost completed. Few plan is still ongoing such as take action on stray dogs problem at housing complex and organizing social activities such as family day and etc.</p>	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 -	<p><u>Bukit Benut POM</u> The SIA action/management plan is reviewed annually. The last review was conducted on 1 July 2016. The latest stakeholder meeting conducted on 15th Mar 2016.</p> <p><u>Lambak/Elaeis Estate</u> Annual SIA improvement plans reviewed in August 2015. The assessment was through meeting with the effected parties and stakeholders.</p> <p><u>CEP Niyor Estate</u> Annual SIA improvement plans reviewed in 2016. The assessment was through meeting with the effected parties and stakeholders.</p>	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	Not applicable as there is no smallholder scheme involved.	Not applicable
<p>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.</p>		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	<p>Documented procedure in Sustainable Mill Management System for External Communication, Appendix 5.5.3.2, Version 2, and Issue No.0, dated 25/05/2015 was established and available.</p> <p>Over the past 12 months, entries made were mainly on minor repairs needed to the housing facilities repairs were verified to be attended to in a timely manner.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	<p>Mill Manager and the Estate Managers have been appointed as responsible person for communication and consultation with the affected parties.</p> <p>Appointment letter has been issued to Mill Manager (Mr Khaizarudin Bin Awaludin) and 01/07/2015 for Lambak/Elaeis Assitant Manager.</p> <p>In CEP Niyor estate, assistant manager has been appointed as the social responsible PIC on 6 May 2016.</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>Bukit Benut POM:</p> <p>The list of stakeholder is available which has incorporated parties such as contractors, government agencies, local community heads and etc. The latest stakeholder meeting conducted on 15th Mar 2016 and meeting minutes sighted during onsite audit.</p> <p>Lambak/Elaeis Estate:</p> <p>A list of smallholder sighted during onsite visit. Sighted one of the meeting minutes and communication with caters owner for compensation about the cows have destroy the young palm.</p> <p>CEP Niyor estate:</p> <p>Correspondence between stakeholders was well documented. For example, latest request from nearby village (Kampung Melayu Niyor) requested for tractor service 22 July 2016 and the estate already had responded on 26 July 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 -	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.3.2</p> <p>Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -</p>	<p>For external stakeholder, procedure for external communication (appendix 5.5.3.2; version 2; year 2015; issue date: 25/05/2015) is to effectively communicate with external interested parties on matters pertaining to QSHE performance of the mill.</p> <p>Internally, SOP to resolve social disputes "Handling Social Issues" SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings.</p> <p>Follow-up actions had timelines, responsibilities, and details of actions were included in the social action plan and monitored by managers for satisfactory conclusion. Review on the internal complaint book, the issue raised on 29 June 2016 which regarding the septic tank has been resolved accordingly.</p> <p>In Lambak/ Elaeis estate, meeting minutes dated 18 Aug 2015 sighted about the case where caters' owner made compensation for the cow encroaching to the plantation and destroy young palm.</p>	<p>Complied</p>
<p>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.</p>		
<p>6.4.1</p> <p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -</p>	<p>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</p>	<p>Complied</p>
<p>6.4.2</p> <p>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 -</p>	<p>There are no indigenous communities within or surrounding SOU 22 that holds legal or customary rights over the land.</p> <p>Procedure for handling land disputes to identify legal, customary rights and people entitled to compensation has been established dated 01 Nov 2008.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
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 to date.	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 -	Documentation of pay and conditions such as pay slips shows gross pay, net pay, leave, medical leave pay etc. are maintained by the company. Samples taken: Bukit Benut POM: a. Worker no: 0000115036 b. Worker no: 0000123068 c. Worker no: 0000082925 Lambak/Elaeis Estate: a. Worker no: 0000019623 b. Worker no: 0000116036 c. Worker no: 0000019623 CEP Niyor Estate: a. Worker no: 0000055372 b. Worker no: 0000121560 c. Worker no: 0000084005	Complied
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	There are no records or document to confirm that the workers were given the extended contract of employment and acknowledged signed the extension of employment. Bukit Benut POM One of the worker's (passport no: AR470460) contract already expired without any extension. The contract only valid from 22 Aug 2012 to 21 Aug 2015. Lambak /Elaeis Estate Employee Number 0000067076: Employment contract expired on 31/07/2014 Employee Number 0000069743: Employment contract expired on 28/02/2015 Employee Number 0000084936: Employment contract expired on 30/06/2016 CEP Niyor Estate: Employee Number 0000055372: Employment contract expired on 23/09/2013 Employee Number 0000084005: Employment contract expired on 19/10/2015 Employee Number 0000055371: Employment contract expired on 23/09/2013 Major nonconformity was raised.	Major noncompliance

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Criterion / Indicator	Assessment Findings	Compliance
6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	All the housing meets the government standard and interview of staff and workers raised no issues related to housing and facilities provide by the company. Interviewed the workers and confirmed that they satisfied with the water and electricity supply. Schools are within close proximity such as the Primary School (SJKT Ladang Bukit Benut) is located at Bukit Benut estate and (SJKT Ladang Lambak) at Lambak estate.	Complied
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	Accesses to food for the workers are considered adequately and sufficiently. In CEP Niyor estate, there was a complaint regarding the food are expensive in the shop during union meeting. Management have taken action in monitoring the food price and also ensure the price tag always display in the shop.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	The company has developed Social Policy dated January 2015 signed by Managing Director stated the employees have freedom of association. The employees are freely chosen to join workers union.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Bukit Benut POM Latest NUPW union meeting was done on 19/6/2016 at Mill attended by 6 representatives. Local and foreign workers are represented in the NUPW. Ladang Lambak Elaeis Latest NUPW union meeting was done on 02/Oct/2015 at Lambak estate. Local and foreign workers are represented in the NUPW. CEP Niyor Esate NUPW union meeting was done on 13/May/2016 at CEP Niyor Esate. Agendas had been discussed such as encourage foreign worker to join NUPW, ask for grass cutting for surrounding house and etc.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	The company has developed Child Labour policy dated January 2015. Operating units are complied with the minimum age requirement. No employees below the age of 18 after confirmed with the list of workers profile.	Complied
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.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Social & Humanity Management Policy dated January 2015 is available and displayed at the office which is accessible by the relevant parties.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 3 years contract and onwards will renew the contract yearly. 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 -	There is no any discrimination based on religion, gender, nationality and etc. during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary and 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 -	Gender policy dated January 2015 signed by Managing Director is available and displayed at the office compound. Gender committee meeting has been conducted and meeting minutes were sighted. Latest meeting minutes (16/04/2016 – Bukit Benut POM, 25/05/2016 – Lambak /Elaeis Estate, 13/05/2016– CEP Niyor Estate) were sampling and no issue on sexual harassment and violence sighted.	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 & Humanity Management Policy dated January 2015 described the management protects women reproductive rights. Female employees are aware that they are entitled for two months paid maternity leave.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Sexual Harassment Grievance Procedures is part of the Manual on Implementation of the Gender Policy. The Gender Committee will carry out investigation upon receipt of the grievance report. The investigation shall, as far as is practicable, commence within 2 days from the filing of the grievance. The findings will be made known to the victim within 5 days of the commencement of the investigation</p> <p>Up to date, no grievances received and it was confirmed through interview with the female workers.</p>	Complied
<p>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>	<p>Bukit Benut palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.</p>	Complied
6.10.2	<p>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).</p> <p>- Major compliance -</p>	<p>The palm oil mill does not purchase FFB from third party or out growers. However, the mill has the details of FFB prices based on MPOB pricing. Operating units have pricing mechanisms for inputs/services documented for the contract work under the control of the mill or plantation through contract agreements.</p>	Complied
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>Contractors/suppliers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement which is explained prior to signing.</p>	Complied
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Verified the contract and payments confirmed that all payments were made in a timely manner. Sample contract for transporting FFB to Bukit Benut Mill were verified:</p> <p>a. PO: 4300336711</p> <p>b. PO: 5003482201</p> <p>It was also further verified through interview with the replanting contractor and confirmed that no issue in payment terms.</p>	Complied
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</p>			
6.11.1	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>- Minor compliance –</p>	<p>Bukit Benut mill and estates contribute to local development through donations to local schools, temples and mosques, which are considered an appropriate form of assistance. For example, the latest donation made on 09 June 2016 to purchase necessary things for the mosques.</p>	Complied
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance –</p>	<p>Not applicable as no scheme smallholders</p>	Not applicable
<p>Criterion 6.12: No forms of forced or trafficked labour are used.</p>			

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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 -	Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour in the operating units. All employees have valid passport, employment contract and paid the agreed national minimum wages.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract substitution was noted. This was confirmed through inspection of employment contract and interview with workers.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The Social and Humanity management policy dated January 2015 covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	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 for Peninsular Malaysia.	Not applicable
Principle 7: Responsible development of new plantings Bukit Benut Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. The immature areas are replanted area.			
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>Bukit Benut 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. Initiative on KAIZEN project at Bukit Benut Palm Oil Mill showed commitment towards continual improvement to improve plant safety and process performance.</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 is completely eliminated. 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	Perak
3	Elphil	Certified 2011	Perak
4	Flemington	Certified 2011	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	Kerdu	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	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)	Certified 2010 (Recert. Completed)	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 Sejahtea 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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24	<p>MAS (PT Mitra Austral Sejahtera) The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Regular discussions is ongoing between Sime Darby Plantation and the project affected communities.</p>	2016	<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 Oct 2015)</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 report submitted to RSPO dated 7th August 2015. <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.</p> <ul style="list-style-type: none"> - To-date, 12 out of 14 demands have been resolved whilst, another two remaining demands are related to land matters. SDP is in engagement with TuK-Indonesia to resolve the remaining issues involving land matters. - Latest meeting with community was held on 14 Jan 2016 and pending for the outcome. <p>SDP continues to work on direct engagement with PAC – working towards a consensus with the PAC to withdraw their complaint.</p>
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 22)
Bukit Benut Palm Oil Mill
KM 12, Jalan Mengkibol
86009 Kluang, Johor
Malaysia
RSPO membership number: 1-0008-04-000-00

BSI RSPO Certificate No. : RSPO 591229
Date of Initial Certificate Issued: 05/10/2011
Date of Expiry: **04/10/2021**
Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D – CPO Mills: Identity Preserved)

Bukit Benut Palm Oil Mill and Supply Base					
Location Address	Strategic Operating Unit (SOU 22) – Bukit Benut Palm Oil Mill, KM 12, Jalan Mengkibol 86009 Kluang, Johor, Malaysia				
GPS Location	100° 19' 59" E ; 1° 54' 42" N				
CPO Tonnage Total	29,783.06 MT				
PK Tonnage Total	7,445.77 MT				
CPO Claimed for Certification*	29,783.06 MT				
PK Claimed for Certification *	7,445.77 MT				
Own estates FFB Tonnage	135,377.56 MT				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Bukit Benut Estate	2,150.33	429.55	220.70	2,801.13	41,875.61
CEP Nyior Estate	1,137.18	350.72	50.84	1,538.74	27,468.95
Lambak Estate	3,001.97	318.84	423.95	3,744.76	66,033.00
TOTAL	6,290.03	1,099.11	695.49	8,084.63	135,377.56

Appendix D: Assessment Plan

Date	Time	Subjects	Hafri	Boon Han	Ragu
Monday 25/07/2016	PM	Audit Team travelling to the site.	✓	✓	✓
Tuesday 26/07/2016	AM-PM	External stakeholder meeting (Kluang)	✓	✓	✓
Wednesday 27/07/2016 Bukit Benut Palm Oil Mill	0830-0900	Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).	✓	✓	✓
	0900-1200	Bukit Benut 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	✓	✓	✓
	1000-1200	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc)		✓	
	1200-1300	Lunch		✓	
	1300-1630	Bukit Benut 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	✓	✓	✓
Thursday 28/07/2016 Lambak Estate	0830-1200	Lambak 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	Lambak 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).	✓	✓	✓

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Date	Time	Subjects	Hafri	Boon Han	Ragu
	1630-1700	Interim Closing briefing	✓	✓	✓
Friday 29/07/2016 CEP Estate Nyior	0830-1200	CEP Nyior 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	✓	✓	✓
	1200-1300	Lunch	✓	✓	✓
	1300-1630	CEP Nyior 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	Presentation of report and findings Closing Meeting:	✓	✓	✓
Saturday 30/07/2016	AM	Audit Team travelling back to KL	✓	✓	✓

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Gender Committee Member Foreign workers Union representatives Store Clerk</p>	<p>Union/Contractors/Local Communities</p> <p>Niyor Village</p>
<p>Government Departments</p> <p>Department of Environment Department of Forestry Department of Wildlife</p>	<p>Contractors and Suppliers</p> <p>Leok Brothers S/B (replanting contractors)</p>

Appendix F: CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: 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>Bukit Benut 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.</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.</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>Major: The despatch volume of RSPO Certified CPO & PK recorded on the balance sheet records of Bukit Benut Mills (July 2015- June 2016) did not match with the volume announced in the etrace. For period July 2015- June 2016, the despatch recorded RSPO Certified 21467.83 MT CPO and 5133.69 MT PK while etrace only recorded 2000 MT CPO and 4078.12 MT PK.</p> <p>A major nonconformity has been raised.</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: 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>	<p>Latest written documented procedures (version 2; issue no:1; dated March 2016) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability under Appendix 15. This developed based on the RSPO SCCS 21 November 2014.</p> <p>In Bukit Benut POM, the QA Supervisor (appointed on 3 July 2014) 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 Bukit Benut Palm Oil Mill. The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Bukit Benut 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).</p>

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	The procedure covers receiving and processing certified FFBs.
D.4 Purchasing and goods in	
D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Bukit Benut mill have adequate procedure and system to verify FFB received at the weighbridge. Sample weighbridge tickets for diversion crops were verified as following: i) FFB Receive; ticket: 65304 – Cenas Estate (SOU 23) ii) FFB Receive; ticket: 64360 - CEP Rengam Estate (SOU 24) Valid RSPO Certificates for both SOU 23 and SOU 24 sighted available at the mill during on-site audit.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure.
D.5 Record keeping	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. PK is sold to Sime Darby's Kernel Crushing Plant. Daily records are prepared at the entry and exit point at the weighbridge (Daily production Summary Report for Production Date: 26 July 16).
D.6 Processing	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation and adjacent RSPO Certified Sime Darby Group Estates is processed. This ensures that there is no possibility of mixing during processing.
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

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Actual Tonnage Certified Palm Production – July 2015 – June 2016 (ASA4)

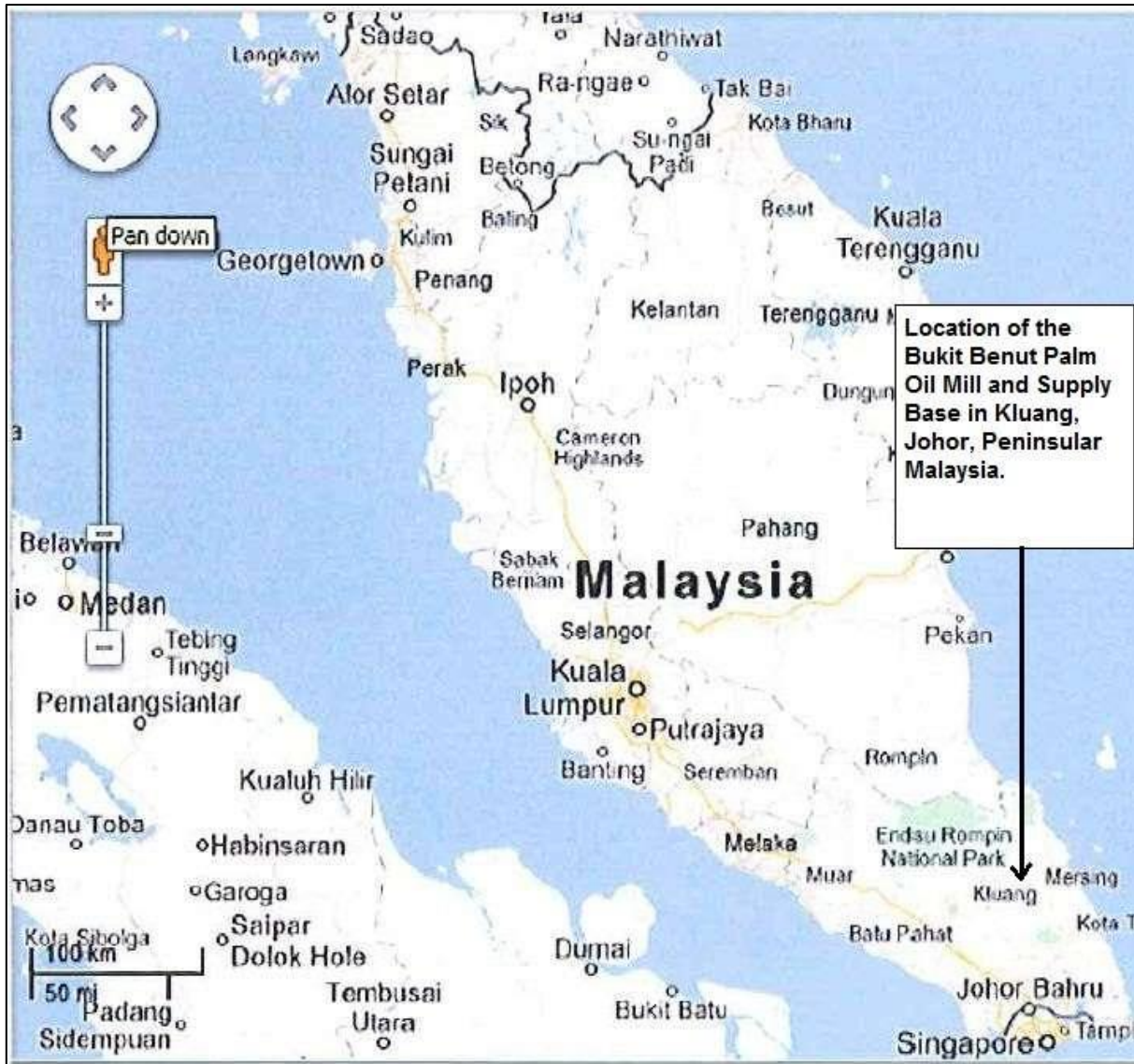
Mill	Capacity	CPO	PK
Bukit Benut Palm Oil Mill	20 MT/hr	21,654.47	5,196.06

Actual Tonnage Sales of Certified Palm Products – July 2015 – June 2016 (ASA4)

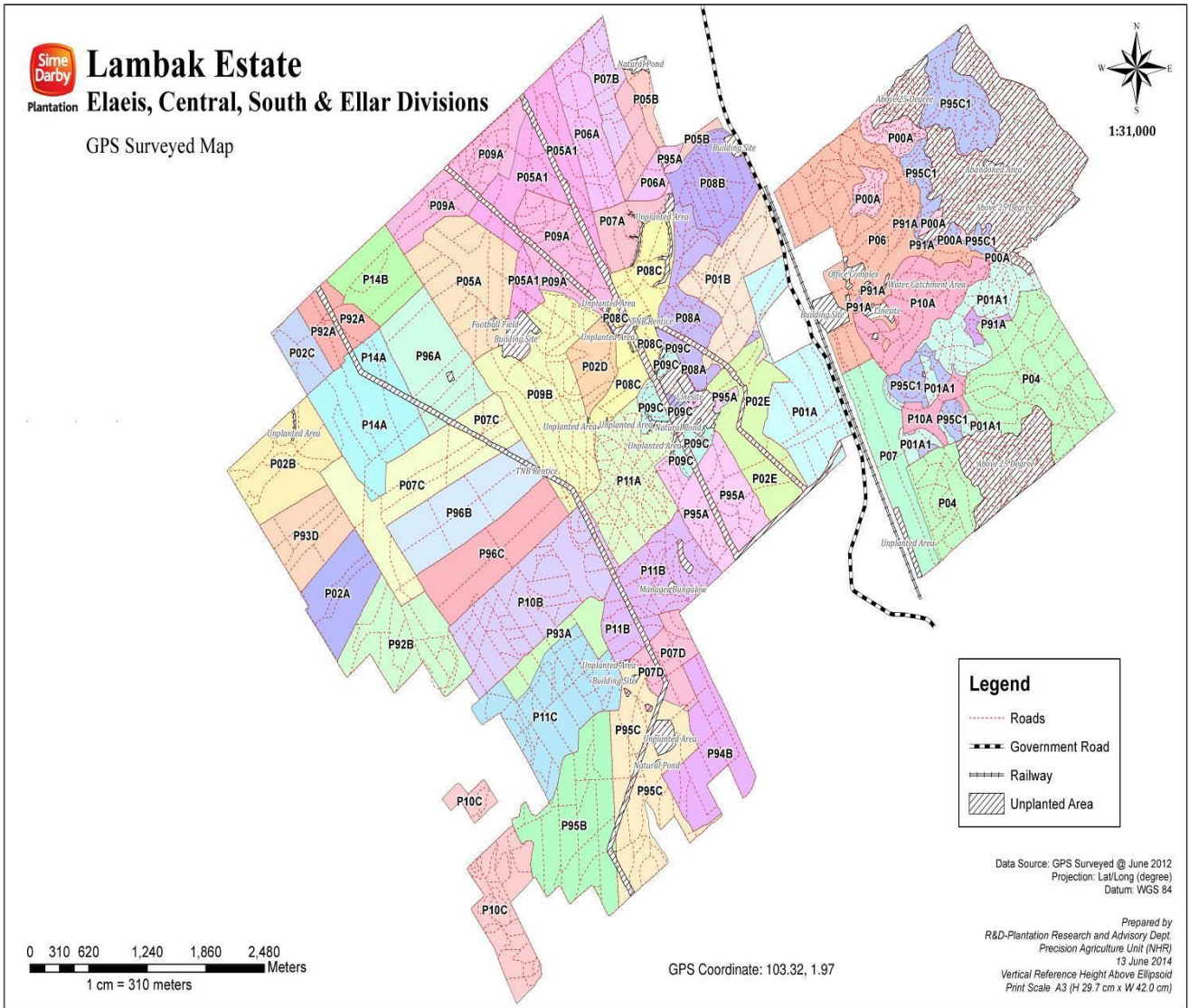
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Bukit Benut Palm Oil Mill	21,467.83 MT	5,133.69 MT	Mill sales despatch records

Month	Certified Supply Base (from own certificate scope) (mt)						
	Bukit Benut Estate	CEP Nyior Estate	Lambak Estate	CENAS Estate	CEP RENGAM Estate	Tun Dr Ismail Estate	Total FFB/Month (mt)
July 2015	3,867.85	-	5,899.20	-	-	-	9,767.05
Aug 2015	3,326.05	-	5,144.88	418.84	136.72	255.18	9,281.67
Sept 2015	3,956.85	-	6,030.10	-	-	-	9,986.95
Oct 2015	3,795.04	1,362.49	5,665.90	164.66	-	-	10,988.09
Nov 2015	2,638.17	1,386.64	4,010.79	-	-	-	8,035.60
Dec 2015	2,698.84	1,221.77	3,462.88	-	-	-	7,383.49
Jan 2016	2,013.30	1,032.89	2,739.53	-	-	-	6,185.22
Feb 2016	2,320.69	1,330.86	2,621.34	-	-	-	6,272.89
Mar 2016	1,869.79	1,433.00	2,424.60	-	-	-	5,727.39
Apr 2016	2,481.86	1,443.68	3,504.43	-	-	-	7,429.97
May 2016	2,494.71	1,728.14	3,961.70	-	-	-	8,184.55
June 2016	2,786.15	1,687.05	4,999.04	-	-	-	9,472.24
Total	34,249.30	12,626.52	50,464.39	983.00	136.72	255.18	98,715.11

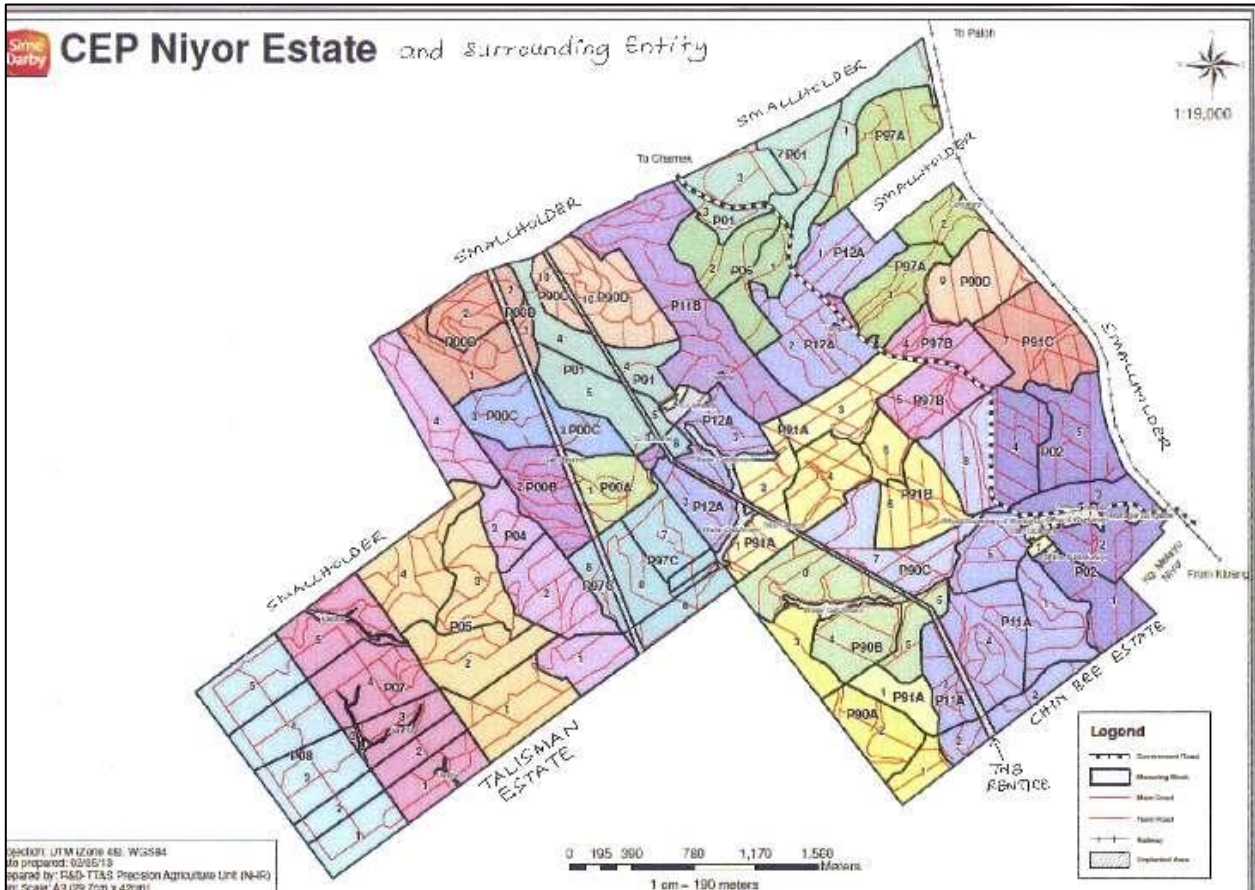
Appendix G: Location Map of Bukit Benut Palm Oil Mill Certification Unit and Supply Bases



Appendix H : Lambak Estate Field Map



Appendix I : CEP Niyor Estate Field Map



Appendix J: 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
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
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
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure