

**RSPO PRINCIPLE AND CRITERIA  
RECERTIFICATION ASSESSMENT (RC)  
Public Summary Report**

<b>Sime Darby Plantation Sdn Bhd</b>
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 4) Flemington Palm Oil Mill Sungai Sumun 36369 Teluk Intan Perak, Malaysia

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0008-04-000-00	<b>Date</b>	Member since: 6 September 2004
<b>Company Name</b>	Sime Darby Plantation Sdn Bhd		
<b>Address</b>	Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill, Sugai Sumun 36369 Teluk Intan, Perak, Malaysia		
<b>Subsidiary of (if applicable)</b>	N/A		
<b>Contact Name</b>	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr. Subramanian Govindasamy (Mill Manager)		
<b>Website</b>	<a href="http://www.simedarby.com">www.simedarby.com</a>	<b>E-mail</b>	<a href="mailto:shylaja.vasudevan@simedarby.com">shylaja.vasudevan@simedarby.com</a> <a href="mailto:kks.flemington@simedarby.com">kks.flemington@simedarby.com</a>
<b>Telephone</b>	03-78484379 (Head Office) 05 – 648 9153 (Mill)	<b>Facsimile</b>	03-78484356 (Head Office) 05 -648 9153 (Mill)

2. Certification Information			
<b>Certificate Number</b>	RSPO 590802	<b>Certificate Issued Date</b>	05/10/2011
		<b>Expiry Date</b>	<b>04/10/2021</b>
<b>Scope of Certification</b>	Palm Oil and Palm Kernel Production from Flemington Palm Oil Mill and Supply Base (Flemington Estate, Bagan Datoh Estate, Sungai Samak Estate and Sabak Bernam Estate)		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
NIL			

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Flemington Palm Oil Mill	36369 Sungai Sumun, Teluk Intan, Perak, Malaysia.	100° 51' 26"	3° 55' 41"
Flemington Estate	36369 Sungai Sumun, Teluk Intan, Perak, Malaysia.	100° 52' 84"	3° 53' 46"
Bagan Datoh Estate	Bagan Datoh, 36100 Perak, Malaysia.	100° 47' 24"	3° 59' 33"
Sungai Samak Estate	Ulu Bernam, 36500 Perak, Malaysia.	101° 08' 87"	3° 44' 49"
Sabak Bernam Estate	Sabak Bernam, 452017 Selangor, Malaysia.	101°00' 24"	3° 45' 33"

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4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Hectarage	% of Planned
Flemington	1,343.88	555.62	1,899.5	7.38	228.63	2,135.51	89%
Bagan Datoh	2,189.99	1,526.73	3,716.72	2.00	202.16	3,920.88	95%
Sungai Samak	2,182.25	541.83	2,724.08	17.92	275.93	3,017.93	90%
Sabak Bernam	1,429.94	886.42	2,316.36	1.24	185.38	2,502.98	93%
<b>Total</b>	<b>7,146.06</b>	<b>3,510.6</b>	<b>10,656.66</b>	<b>28.54</b>	<b>892.1</b>	<b>11,577.3</b>	<b>92%</b>

\* Planted area increased with the additional of 38.34 ha of new planted area at P2014D. The new planted area is within the certified area of Flemington Estate.

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)
Flemington	555.62	363.31	186.25	794.32	0.00	28,886	29,799.48	29,500
Bagan Datoh	1,526.73	420.52	332.70	1432.31	4.46	48,209	53,311.95	49,455
Sungai Samak	541.83	1291.00	531.00	356.25	4.00	56,590	48,119.26	48,771
Sabak Bernam	886.42	56.21	741.82	631.91	-	35,900	29,788.14	27,400
<b>Total</b>	<b>3,510.6</b>	<b>2131.04</b>	<b>1791.77</b>	<b>3214.79</b>	<b>8.46</b>	<b>169,585</b>	<b>161,018.83</b>	<b>155,126</b>

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
Flemington POM	169,585	36,635	9,328	161,018.83			155,126	33,662	8,532
*FFB from Adjacent Certified Estate	-	-	-	33,832.4	41,211.03	10.638.87	-	-	-
<b>Grand Total</b>	<b>169,585</b>	<b>36,635</b>	<b>9,328</b>	<b>194,851.23</b>	<b>41,211.03</b>	<b>10.638.87</b>	<b>155,126</b>	<b>33,662</b>	<b>8,532</b>

\*Over production of FFB recorded for the period of July 2015 – June 2016. Refer to Major NC raised under D 4.2

## 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  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) 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 recertification assessment was conducted from **15-18 August 2016**. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C MYNI-2014 and RSPO SCCS 2014 were used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

Public Stakeholder Notification was made on 10<sup>th</sup> June 2016, 30 days prior to the recertification assessment. No written feedback received at the end of the 30 days period. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss Flemington Palm Oil Mill Certification Unit's environmental and social performance.

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

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.

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All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 3.3.

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

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

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Re-certification (2016)</b>	<b>ASA1 (2017)</b>	<b>ASA2 (2018)</b>	<b>ASA3 (2019)</b>	<b>ASA4 (2020)</b>
Flemington Palm Oil Mill	√	√	√	√	√
Flemington Estate	√		√		√
Bagan Datoh Estate	√		√		√
Sungai Samak Estate		√		√	
Sabak Bernam Estate		√		√	

**Tentative Date of Next Visit:** July 11, 2017 – July 13, 2017

**Total No. of Mandays: 9 mandays**

**BSI Assessment Team:**

**Mohamed Hidhir Zainal Abidin – Lead Auditor**

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

**Hafriazhar Mohd Mokhtar – Team Member**

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

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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.

#### **Hu Ning Shing- Team Member**

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in his previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages.

**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

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is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process.

The improvement is in progress and acknowledge by RSPO and all parties as mutually agreed process. Latest meeting among the community and Sime Darby was held on 14 January 2016. The current status details are provided in the Appendix B. BSI has consider that Sime Darby still comply with the RSPO requirement for partial certification and has justified the revision to TBP.

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

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	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.	
Have there been any isolated lapses in implementation of the plan?	No lapses.	Yes
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Indonesia - PT Mitra Austral Sejahtera has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30 <sup>th</sup> June 2016. Further details please refer to the RSPO Complaints Website: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a> Liberia – New mill commissioned in Feb 2016, identification of gaps and preparation to meet the requirements of the RSPO P&C is in progress.	Yes
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	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 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures-consultations/page/14?">http://www.rspo.org/certification/new-planting-procedures-consultations/page/14?</a>	Yes
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria	Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd)	Yes

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6.4, 7.5 and 7.6.	Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a>	
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 four (4) Major nonconformities and one (1) Minor nonconformity raised. The Flemington 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)
1365885M1	<b>Requirements</b> RSPO SCCS Nov 2014, Module D 4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Major
	<b>Evidence of Nonconformity</b> Overproduction of certified tonnage noted for the period of June 15 - July 16 was 194,851.23 mt which exceeded the projected certified tonnage of 169,585 mt.	
	<b>Statement of Nonconformity</b> CB has not been informed for the projected overproduction of certified tonnage	
	<b>Action</b> Immediate action is to conduct assessment on the volume extension. Verified at site. <b>Long term:</b> Mill will monitor production activity and start inform to PSQM if the production already at limit as per RSPO certificate production limit.	
	<b>Status</b> Volume extension verification audit was carried out on 13/9/16 to verify source of FFB and confirm volume extension from July – October 2016.  Monitoring spreadsheet has been introduced to monitor overproduction of FFB. Mock figure was shown to demonstrate how the spreadsheet work.  Thus, the Major NC was closed out on 16/9/16.	

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1365885M2	<b>Requirements</b> 7.3.2 A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.	Major
	<b>Evidence of Nonconformity</b> No evidence to show that the new planting/conversion plot 2014D incorporated in the new HCV assessment.	
	<b>Statement of Nonconformity</b> HCV assessment was not compressively conducted.	
	<b>Action</b> Flemington Estate will liaise with PSQM person in charge for the new HCV report status.  <b>Long term:</b> Estate will communicate with PSQM if estate want to convert from non OP area to new OP area.	
	<b>Status</b> Verified finalized HCV assessment dated September 2016 which has included the new planting area at Flemington Estate.  Thus, the major Nc was close out on 12/10/16	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1365885M3	<b>Requirements</b> 2.1.1 Evidence of compliance with relevant legal requirements shall be available.	Major
	<b>Evidence of Nonconformity</b> Bagan Datoh Estate: Diesel storage permit (ref. # TI/SK/015(02) serial # A021518) has been expired since 9/7/2016. Flemington Palm Oil Mill: No evidence of submission of monthly (power) generation report to EC as required under the license conditions.	
	<b>Statement of Nonconformity</b> Evidence of compliance with legal requirements was not effectively implemented	
	<b>Action</b> Estate will liaise with KPDN & obtain the valid licence.  <b>Long term:</b> Estate will communicate with KPDN if facing any difficulties to obtain the permit.  Mill will update on monthly reporting to EC as required under the license conditions.  <b>Long term:</b> Mill will ensure to send monthly report to EC as required under the license conditions.	

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	<p><b>Status</b>          Verified new diesel permit serial#A022348 valid until 22/9/17. Thus, Major NC was closed out on 12/10/16.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1365885M4	<p><b>Requirements</b>            6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Evidence of Nonconformity</b>            Flemington Palm Oil Mill: Extension contract for the workers who worked more than 2 years were sighted. The terms in the contract were contradicted with the actual practice where water and electricity usage were fully paid by the company. However, the workers had to pay the full amount of electricity usage and amount where water usage exceeded the subsidized amount of 35 gallons. Sampled extension contracts as below:            a) Employee No.: 107411            b) Employee No.: 96139            c) Employee No.: 82042</p> <p>Besides, the contracts signed by the workers were in old version (version July 2012) where the public holiday entitlement was 12 days instead of 13 days. The contracts sampled as below:            a) Passport No.: AT 450946            b) Passport No.: AT 448167</p> <p>In addition, according to MAPA/NUPW Circular No. 22/2015 dated 4/8/2015, the employer required to fully subsidize RM 3.00 per month for each of the members of NUPW as premium towards NUPW/AIA Personal Accident Group Scheme. However, the management has yet to subsidize and deducted RM 11.00 from sampled workers below:            a) Employee No.: 96139            b) Employee No.: 96137            c) Employee No.: 96140            d) Employee No.: 24864</p> <p>Bagan Datoh Estate: Worker's contracts of employment sampled found that the employment contract for those worked more than 3 years were expired.            a) Employee No.: 76543 - Employment contract expired on 22/12/2014            b) Employee No.: 76168 - Employment contract expired on 8/12/2014            c) Employee No.: 65737 - Employment contract expired on 6/5/2014            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.</p> <p>Flemington Estate: Sampled workers below noted that they signed on an old version contract (April 2013) instead of version May 2014:            a) Passport No.: AA 5409134 joined on 17/9/2015            b) Passport No.: AT 452498 joined on 2/5/2016</p>	Major

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	<p>c) Passport No.: 06197230 joined on 5/8/2016  d) Passport No.: 09071944 joined on 5/8/2016  There were terms that are contradicted with the actual practices. For example:  a) Term 15: Work departure cash gift  b) Term 21.5: FW security deposit home leave</p>	
<p><b>Statement of Nonconformity</b>  Flemington Palm Oil Mill: Worker's contracts and extension contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) were not implemented effectively. The management did not comply with the MAPA/NUPW Circular No. 22/2015. Bagan Datoh Estate: Extended contracts of employment for workers extended 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.) was not available. Flemington Estate: Worker's 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.) were not signed on latest version.</p>		
<p><b>Action</b>  Mill and Estate management will liaise with Human Resource Department to streamline the Workers Contract Agreement.</p> <p><b>Long term:</b> Sime Darby Plantation ( Human Resource Department ) will streamline the contract terms and condition accordingly throughout operation unit.</p>		
<p><b>Status</b>  Verified evidence as follows:  i)New version of employment contract and extension contract, EMP01/2016/01 &amp; EMP02/2016/01 with new updated terms and conditions with sample of contracts complete with workers acknowledgement and acceptance.  ii)Reimbursement of NUPW/MAPA fees was verified.</p> <p>Verified all submitted evidences and found to be sufficient. Thus, the major NC was close out on 12/10/16</p>		

<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
1365885N1	<p><b>Requirements</b>  4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p>	Minor
	<p><b>Evidence of Nonconformity</b>  Bagan Datoh Estate:  No evidence to show that worker AC 4308878 was covered by insurance.</p>	
	<p><b>Statement of Nonconformity</b>  Accident insurance was not comprehensively covered to all workers.</p>	
	<p><b>Action</b>  Estate will liaise Human Resource pertaining on the renewal of insurance policy.</p>	

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	<p><b>Long term:</b> Estate will monitor closely on the renewal of insurance for foreign workers and liaise with Human Resource if facing difficulties.</p>	
	<p><b>Status</b>                  Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.</p>	

Observation	
OBS #	Description
	Nil

Positive Findings	
PF #	Description
1	Alternative for class 1A chemical, Acephate was introduced for bagworm treatment.
2	External stakeholders for the mill and estates shown positive feedbacks towards the company.
3	The SOU 4 management unit has maintained good relationship with the local community and other stakeholders.

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 Chersonese 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><b>Issues:</b>                      Officer from Labour Department, Teluk Intan: He informed that SOU 4 Operating Units were complied with the legal requirements and no issue pending. No issue on the minimum wage reported from the workers.</p> <p><b>Management Responses:</b>                      The management will maintained the compliance of legal requirements and to ensure the workers were achieved minimum wage of RM 1000.</p> <p><b>Audit Team Findings:</b>                      Document verification of payslips and interviewed with workers confirmed that their wages were achieved the minimum wage. No further verification is required.</p>



<p>2</p>	<p><b>Issues:</b>  Officer from Immigration Department, Teluk Intan: The officer reported that all the foreign workers from SOU 4 were legal with valid visa to work in the mill and estates. No issue of foreign workers were reported.</p> <p><b>Management Responses:</b>  The management will ensure the visa to work for foreign workers are valid and continue to comply with the Immigration Act.</p> <p><b>Audit Team Findings:</b>  Document verification of passports and visa confirmed that the workers are legal and with valid visa to work. No further verification is required.</p>
<p>3</p>	<p><b>Issues:</b>  Officer from SOCSO Office, Teluk Intan: The officer informed that no issues from SOU 4 Operating Units. However, the officer reported that one issue concern about the process of Sime Darby on the termination of service for workers due to medical unfit. Recently, there was a case where the government hospital has confirmed that the worker was unfit to work due to health issue. Despite that, Sime Darby still need the worker to undergo check-up at VMO of Sime Darby. Due to this process, the worker was delayed in receiving the termination letter and ended up delayed in receiving the pension money from SOCSO.</p> <p><b>Management Responses:</b>  The management informed that they were following MAPA/AMESU Agreement, 2014 procedure where it is compulsory for the unfit employee to re-examine by Sime Darby VMO before the person to be boarded out. The management agreed to prioritize and speed up the process if there is any cases.</p> <p><b>Audit Team Findings:</b>  No further verification needed.</p>
<p>4</p>	<p><b>Issues:</b>  Gender Committee Member: She informed that there was no case of sexual harassment or violence reported so far. She also has good understanding on how to lodge complaint if there is any case.</p> <p><b>Management Responses:</b>  The management will continue to monitor and ensure that no cases of sexual harassment happened.</p> <p><b>Audit Team Findings:</b>  Document reviewed on the meeting minutes and interviewed with the female workers concluded that no issue on sexual harassment happened in the mill.</p>
<p>5</p>	<p><b>Issues:</b>  Crèche Attendant: She was satisfied with the management on the pay and condition as well as the welfare that provided by the management.</p> <p><b>Management Responses:</b>  The management will continue to take care their welfare and pay and conditions.</p> <p><b>Audit Team Findings:</b>  Document reviewed confirmed that the pay was achieved minimum wage. No other issues need to verify.</p>
<p>6</p>	<p><b>Issues:</b>  Teacher from SJK (T) Ladang Teluk Buloh: The management has maintained good relationship with the school. However, the school is requested the management to repair and maintain the access road to the school.</p> <p><b>Management Responses:</b>  The management informed that budget to tar the road is on hold. Temporary was patched using stone.</p> <p><b>Audit Team Findings:</b>  No further verification needed.</p>
<p>7</p>	<p><b>Issues:</b>  Contractors: They were understood their terms stated in the agreement and satisfied with the prompt payment made.</p> <p><b>Management Responses:</b></p>



	<p>The management will continue the practice of made payment on time according to the contract agreement.</p> <p><b>Audit Team Findings:</b>  Verified through the invoices and contract agreement found that no issue that needs further verification.</p>
8	<p><b>Issues:</b>  Teacher from SJK (T) Ladang Flemington: The management has good relationship with the school management. They were given contributions from the estate management such as sport day and etc.</p> <p><b>Management Responses:</b>  The management will maintain the good relationship and continue to give contribution whenever necessary.</p> <p><b>Audit Team Findings:</b>  No further verification needed.</p>
9	<p><b>Issues:</b>  Officer from Jabatan Pendaftaran Negara: The officer explained that the management has maintain good relationship with JPN. He has one issue related to the students who stayed inside estate. He requested the management to provide transport for the students to school instead of they were walking to the school.</p> <p><b>Management Responses:</b>  The management has provided transport of bus for school children by subsidized RM 22.20 per student. Total 11 students were provided the transportation to school.</p> <p><b>Audit Team Findings:</b>  Document reviewed of the records shown that the management has provided transport for the students and subsidized a certain amount of fees to the student. No further issue that needs verification.</p>
10	<p><b>Issues:</b>  Police, Bagan Datoh: They have a good relationship with the management and no any security issue is reported. However, the officer was requested the management to inform the workers who drive motorcycle to the town should wear helmet due to safety issue.</p> <p><b>Management Responses:</b>  The management has informed the workers on the personal safety whenever ride on vehicles to the town.</p> <p><b>Audit Team Findings:</b>  No further verification needed.</p>
11	<p><b>Issues:</b>  Village Head from Kampung Bagan Datoh: No land disputes and security issues from the estate. However, the village head requested that the management to give the land to them.</p> <p><b>Management Responses:</b>  The management has consulted with head office and they offered to sell the land to the villager with market price. However, no response from the villager after that.</p> <p><b>Audit Team Findings:</b>  No further verification needed.</p>
12	<p><b>Issues:</b>  Land Department, Teluk Intan, Perak – No issue regarding legal ownership and land tenure at Sime Darby Plantations estates.</p> <p><b>Management Responses:</b>  The management acknowledged the issue.</p> <p><b>Audit Team Findings:</b>  Good positive comments.</p>
13	<p><b>Issues:</b>  Department of Environment, Teluk Intan Branch, Perak – No summons and non-compliance issued against environmental regulations by Flemington Mill</p>

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	<p><b>Management Responses:</b> The management acknowledged the issue.</p> <p><b>Audit Team Findings:</b> Good positive comments.</p>
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**3.3.1 Status of Nonconformities Previously Identified and Observations**

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1213779N1	<p><b>Requirements:</b> 6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p>	
	<p><b>Evidence of Nonconformity:</b> Flemington Mill: Minutes of meeting with workers union (NUPW) was not cited during the audit.</p>	
	<p><b>Statement of Nonconformity:</b> Minutes of meetings with main trade unions or workers representatives was not documented.</p>	
	<p><b>Corrective Action:</b> There was a meeting conducted between the management and union representatives on 8/8/2016 by 8 participants. Meeting minutes was sighted and no major issues were raised during the meeting. The management has implemented the corrective action plan effectively. Therefore, this minor non-conformity is closed.</p>	
	<p><b>Status:</b> The minor NC was closed out on 15/8/16.</p>	

Observation	
OBS #	Description
	Nil

**3.3.2 Summary of the Nonconformities and Status**



CAR Ref.	CLASS	ISSUED	STATUS
05/2009 5.6.2	Minor	15/09/2011	Closed 5/10/2012
06/2009 6.3.2	Minor	15/09/2011	Closed 5/10/2012
A790500/1: 2.1.1	Major	5/10/2012	Closed 3/12/2012
A790500/2: 4.7.1	Major	5/10/2012	Closed 3/12/2012
A790500/3: 4.7.3	Major	5/10/2012	Closed 3/12/2012
A790500/4: 5.1.2	Minor	5/10/2012	Closed on 5/7/2013

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A790500/5: 5.3.2	Minor	5/10/2012	Closed on 2/7/2013
A790500/6: 5.5.3	Minor	5/10/2012	Closed on 2/7/2013
A790500/7: 6.5.3	Minor	5/10/2012	Closed on 2/7/2013
944268N0: 2.1.3	Minor	5/07/2013	Closed on 19/82014
1091069M1:2.1.1	Major	22/8/2014	Closed on 22/9/2014
1091069N1:5.3.2	Minor	22/8/2014	Closed on 28/7/2015
1213779N1: 6.6.2	Minor	30/07/2015	Closed out on 15/8/16
1365885M1 – SCCS D4.2	Major	18/8/16	Closed out on 16/9/16
1365885M2 - 7.3.2	Major	18/8/16	Closed out on 12/10/16
1365885M3 – 2.1.1	Major	18/8/16	Closed out on 12/10/16
1365885M4 – 6.5.2	Major	18/8/16	Closed out on 12/10/16
1365885N1 – 4.7.6	Minor	18/8/16	“open”

**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment Flemington 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 **Flemington Palm Oil Mill Certification Unit** is approved and continued.

<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr Subramanian Govindasamy	<b>Name:</b> Mr Mohamed Hidhir Zainal Abidin
<b>Company name:</b> Sime Darby Plantation Sdn Bhd Flemington Palm Oil Mill	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b> Mill Manager	<b>Title:</b> Lead Auditor
<b>Signature:</b>  SIME DARBY PLANTATION SDN. BHD FLEMINGTON PALM OIL MILL Subramanian A/L Govindasamy Mill Manager	<b>Signature:</b> 
<b>Date:</b> 21/11/2016	<b>Date:</b> 21/11/16

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b>			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOSH, DOE visiting log book as well as other relevant stakeholders were attended accordingly.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	<p>Sampled of communication from stakeholders as below:</p> <ul style="list-style-type: none"> <li>a) Reference No. PCOH/2015/20 – Requested to access part of estate road for the programme of Perak Colour of Homestay 2015. Letter dated 27/11/2015 is sighted and the management has approved for the access.</li> <li>b) Requested the management to provide water tank and gate open for the temple festival from the worker dated 2/10/2015. The management has approved on 2/10/2015.</li> <li>c) SJK (T) Ladang Flemington – Requested assistance from estate to repair and upgrade the toilet flow system on 16/2/2016. The management has taken action to arrange backhoe to desilt the drainage on 18/2/2016.</li> </ul> <p>4 NOP received from DOSH related to FMA issue, under regulation 27 dated 23/11/15            NOP JKJ 26, serial# 062704, 062703, 062702, 062701.            Issues:</p> <ul style="list-style-type: none"> <li>- Liner buldging, NOP closed on 23/7/16 (062704)</li> <li>- Fencing guarding at rotating machine Polishing Plant (062703), NOP closed on 22/12/15</li> <li>- Faulty pressure gauge (062702), NOP closed 22/12/15</li> <li>- No proper shelter (062701), NOP closed 22/12/15</li> </ul>	Complied
<b>Criterion 1.2:</b>			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

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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"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <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. 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 and <a href="http://www.simedarbyplantation.com/Sustainability.aspx">http://www.simedarbyplantation.com/Sustainability.aspx</a></p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> <li>• Good Agricultural Practices</li> <li>• Social Enhancement</li> <li>• Sustainability Management Programmes</li> <li>• Complaint and Grievances procedure.</li> <li>• Environmental Conservation</li> </ul> <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"> <li>1) Social</li> <li>2) Quality</li> <li>3) Food Safety</li> <li>4) Occupational Safety &amp; Health</li> <li>5) Environment &amp; Biodiversity</li> <li>6) Slope Protection and Buffer Zone</li> <li>7) Lean Six Sigma</li> <li>8) Gender</li> </ol> <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><b>Criteria 1.3:</b>            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. Policy displayed on the notice board. Palm Oil Mill and Estate has conducted briefing to the workers on 29/7/2015 and 25/7/2016 respectively. Attendant list is documented.</p>	<p>Complied</p>
<p><b>Principle 2: Compliance with applicable laws and regulations</b></p>		
<p><b>Criterion 2.1:</b>            There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.                      - Major compliance -</p>	<p>SOU 4 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 4 had obtained and renewed license and permits as required by the law. Sample of licenses and permit viewed were :</p> <p><u>Flemington Palm Oil Mill:</u></p> <ul style="list-style-type: none"> <li>• MPOB: 529874004000, processing capacity 288,000 Mt, validity period 1/certified/2016 - 31/5/17</li> <li>• DOE Licence/ Jadwal Pematuhan: 004234 (validity period 1/7/2016 - 30/6/2017) for 60 MT/hr and method of POME discharge is 70% water course (BOD below 100mg/l) and 30% composting</li> <li>• Water Tube Steam Boiler Certificate of Fitness (CF): PMD 8703; valid until 1/2/2017</li> <li>• Unfired Pressure Vessel (UPV): PMT 1147316 for sterilizer valid until 29/5/2017</li> <li>• Energy Commission license for electricity generation and operation serial no.: 00135866 validity period 30/10/2015 - 29/10/2016 for the installation of less than 3400kilowatt</li> <li>• Boiler Steam Engineer Grade 1 authorization no.: 087/2009 serial no.: 6510 dated 22/5/2009</li> <li>• Electrical Charge man license – A4 authorization no. PJ-T-4-H-0177-2005 valid until 28/10/2016</li> <li>• Confined space competence person license – AESP &amp; AGT serial no.: NW-HQ-AE-R-0115-O validity period until 31/10/2018</li> <li>• Certified Environmental Professional In Scheduled Waste Management (CePSWAM) serial no.: CePSWAM/16177 valid until 1/6/2017</li> </ul> <p><u>Bagan Datoh Estate:</u></p> <ul style="list-style-type: none"> <li>• MPOB: 525521002000, validity period from 1/1/2016 until 31/12/2016</li> <li>• CF for air compressor – PK PMT 3646, last inspection was done on 12/5/2016, valid until 11/8/2017</li> <li>• Diesel genset installation permit serial # 136664 for installation # ST(PIP)647766V/BGDT/0001-P validity period from 15/9/2015 until 14/9/2016</li> <li>• Diesel storage permit ref. # TI/SK/015(02) serial # A021518 for storage capacity of 13,000liters, valid until 9/7/2016</li> </ul> <p>Thus, Major NC was issued.</p> <p><u>Flemington Estate:</u></p> <ul style="list-style-type: none"> <li>• CF for air compressor –PMT103618, last inspection was done on 2/11/2015 valid until 1/2/2017</li> <li>• Diesel &amp; petrol permit ref. no.: TK/SK/028(02) serial no.: A021575, validity period from 30/8/2015 until 29/8/2016</li> </ul> <p>MPOB 525193002000 – validity period from 1/12/2015 until 30/11/2016.</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 -	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.	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU4. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. 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.	Complied
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	The Estates and Mill are on freehold land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes.  <u>Bagan Datoh Estate</u> 34 land title (melentang div), land use type: agriculture, freehold under Sime Darby Plantation Sdn Bhd. Sample land title : i) Grant# 46870, lot# 1012 for 131.0674 Ha under Mukim Bagan Datoh ii) Grant# 47095, lot# 175 for 268.2733 Ha under Mukim Bagan Datoh	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit at P15D at Bagan Datoh Estate it was noted that legal boundaries are clearly demarcated and visibly maintained at the area adjacent to "Kampong Bagan Datoh" and throughout the estate.	Complied



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Criterion / Indicator	Assessment Findings	Compliance	
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 SOU4 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 SOU4 at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the SOU4 at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	There is no land dispute in the SOU4 at the time of audit. The land belongs to Sime Darby and land ownership documents verified. Interviewed with the stakeholders confirmed that no land dispute reported.	Complied



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2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities’ decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company’s title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Complied
<b>Principle 3: Commitment to long-term economic and financial viability</b>		
<b>Criterion 3.1:</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Complied

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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 -	<u>Bagan datoh Estate</u> 5 years replanting programme 15/16: completed (326.57 ha) 16/17: 1994M (94.59 ha), 1994M1(93.66 ha), 1994M2 (94.35 ha), 1994M3 ( 92.98 ha) Total : 375.58 Ha	Complied
<b>Principle 4: Use of appropriate best practices by growers and millers</b>			
<b>Criterion 4.1:</b> Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. SOP for the Composting Plant dated 15/8/2011: Composting Management System version 1:2011.  Estates have a separate Sime Darby SOP issued 2/1/2008 and Sime Darby Agricultural Reference Manual, issue no. 1; version: 3; dated: 1/7/2011 covers land preparation, planting material, upkeep, harvesting, transport etc.  Sighted that there was a new revision for the SPMS for Appendix 7: Standard Operating Procedure SOP) for Water Quality Monitoring to address current issues of the standardization of Water and Wastewater Sampling issued on 1/6/2016.	Complied
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

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4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Records of monitoring by 2 <sup>nd</sup> party and 3 <sup>rd</sup> party assessor were verified as follows:  GCAD, ref# PL_1516_M127_SOU4PS_ARI. Refer to report dated 25/4/16.  Internal audit: 13/5/16, 1 major (EMP), 1 minor (SW management), 9 OFI; pending for closure.  MA visit : SOU4/FLM/02/15-16, date of visit: 20-22/1/16  PQR: 75%, safety : 84%  <u>Bagan Datoh Estate</u> PA report, SOU4/BDE/01, date of visit 11-14/1/16  Immature :85.96%, Mature: 87.74%, Manuring: 96.88%  <u>Flemington Estate</u> PA report, SOU4/FE/01, date of visit 27-29/1/16  Immature :75.41%, Mature: 74.45%, Manuring: 91.45%	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Flemington mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received. No third party crop @ OCP received at Flemington mill.	Complied
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield.	Complied
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. For example at Bagan Datoh estate fertilizer application follows the Agronomist recommendation from the R&D department.  Recommendation for FY2015/2016:  Mature : AC (25% N) & MOP (62% K2O) Feb - Apr 2016  April 2016 actual application at field 95B1  AC- 81.74 Ha, MOP- 13.61 Ha for total 19.054 mt.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<u><b>Bagan Datoh Estate</b></u> Soil sampling analysis: Last sampling was done on 17/3/2011. Refer to soil analysis test report# S45/2011 dated 23/3/11. Frequency of analysis – 5 years  Latest leaf sampling was done on 15/7/15. Refer to leaf sampling report#P325/2015 dated 28/7/15.	Complied

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4.2.4	<p>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.</p> <p>- Minor compliance -</p>	<p>EFB application at Bagan Datoh Estate (Melintang Division) as per the recommendation of 40 ton/ha. Total EFB applied:</p> <p>Melintang Div: 1,568 ton, 39.24 ha completed, field 99M1 ( 80 ha)</p>	Complied
<p><b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.</p>			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Soil series map available. Refer to soil map prepared by R&amp;D TTAS Precision Agriculture Unit (MZMZ) dated 27/2/12</p> <p>Bagan Datoh Div: Majority (Selangor: 65.24%)</p> <p>Melintang Div: Majority (Jawa: 36.79%)</p>	Complied
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>Most of the area in SOU 4 area flat and low lying area.</p> <p>Melintang Div: Slope 0-2° : 99.72%, 2-6o : 0.28%</p> <p>Bagan Datoh Div: Slope 0-2° : 99.97%, 2-6o : 0.03%</p> <p>The directive for planting terraces in accordance with SDPSB policy where slope &gt;10° need to establish with cover crops such as muccuna and soft grasses and ferns.</p>	Complied
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Estates has implemented annual road maintenance programme. Example of programme checked at Bagan Datoh and Flemington 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.</p>	Complied
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Minor compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.</p>	Complied
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance -</p>	<p>There is no peat soil at Bagan Datoh and Flemington Estate</p>	Complied
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance -</p>	<p>There are no soils categorized as problematic or fragile soil at all estates.</p>	Complied
<p><b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.</p>			

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<p>4.4.1</p> <p>An implemented water management plan shall be in place.                      - Minor compliance -</p>	<p>Action plan for reduction of water usage – rainwater harvesting.                      Mill: Water Usage Plan for Financial year 2016/2017 as of 4/7/2016:</p> <table border="1" data-bbox="660 506 1300 770"> <tr> <td data-bbox="660 506 874 591">Process Operation- Boiler &amp; Cleaning</td> <td data-bbox="874 506 1088 591">Rainwater &amp; river</td> <td data-bbox="1088 506 1300 591">116,145m<sup>3</sup></td> </tr> <tr> <td data-bbox="660 591 874 712">Office Use- Washrooms, Drinking, Laboratory</td> <td data-bbox="874 591 1088 712">Lembaga Air Perak (LAP)</td> <td data-bbox="1088 591 1300 712">25,806m<sup>3</sup></td> </tr> <tr> <td data-bbox="660 712 874 770">Domestic use- linesite</td> <td data-bbox="874 712 1088 770">Lembaga Air Perak</td> <td data-bbox="1088 712 1300 770">16,224m<sup>3</sup></td> </tr> </table> <p>Bagan Datoh and Flemington estates implemented the following water management plan:</p> <ul style="list-style-type: none"> <li>• Water shortage/dry spell action plan – collection of rainwater at workshop and store for washing &amp; recycling of water from containment sum used at chemical mixing</li> <li>• Reduction of water usage action plan – water conservation awareness campaign among all employee and availability of mobile water tank</li> <li>• Monitoring of all water meters</li> <li>• Reduce water used for floor cleaning</li> <li>• Chemical premix plant water recycle</li> <li>• Domestic water usage control</li> </ul> <p>Bagan Datoh Estate rainfall for period of Jan – Dec 2015 recorded at a total of 2,264mm for 112 days in Main Division and 2624mm for 106 days in Melintang Division.</p> <p>Flemington Estate rainfall for period of Jan – Dec 2015 recorded at a total of 1,899mm for 129 days in Main Division. Current rainfall for period of Jan – Jul 2016 recorded at 1,058mm.</p>	Process Operation- Boiler & Cleaning	Rainwater & river	116,145m <sup>3</sup>	Office Use- Washrooms, Drinking, Laboratory	Lembaga Air Perak (LAP)	25,806m <sup>3</sup>	Domestic use- linesite	Lembaga Air Perak	16,224m <sup>3</sup>	<p>Complied</p>
Process Operation- Boiler & Cleaning	Rainwater & river	116,145m <sup>3</sup>									
Office Use- Washrooms, Drinking, Laboratory	Lembaga Air Perak (LAP)	25,806m <sup>3</sup>									
Domestic use- linesite	Lembaga Air Perak	16,224m <sup>3</sup>									

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<p>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 -</p>	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1" data-bbox="660 506 1294 689"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>&gt; 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>&lt; 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Bagan Datoh Estate implemented the monitoring of discharged water from drain flowing towards Sungai Perak sampling point, sampled report # IE742/2016 and # IE743/2016 both dated 16/8/2016 for discharge water sample taken on 26/7/2016. Parameters analysed including pH, BOD, COD, SS, AN, P, TDS, Turbidity and Chloride contents. Analysis was done by Sime Darby Research Sdn. Bhd. Lab Services Laboratories R&amp;D Centre Carey Island-Downstream.</p> <p>Flemington Estate implemented the monitoring of discharged water from drain flowing towards Sungai Perak sampling point, sampled report # IE607/2016 dated 29/6/2016 for discharge water sample taken on 16/6/2016. Parameters analysed including pH, BOD, COD, SS, AN, P, TDS, Turbidity and Chloride contents. Analysis was done by Sime Darby Research Sdn. Bhd. Lab Services Laboratories R&amp;D Centre Carey Island-Downstream.</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	<p>Complied</p>
River width	Buffer zone													
> 40 meters	50 meters													
20 to 40 meters	40 meters													
10 to 20 meters	20 meters													
5 to 10 meters	10 meters													
< 5 meters	5 meters													
<p>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 -</p>	<p>Anaerobic POME treatment with polishing plant. Limit DOE Licence/ Jadual Pematuhan: JPKKS 004234 (validity period 1/7/2016 - 30/6/2017) for 60 MT/hr and method of POME discharge is 70% water course and 30% composting. Limit for BOD is 100mg/l.</p> <p>Effluent monitoring records: Monthly Effluent Analysis Test Report; Test Report no. EP384/2016 dated 13/7/2016 for sample taken on 16/6/2016 by Sime Darby Research Sdn. Bhd.; parameter monitored:- pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&amp;G. analysis results shown all parameters were in compliance with license requirements. Other sampled records of BOD Analysis for the month of May, April and March 2016 shown that the mill effluents were relatively high in BOD and SS results. This was due to desludging activity completed on June 2016.</p>	<p>Complied</p>												
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.                      - Minor compliance -</p>	<p>Total Water usage for period of July 2015 until June 2016: 0.81m3/mt FFB processed.</p>	<p>Complied</p>												
<p><b>Criterion 4.5:</b>                      Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>														

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4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	SOU 4 continued to implement IPM and as documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. IPM plan as advocated in Section 15, part 4 of ARM, ratio of 6:2:2 (cassia: antigonan: tunera). Biological and chemical control (rat damage) is still implemente using warfarin and BOB. At Bagan Datoh Estate, BOB occupancy for July 2016, 93% recorded at field 94M and 95B1	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Latest IPM training: P&D Roll Out Training – 28-30/9/15 SOU4 (perak Zone Training) – EM, EA, field staff.	Complied
<b>Criterion 4.6:</b>			
Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are:  Immature planting (sample) <ul style="list-style-type: none"> <li>- General weeds : Glyphosate</li> <li>- Legume &amp; broad leave : Metsulfuron Methyl</li> <li>- Stenochlaena palustris : Sodium chlorate</li> </ul> Mature planting <ul style="list-style-type: none"> <li>- VOPs : glyphosate &amp; sodium chlorate</li> </ul> The selection is also evaluated by the agronomist during his visit to the estate.	Complied
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.	Complied
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied



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4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. Based on the latest chemical register only class III & IV chemical used at visited estates. Class IA chemical for bagworm treatment has been replaced by class III chemical named Acephate. Refer to PK/ACEP(GL)16/024 dated 28/7/16 for total of 260 kg a Bagan Datoh Estate.	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipments and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.	Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at SOU4	Complied
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders at SOU4. Employees demonstrate knowledge and skills on pesticide handling. MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster for the easy understanding of the agrochemical handlers.	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Disposal method of all identified waste was already included in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within mill and estates.	Complied



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4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Medical surveillance carried out once a year for all chemical handlers. Results of medical surveillance as follows: <u>Bagan Datoh Estate</u> Carried out at Klinik and Surgeri Lee, OHD HQ/12/DOC/00/279 dated 21/6/16. All 6 sprayer and mandore has no detrimental of health. <u>Flemington estate</u> Carried out at Sabak Dispensary, OHD, HQ/08/DOC/00/131, sprayer, mandore and workshop on 3/8/16. All found to be fit to work.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female pesticide operators. However, interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding.	Complied
<b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.                      - Major compliance -</p>	<p>SOU2 has maintained an approved Health and Safety Management Policy dated Jan 2015 signed by the Managing Director that is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office. Environment safety and health (ESH) management plan for each operating unit had been established. The latest ESH plan objective FY2016/2017 was made available during this assessment. The plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training programme, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc.                      Sample of OSH programme carried out for 2016:                      OSH plan – compliance monitoring and training</p> <p>i) Medical surveillance: Last medical surveillance was conducted on 11/8/15 under Klinik K.S Tan, HQ/08/DOC/00/660. Based on USECHH 3 &amp; 4, no detrimental of health observed. For this year, medical surveillance has yet to be carried out in September 2016. Verified PO#4300341209 issued to Sabak Dispensary dated 17/8/16. Full report will be further verified in the next assessment</p> <p>ii) Personal Chemical Exposure Monitoring, PCEM by registered assessor, JKPP HIE 127/171-3/1(20) carrrid out on 6/4/16. Results of exposure is less than permissible exposure limit of N-Hexane (PEL is 176 mg/m3), Manganese (0.2 mg/m3)</p> <p>iii) LEV monitoring (monthly and annual)                      Internal monitoring, 23/7/16 by internal technician.                      Annual inspection by IHT, JKPP HIE 127/171-3/2(23) was last carried out on 6/8/15. Latest LEV monitoring has been scheduled on September 2015. Verified PO#4300431199 issued to Procoma Environmental (M) Sdn Bhd dated 17/8/16. Full report will be further verified in the next audit.</p> <p>iv) Audiometric report dated 30/11/15 (98 workers sent for testing, 72 normal and HI case recorded). Retest was done 22/2/16. 30 workers was sent for retest and found (1 mild impairment and 1 moderate severe impairment).</p>	<p>Complied</p>

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<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.                      - Major compliance -</p>	<p>SOU 4 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment.</p> <p><u>Flemington Mill</u>                      Noted revision of HIRARC, after accident occurrence in 2015.</p> <p>i) KRP – 10/8/15 (stuck by machine part)                      ii) Workshop – 16/3/15 (stuck by broken tools)                      iii) Press – 25/2/15 (Splashes of hot water steam)</p> <p>HIRARC – 3 accident in 2015 (total LTA 47)</p> <p>CHRA, newly revisited JKPP HIE 127/171-2(124) dated 26/5 and 2/7/15.</p> <p><u>Bagan Datoh Estate</u>                      Revisited CHRA, dated 25/5/15 &amp; 3/7/15 by JKPP HIE 127/171-2(124)</p>	<p>Complied</p>
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.                      - Minor compliance -</p>	<p>Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor’s recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <p>i) Sterilizer and boiler/power operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff                      ii) Lab operator – Respirator (double cartridge) Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB)                      iii) Field workers (sprayer, manurer &amp; harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover.</p>	<p>Complied</p>

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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Assistant manager at each of the operating units are appointed as OSH Coordinators and Estate Hospital Assistant as Safety and Health Committee Secretary. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken from workplace inspection report etc. The last meeting was conducted on the 29/6/16 at Flemington Palm Oil Mill. All appointed OSH members has attended the meeting with discussion on the accident review, safety improvement plan, issues from workers has been discussed and action to be taken. There was no major issue.</p> <p>Records of OSH meetings:</p> <p><u>Flemington POM</u></p> <p>#2: 29/6/16, #1: 29/3/16</p> <p><u>Bagan Datoh Estate</u></p> <p>#2: 21/6/16, #1: 21/3/16</p>	<p>Complied</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Emergency Response Plan (ERP) has been established and defined in procedure, Level 2, Standard Operation Manual, Sub Section 5.5, Management Responsibility, Appendix 5.5.3.3 Emergency Preparedness and Response Procedure, version:1, issue :1 dated 1/11/2008. Emergency response activities were also included in the ESH plan FY 16/17. The following were Emergency Response Plan were addressed: Fire Outbreak, Accident and incident occurrence, Oil Spillage and etc. Latest fire evacuation drill was done on 6/4/16.</p> <p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 &amp; 8 forms. The previous nonconformity remains closed and the action plans implemented.</p>	<p>Complied</p>

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4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. Sample insurance policies verified:</p> <p>Passport# 09063726 (FW177935, valid until 29/11/16) RHB Insurance Berhad</p> <p>Passport# AT198918 (FW191558, valid until 7/11/16 under RHB Insurance Berhad.</p> <p>Passport# AT651761 (FW188291, valid until 13/7/17 under RHB Insurance Berhad)</p> <p><u>Bagan Datoh Estate</u></p> <p>Checked insurance policy, FW187678, 16/5/16-17/5/17 for 51 workers. Noted one of the workers which involved in accident, passport# AC4308878 was not covered by insurance. Thus, minor NC was issued.</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 displayed at the operating units through Safety Statistic Billboard and reported to PSQM-ESH department using new online system called SMS-IT. Sample of accident statistic as shown below :</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Flemington Mill</th> <th>Bagan Datoh Estate</th> <th>Flemington Estate</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>3 (47 LTA)</td> <td>5 (213 LTA)</td> <td>1 (14 LTA)</td> </tr> <tr> <td>2016 (todate)</td> <td>nil</td> <td>2 (23 LTA)</td> <td>3 (246 LTA )</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p>	Year	Flemington Mill	Bagan Datoh Estate	Flemington Estate	2015	3 (47 LTA)	5 (213 LTA)	1 (14 LTA)	2016 (todate)	nil	2 (23 LTA)	3 (246 LTA )	Complied
Year	Flemington Mill	Bagan Datoh Estate	Flemington Estate												
2015	3 (47 LTA)	5 (213 LTA)	1 (14 LTA)												
2016 (todate)	nil	2 (23 LTA)	3 (246 LTA )												
<b>Criterion 4.8:</b>															
All staff, workers, smallholders and contract workers are appropriately trained.															
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	<p>Based on the established Estate Quality Management System Standard Operating Manual (Appendix 6.2.2, Version 1:2008). A formal training programme on all aspects of RSPO principle and Criteria has been established and implemented. The training program for FY16/17 includes:</p> <ul style="list-style-type: none"> <li>• SOP training for Sterilizer &amp; Laboratory Operator</li> <li>• Safety Training covering all type of work</li> <li>• Vehicle and Tractor Driver Trainin</li> <li>• Fire Drill and Emergency / Response Team</li> <li>• Training</li> <li>• Accident Investigation Training by OSH Team</li> </ul> <p>First Aid Training</p>	Complied												

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4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	Training records sighted <ul style="list-style-type: none"> <li>• Course for Certified Environmental Professional in Scheduled Waste Management (CePSWAM) dated 25-29 April 2016 - mill</li> <li>• Course for Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent – Pond Processes (CePPOME) dated 22 – 26 Feb 2016 - mill</li> <li>• ESH Refresher training for ESHMR, QA and HA/MA dated 14/4/2016</li> <li>• Work Ethics Code training for Safety Committee dated 10/8/2016</li> <li>• Scheduled Waste Management training for store, workshop and lab staff dated on 10/8/2016</li> <li>• New workers induction – latest conducted for foreign workers dated 2/8/2016</li> <li>• Mill operation SOP Refresher Training for all process station Shift A &amp; Shift B workers training dated on 23/6/2016</li> <li>• Fire drill and demonstration by Bomba for Bagan Datoh staff and workers dated on 11/8/2016</li> <li>• SDP Safety and Health Townhall 3.5 for Bagan Datoh Estate dated on 15/7/2015</li> <li>• Pump maintenance training for Bagan Datoh spraying gang on 27/6/2016 by spraying apparatus supplier</li> <li>• Loose fruit collection training for new workers dated on 12/5/2016</li> </ul> Harvesting competency training program for harvesting gang dated on 28/4/2016	Complied
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>		
<b>Criterion 5.1:</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -	Plans and impact assessments relating to environmental impacts based on Sime Darby Mill Quality Management System Standard Operation Manual (SOM) as following: <ul style="list-style-type: none"> <li>• Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009</li> <li>• Appendix 5.4.1c - Environmental Aspect and Impact Identification form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009</li> </ul> Appendix 5.4.1d – Environmental Impacts Evaluation form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009	Complied

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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 -	Flemington Mill: Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 4/7/2016.  Bagan Datoh Estate: Environment Aspect and Impact Identification review meeting on 5/2/2016. No changes identified.  Flemington Estate: Environment Aspect and Impact Identification review meeting on 1/7/2016. No changes identified  For Bagan Datoh and Flemington Estate – Environment Aspect and Impact Identification for various activities- construction work, compound, dispensary, field, harvesting and collection, main entrance, pest and disease control, petrol and diesel, power station, replanting, road, schedule waste store, workshop. It was observed that the reviewing and updating on the registers were done annually if there’s no any new activity within respective sites.	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 -	Based on Sustainable Plantation Management System (SPMS) version 1, year 2008, issue no. 1, dated 1 October 2008, monitoring plan was established as per SPMS Appendix 10 Procedure for Mill Environmental Performance version 1, year 2008, issue no. 1, dated 1 October 2008. Monitoring involved Mill Environmental Performance Review (Form A) and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.	Complied
<b>Criterion 5.2:</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.		
5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	As reported during last assessment, the initial HCV assessment was conducted internally to identify possible presence of HCVs within and adjacent to the estates prior to the initial assessment in 2009. Biodiversity Baseline Assessment Report for SOU 4 (South Perak Zone inclusive of Flemington Estate, Sungei Wangi Estate, Bagan Datoh Estate, Sabak Bernam Estate and Flemington Palm Oil Mill. Report was prepared by PS-RSPO Unit, TQEM Department; Sime Darby Plantation dated February 2009. Based on report, it was found no high conservation area (HCV) except for conservation area only which were however categorised under HCV 4 (River bund buffer zone – 3.5km) and HCV 6 (Worship place – 1.5acre & graveyard – 1.0ha).	Complied

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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: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> - 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
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		



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<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.                      - Major compliance -</p>	<p>Waste sources have been identified accordingly by both the mill and estates.</p> <p>Visits made to Flemington Mill together with Bagan Datoh and Flemington estates showed that all waste products and sources of pollution were identified and documented. The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill. The aspect identifications were tabulated in SB/5.2/EAI and impacts evaluations were tabulated in SB/5.2/EIE</p> <p>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 used batteries (SW 102).</p> <p>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>Complied</p>
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly.                      - Major compliance -</p>	<p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>For estates, the empty pesticides container were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container.</p> <p>Stores for scheduled waste were inspected at audited sites in mill and estates and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	<p>Complied</p>

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<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.                      - Minor compliance -</p>	<p>Waste management action plan including identification of waste type, management of domestic waste, scheduled waste and clinical waste. Scheduled waste was disposed properly through DOE registered contractor for sampled disposal records as following:</p> <p>Mill:</p> <ul style="list-style-type: none"> <li>• Latest Scheduled Waste disposal done on 27/6/2016, consignment # 0093330 (SW 418), # 0093328 (SW 409), # 0093332 (SW 410), # 0093329 (SW 109), # 0093327 (SW 305) &amp; # 0093331 (SW 306) by Kualiti Alam</li> </ul> <p>Bagan Datoh Estate:</p> <ul style="list-style-type: none"> <li>• Latest scheduled waste disposal was done on 17/5/2016 by Aliran Segar Sdn. Bhd for SW 305 (Consignment # 83467) and by Kualiti Alam for SW 410 (Consignment # 0085490), SW 102 (Consignment # 0085491) and SW 410 (Consignment # 0085492). Clinical Waste (SW 404) was disposed through Occupational Health Doctor’s Clinic (Klinik &amp; Surgeri Lee) in Teluk Intan. Latest disposal was done on 29/4/2016</li> </ul> <p>Flemington Estate:</p> <ul style="list-style-type: none"> <li>• Latest Clinical Waste (SW 404) collection was done on 31/7/2016 by Sabak Dipensary in Sabak Bernam. The disposal was done by Kualiti Alam in its facilities in Bukit Pelanduk, Negeri Sembilan</li> </ul> <p>Latest scheduled waste was disposed on 28/6/2016 by Tex Cycle Sdn. Bhd. for SW 409 and SW 410 (consignment # 116276). SW 305 and SW 306 (consignment # 83468) was disposed on 17/5/2016 by Aliran Segar Sdn. Bhd.</p>	<p>Complied</p>
<p><b>Criterion 5.4:</b>                      Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>5.4.1</p> <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.                      - Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Apart from use of diesel for electricity, palm fibre 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 fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available.</p> <p>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.</p>	<p>Complied</p>

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<b>Criterion 5.5:</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
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 -	Based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc.  Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in Bagan Datoh and Flemington estates field showed no evidence of open burning.	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 -	The operating units have adhered to the zero burning policy for replanting at the estates. During the audit, there were no replanting activities carried out in the Bagan Datoh and Flemington estates. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.	Complied
<b>Criterion 5.6:</b> 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. Sampled monitoring report done on 26/1/2016 by Environmental Science (M) Sdn. Bhd. (Report ref. # L-PG-AQ1601CSD-0427; dated 3/2/2016) for boiler stack no. 1. Result shown the stack emissions are within limit at 0.3193 g/Nm <sup>3</sup> . Latest monitoring was done on July 2016	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH <sub>4</sub> ) emission through POME treatment. The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond. Project arrangement handled by HQ and the project expected to complete the construction of the biogas plant by 2016.  Other less significant GHG emissions identified including CO <sub>x</sub> , SO <sub>x</sub> and NO <sub>x</sub> from various sources including fossil fuel, chemical and fertilizer consumptions.	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 -	Monitoring of the GHG quantity was done through its licensed PalmGHG calculator where annual quantification of all GHG sources was input into the calculator. Default values of emissions factor for Calculation of the GHG emissions were derived from publicly available sources including NPK spreadsheet by RSPO. The calculations for Flemington SOU were done and reported to RSPO ERWG for first time on 12/7/2016. The GHG calculations were done separately between the mill and estates.	Complied

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<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b>			
<b>Criterion 6.1:</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA has been conducted by PSQM Department on 27/6-1/7/2016 for SOU 4 operating units with the participation of relevant stakeholders such as local communities, internal workers, government bodies and etc. Attendance list is sighted and documented. The report was received on 15/8/2016 from PSQM Department.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The SIA conducted has involved relevant stakeholders in the process. Attendance list is sighted and there were some comments/ issues raised by the stakeholder as below: <ul style="list-style-type: none"> <li>a) Housing condition/ Living improvement               <ul style="list-style-type: none"> <li>- To level the uneven cemented pave on the road from main road towards mill compound (unsafe condition which could lead to accident)</li> <li>- To request regular grass cutting and fogging at school compound by SJK (T) Ladang Strathmashie.</li> </ul> </li> </ul> Invitation letters to stakeholders for the purpose to discuss SIA for RSPO Certification were sighted.	Complied

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<p>6.1.3</p> <p>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.</p> <p>- Major compliance -</p>	<p>The management has implemented an action plan for social assessment. The plan has included issues and mitigating action with time frame and person to be responsible. The plan mainly focus on internal issues such as linesite inspection, safety on the road and etc. Sampled suggestions/ comments sighted as below:</p> <p>a) There is a request for management to organize annual society activity such as family day, sports day and etc to create more balanced work-life condition.            Action plan: Management to conduct social activities based on budget approved by higher management.            Status: To organize social activity with government agency.            Completion Date: December 2016</p> <p>b) Mill workers requested to control the movement of visitors in housing complex due to safety concerns on belongings as there were number of theft cases reported. There was no AP patrolling for 24 hours.            Action plan: Management will continue the patrolling activity and reminded the workers not to bring outsiders to the housing complex without notifying management.            Status: AP will continue to patrol and give attention during festive season. Linesite census will be done every 6 months to ensure number of linesite resident are updated.            Completion Date: December 2016</p>	<p>Complied</p>
<p>6.1.4</p> <p>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.</p> <p>- Minor compliance -</p>	<p>The plan was reviewed on yearly basis where the last reviewed was done on July 2016. The review was carried out with the participation of affected stakeholders.</p>	<p>Complied</p>
<p>6.1.5</p> <p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance -</p>	<p>No smallholder schemes at Flemington Certification Unit.</p>	<p>Not applicable</p>
<p><b>Criterion 6.2:</b>            There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		

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6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	SDPSB has established internal communication and external communication procedure in standard operation manual, version 1 and issue no.1 with issue date 1/11/2008 under sub section 5.5.3.2. The timeframe to feedback to the external communication is within 2 weeks of the date of receipt.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	Senior Assistant and assistant of Mill and Estates have been appointed as person responsible for social issues. The appointment letter was issued by the manager on 1/8/2016, 23/5/2016 and 1/1/2016 for mill and estates respectively.	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 -	Stakeholder meeting was conducted on 25/6/2016 (Flemington POM and Estate) and 11/12/2015 (Bagan Datoh Estate) with the participation from management, NUPW representative, villagers, government bodies, contractors and smallholders. Meeting minutes was sighted and there were issues/ requests raised by the stakeholders as such:  a) School – To request contribution for flowers and black soil for beautification programme from estate. They also request the estate will give co-operation to clean the blockage drain as the area always overflow once heavy rain. b) MARDI – MARDI requested estate management to lock the area under TNB rentice to prevent any encroachment cases.  Stakeholder list is available and updated on 2016. The list has included transporters for CPO and Kernel, contractors, suppliers and vendors, local communities, government bodies and etc.	Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
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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6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	SOP to resolve social disputes “Handling Social Issues” SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held yearly to identify and give opportunity to stakeholders to complaint or raise issues. Meeting minutes are maintained and reviewed. For internal workers, complaint logbook has been implemented. Internal complaints generally on housing issues such as door broken, pipe damaged and etc. Sampled workers’ complaint as below: a) House N.: F-13 Date: 15/4/2016 Issue: Lighting system broken, switch of light broken, toilet flushing system damage Date of Repair and Completed: 1/6/2016 The house owner has acknowledged on the work done.	Complied
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established-titled “Handling Land Disputes” SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.4.1 above.	Complied
6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		

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<p>6.5.1 Documentation of pay and conditions shall be available.                      - Major compliance -</p>	<p>Mill and estates have recruited local and foreign workers from Indonesia, Nepal, India, Bangladesh, Sri Lanka and Myanmar. All of them are under direct employment. The payslip has incorporated the below details:</p> <ul style="list-style-type: none"> <li>a) Basic pay</li> <li>b) Normal Days overtime</li> <li>c) Allowance and holiday pay</li> <li>d) Deduction of electricity, water, NUPW fee, SOCSO, EPF and advance</li> <li>e) Working days, work on rest day</li> <li>f) Annual Leave and medical leave taken</li> <li>g) And etc.</li> </ul> <p>Sampled workers' payslip as below:</p> <ul style="list-style-type: none"> <li>a) Employee No.: 96209 (Indian)</li> <li>b) Employee No.: 97930 (Nepalese)</li> <li>c) Employee No.: 101967 (Bangladeshi)</li> <li>d) Employee No.: 52283 (Malaysian)</li> <li>e) Employee No.: 120920 (Indonesian)</li> <li>f) Employee No.: 116973 (Bangladeshi)</li> </ul> <p>All the sampled workers had achieved the minimum wage accordance to Minimum Wage Order 2012 for May and June wages and Minimum Wage Order 2016 for July wage. The palm oil mill management has applied to Labour Office on the permission to deduct salary from workers on NUPW and AMESU fees, insurance, water and electricity bill on 17/6/2016. The management has received correspondence letter from Labour Office dated 9/8/2016 informed that the application still under process. The workers had acknowledged on the consent letter for deduction of wages.</p>	<p>Complied</p>



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<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, housing, incentives and allowances, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <ul style="list-style-type: none"> <li>a) Employee No.: 96140 (Nepalese)</li> <li>b) Employee No.: 82041 (Indonesian)</li> <li>c) Employee No.: 96137 (Nepalese)</li> </ul> <p>The above workers have attended induction training before they commenced to work. Evidence of training certificates were sighted.</p> <p><u>Flemington Palm Oil Mill:</u></p> <p>Extension contract for the workers who worked more than 2 years were sighted as well. However, the terms in the contract were contradicted with the actual practice where the water and electricity usage were fully covered by the company. In fact, the workers had to pay the full amount of electricity usage and water usage which exceeded the subsidized amount of 35 gallons. Sampled extension contracts as below:</p> <ul style="list-style-type: none"> <li>a) Employee No.: 107411</li> <li>b) Employee No.: 96139</li> <li>c) Employee No.: 82042</li> </ul> <p>Besides, the contracts signed by the recruited workers were in old version where the public holiday entitlement was 12 days instead of 13 days. The contracts sampled as below:</p> <ul style="list-style-type: none"> <li>a) Passport No.: AT 450946</li> <li>b) Passport No.: AT 448167</li> </ul> <p>In addition, according to MAPA/NUPW Circular No. 22/2015 dated 4/8/2015, the employer required to fully subsidize RM 3.00 per month for each of the members of NUPW as premium towards NUPW/AIA Personal Accident Group Scheme. However, the management has yet to subsidize and deducted RM 11.00 from sampled workers below:</p> <ul style="list-style-type: none"> <li>a) Employee No.: 96139</li> <li>b) Employee No.: 96137</li> <li>c) Employee No.: 96140</li> <li>d) Employee No.: 24864</li> </ul>	<p>Major noncompliance</p>

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	<p><u>Bagan Datoh Estate:</u></p> <p>Worker’s contracts of employment sampled found that the employment contract for those worked more than 3 years were expired.</p> <ul style="list-style-type: none"> <li>a) Employee No.: 76543 - Employment contract expired on 22/12/2014</li> <li>b) Employee No.: 76168 - Employment contract expired on 8/12/2014</li> <li>c) Employee No.: 65737 - Employment contract expired on 6/5/2014</li> </ul> <p>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.</p> <p><u>Flemington Estate:</u></p> <p>Sampled workers below noted that they were signed on an old version contract (April 2013) instead of version May 2014:</p> <ul style="list-style-type: none"> <li>a) Passport No.: AA 5409134 joined on 17/9/2015</li> <li>b) Passport No.: AT 452498 joined on 2/5/2016</li> <li>c) Passport No.: 06197230 joined on 5/8/2016</li> <li>d) Passport No.: 09071944 joined on 5/8/2016</li> </ul> <p>There were terms that are contradicted with the actual practices. For example:</p> <ul style="list-style-type: none"> <li>a) Term No. 15: Work departure cash gift</li> <li>b) Term No. 21.5: FW security deposit home leave</li> </ul> <p>Thus, a major non-conformance was raised.</p>		
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>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. The housing area was cleaned and rubbish collection was carried out twice per week. Medical was provided to all the workers without charges.</p>	Complied

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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 as the location of mill and estate was located near the federal road that connected to town. Site visited to sundry shop in the estate noted that price of goods and foods were displayed. Interviewed with the workers verified that the price was reasonable and affordable.	Complied
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	SDPSB has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<u>Flemington Palm Oil Mill:</u> Meeting between Union members and the management has conducted on 8/8/2016 with 8 participants involved. Meeting minutes was sighted. The issues raised during the meeting as below by the Union: a) Housing in Batu 16 – Requested to build hump in housing area. Management response: The mill will communicated with the estate management regarding this issue. Before that, signage will be put up first. b) Request on the usage of van Management response: The mill management informed that the usage of van is depends on the availability.  <u>Bagan Datoh Estate:</u> Meeting with union representative conducted on 1/1/2016 regarding issue for annual leave. No further issues reported. Attendant list and meeting minutes is sighted.  <u>Flemington Estate:</u> Meeting with union representatives on 11/5/2016. Evidence of action taken for the issues raised during the meeting is sighted. For eg: Invoice of work done of change the switch plug is sighted on 23/6/2016 and 30/7/2016.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	SDPSB has implemented Social Policy, Child Protection Policy and Social & Humanity Management Policy dated January 2015 where the management does not condone forced labour or child labour. SOU 4 was complied with the minimum age requirement. No employees below the age of 18 which verified on the workers personnel file and employee master list.	Complied
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			

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6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	SDPSB has implemented Social Policy, Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and/or age. The policy was displayed on the notice board which was accessible by the workers.	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 -	All the workers were supplied with 5kg of cooking oil and 5kg of rice once every two months. The management did not discriminate based on nationalities and treated all the workers equally. The management has established Gender committee to discuss issues related to female workers. The management has also implemented complaint logbook for the workers to lodge complaints if any. They had provided housing facilities, water and electricity to all the workers.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
<b>Criterion 6.9:</b> 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 -	SDPSB has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. The policy was displayed on the notice board which was accessible by the workers.	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 -	SDPSB has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. The policy was displayed on the notice board which was accessible by the workers.	Complied

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<p>6.9.3</p> <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>The management has established a Gender Committee to resolve the issues related to women. The managements had implemented procedure for sexual harassment grievance.</p> <p><u>Flemington POM:</u></p> <p>Meeting were conducted on 15/7/2016, 11/5/2016 and 15/3/2016. There was no issues related to gender issues such as sexual harassment, gender discrimination, etc. were highlighted during the meeting.</p> <p><u>Bagan Datoh Estate:</u></p> <p>Meeting was conducted on 10/6/2016, 21/3/2016. Meeting minutes and attendant list were sighted. No issue related to sexual harassment were reported.</p> <p><u>Flemington Estate:</u></p> <p>Meeting conducted on 29/5/2016 and 14/1/2016. Meeting minutes and attendance list were sighted for Gender Committee. No issues of sexual harassment or violence were reported. Issues raised during the meeting has been resolved as below:</p> <ul style="list-style-type: none"> <li>a) Representative from Flemington Division requested the management to repair the roof of house where leakage was sighted. Action taken: The management has repaired the roof and photo evident is sighted.</li> <li>b) Representative from New Coconut Division complained that the water tank in NC division was too dirty and requested the management to clean it. Action taken: The management has cleaned the water tank on 28/5/2016 with photo evident sighted.</li> </ul>	<p>Complied</p>
<p><b>Criterion 6.10:</b>  <b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b></p>		
<p>6.10.1</p> <p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>	<p>Flemington palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.</p>	<p>Complied</p>
<p>6.10.2</p> <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>Flemington palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.</p>	<p>Complied</p>

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<p>6.10.3</p> <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><u>Flemington Palm Oil Mill:</u></p> <p>The contractors have signed on contractor’s agreement with the management. Extension of contracts were sighted as well. Below are the sampled contract agreements:</p> <ul style="list-style-type: none"> <li>a) Register No.: IP0407611-W (extension of Boiler Ash transport service until June 2017)</li> <li>b) Register No.: IP0407611-W (extension of grass cutting service until June 2017)</li> <li>c) Register No.: 001635912-A (extension of contract labour service until June 2017)</li> </ul> <p><u>Bagan Datoh Estate:</u></p> <p>The contractors have monthly contract with the management on the services provided. They have signed on the terms and conditions of purchase order before commenced of work. Tax invoices were sighted for payment made. Example:</p> <ul style="list-style-type: none"> <li>a) Register No.: IP0318017-M (Machinery hired and General Works)</li> <li>b) Doc. No.: 4300336054 (Grass cutting services)</li> </ul> <p><u>Flemington Estate:</u></p> <p>Below are the sampled contract agreements:</p> <ul style="list-style-type: none"> <li>a) Register No.: IP032409-T (extension of Supplier Labour service until June 2017)</li> <li>b) Register No.: IP0407611-W (extension of transport of EFB and grass cutting service until June 2017)</li> <li>c) Register No.: 001480622-M (rubbish collection service until June 2017)</li> </ul> <p>All the contractors were understood and agreed with the contract agreement signed.</p>	<p>Complied</p>
<p>6.10.4</p> <p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>The payment will be made once a month after work done in preceding month. Invoices were sighted and the contractors had acknowledged on the terms and conditions on Purchase Order. The payment were paid before 31<sup>st</sup> of the month.</p>	<p>Complied</p>
<p><b>Criterion 6.11:</b>  Growers and millers contribute to local sustainable development where appropriate.</p>		

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6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	<p>The management has recruited local communities to work in the mill. Total of 52 local workers were recruited in the mill.</p> <p>Bagan Datoh estate has made donation for Hindu Temple festival annually. The request letter dated on 4/2/2016 was sighted. Top management has approved on 28/3/2016 with total RM 400 donation for the festival. The management has also provided used oil for line in football field during sports day and cutting down the tree and cleaning school compound based on their own initiative for the past financial year. Besides, the management also provided transport of bus for Indonesian workers from Melentang Division to Bagan Datoh for Friday Prayer. School bus transportation also provided to the students by subsidized RM 22.20 per student to school.</p> <p>In Flemington Estate, the management has organized Gotong-royong activities in the linesite on 13-14/8/2016. The management also organized Hari Raya festival celebration for staff on 16/7/2016 with RM 180 contribution on foods and drinks.</p>	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholders involved in SOU 4 operating units.	Not applicable
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	<p>The workers have signed on the letter for retention of passport. Sampled letters were verified as below:</p> <ul style="list-style-type: none"> <li>a) Employee No.: 96140 signed on 14/10/2013</li> <li>b) Employee No.: 107411 signed on 12/11/2014</li> <li>c) Employee No.: 96137 signed on 14/10/2013</li> <li>d) Employee No.: 116973 signed on 14/9/2015</li> <li>e) Employee No.: 106167 signed on 30/9/2014</li> <li>f) Employee No.: 96202 signed on 14/10/2013</li> </ul> <p>The workers were paid according to the Minimum Wage Order 2016. There were no trafficked or forced labour sighted by verified through interviewed with workers.</p> <p>Workers who were on vacation leave had paid a security deposit of RM 500 in order to get back their passport before June 2016. However, the management has stopped this practice where the estate has received circular (dated 31/5/2016) from headquarter on 1/6/2016 regarding Cessation of Collection of RM 500 security deposit from foreign workers. Sampled workers who are currently on leave no longer paying deposit as below:</p> <ul style="list-style-type: none"> <li>a) Passport No.: AS 317806 departed on 18/7/2016</li> <li>b) Passport No.: M 5063763 departed on 10/8/2016</li> </ul>	Complied

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6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract of substitution was noted.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
<b>Criterion 6.13:</b> 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 -	SDPSB has implemented Social & Humanity Management Policy dated January 2015 where the management believes in developing the business with a sense of humanity, while ensuring that they are socially beneficial and do not infringe on basic human rights. The policy was displayed on the notice board which was accessible by the workers.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable for Peninsular Malaysia.	Not applicable
<b>Principle 7: Responsible development of new plantings</b> <b>Flemington Palm Oil Mill</b> and supply base has carried out new plantings within their certified area after 2010 specifically at new planting plot (P2014D) at Flemington Estate. As per new RSPO New Planting Procedure 2015, principle 7 need to be assessed and in compliance during surveillance or recertification assessment.			
<b>Criterion 7.1:</b> A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. - Major compliance -	The latest SEIA was done by PSQM Department on 21st June 2016. The activities involved discussion with the estate management, sighting the documentation, observation on sites and surrounding, and interview with stakeholders adjacent to the conversion areas. Finalized SEIA report dated August 2016 was verified during assessment.	Complied
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. - Minor compliance -	Appropriate management planning and operational procedures has been developed based on the latest SEIA dated August 2016. Verified SEIA action plan FY16/17 for SOU4.	Complied
7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. - Minor compliance -	There was no outgrower scheme included in SOU4 land development	Complied
<b>Criterion 7.2:</b> Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			



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7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.	Soil map available. Refer to soil map prepared by Precision Agriculture Section Upstream Carey Island Dec 2008.  Majority soil series is Bernam and Jawa Deep.	Complied
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. - Minor compliance -	Topographic maps available and prepared by R&D-PRA, Precision Agriculture Unit (NHM) August 2013. Noted the new planting plot P2014D (2 plots) elevation (1.8-1.95 m) and (2.10-2.25m)	Complied
<b>Criterion 7.3:</b> New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.			
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance -	The new planting plot was previously planted with rubber . The area was not categorized under HCV based on the baseline assessment 2009.	Complied
7.3.2	A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. - Major compliance -	No evidence to show that the new planting/conversion plot 2014D incorporated in the new HCV assessment including land use analysis. Thus, Major NC was issued.	Major noncompliance
7.3.3	Dates of land preparation and commencement shall be recorded. - Minor compliance -	Dates of land preparation and commencement has been recorded by estate. Land preparation was started on 5/8/14 and planting completed by December 2014.	Complied
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2). - Major compliance -	The biodiversity action plan has been established and updated on yearly basis. The HCV and Biodiversity around the estate were monitored and maintained by the respective estates. Refer to criteria 5.2 for details.	Complied

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7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). - Minor compliance -	It is verified that there has been no area required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations at Flemington Estate new planting plot. Thus consultation with communities of such nature is not applicable.	Complied
<b>Criterion 7.4:</b> Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			
7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided - Minor compliance -	Type of soil at Flemington estate, Gough Gardens Division and New Coconut Division is Jawa Moderate & Bernam (specific plot P2014D) No marginal or fragile soil noted.	Complied
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance -	No marginal and fragile soil at Gough Gardens and New Coconut Division, Flemington Estate.	Complied
<b>Criterion 7.5:</b> No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples. - Major compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.	Complied
<b>Criterion 7.6:</b> Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.	Complied
7.6.2	A system for identifying people entitled to compensation shall be in place. - Major compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.	Complied
7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.	Complied

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7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.  Complied
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.  Complied
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	The new planting plot was previously planted with rubber and within their certified area. There were no communities or local people establishment at the specific plot.  Complied
<b>Criterion 7.7:</b> No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7.1	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 -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. Based on the land clearing records, zero burning techniques are implemented during land preparation for P2014D planting.  Complied
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, 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 for P2014D planting.  Complied
<b>Criterion 7.8:</b> New plantation developments are designed to minimise net greenhouse gas emissions.		
Preamble	It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs. Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology. Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2). Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.	

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Criterion / Indicator	Assessment Findings	Compliance	
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. - Major compliance -	Carbon stock assessment was carried for the new planting plot P2014D. Refer to report dated August 2016. Noted increased of carbon stock value (CSV) after conversion. CSV before conversion was 1540.59tC while after conversion to oil palm, the CSV value is at 1784.5tC. Conversion of the R&D Research Centre planted with Rubber Trees to oil palm increased the CSV of the field area.	Complied
7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. - Minor compliance -	Plan to minimise net GHG emissions was made available. It was noted that conversion area was not under high carbon stock area.	Complied

**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.

8.1.1	<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"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);               <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>Similar to last assessment SOU4estates are not using paraquat. This is one of the major commitments by the operating unit to stop using paraquat. Environmental impacts of the operations were identified. Environmental Impact Management details the impact mitigation measures and actions required to improve environmental performance for the identified significant impacts. Yield is optimised.</p> <p>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. Class I pesticide (Methamidaphos) has been replaced with Class III less hazardous pesticide (Acephate). Paraquat is completely eliminated. Rainfall harvesting has been implemented to reduce the fresh water usage for chemical mixing.</p>	Complied
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**Appendix B: Approved Time Bound Plan**

<b>TIME BOUND PLAN – Certification Units in Malaysia</b>			
<b>No.</b>	<b>MANAGEMENT UNIT</b>		<b>LOCATION</b>
	<b>P O M</b>	<b>Time Bound</b>	
1	Sg Dingin	Certified 2010 - 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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<b>No.</b>	<b>MANAGEMENT UNIT</b>		<b>LOCATION</b>
	<b>P O M</b>	<b>Time Bound</b>	
1	Sekunyir (PT. Indotruba Tengah)	Certified 2010 (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"> <li>- The target date for certification is by 2016. However the progress of the matter being resolved.</li> </ul> <p><u>Progress Update (As at end Oct 2015)</u></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- Hence, there are two groups of PAC: 1) TKPP (7 of 9 villages) and 2) Kerunang &amp; Entapang (2 of 9 villages)</li> </ul> <p><u>Engagement with TKPP:</u></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- Engagement with Kerunang/ Entapang:</li> <li>- SDP visited the communities on 27 August 2014 to listen and have a better understanding on their requests</li> <li>- 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.</li> </ul> <p><u>Engagement with RSPO:</u></p> <ul style="list-style-type: none"> <li>- RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest report submitted to RSPO dated 7th August 2015.</li> </ul> <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"> <li>- 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.</li> <li>- Latest meeting with community was held on 14 Jan 2016 and pending for the outcome.</li> </ul> <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 4)  
Flemington Palm Oil Mill  
Sungai Sumun  
36369 Teluk Intan  
Perak, Malaysia  
RSPO membership number: 1-0008-04-000-00

BSI RSPO Certificate No. : RSPO 590802  
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)

<b>Flemington Palm Oil Mill and Supply Base</b>					
Location Address	Strategic Operating Unit (SOU 4) – Flemington Palm Oil Mill, Sungai Sumun 36369 Teluk Intan, Perak, Malaysia				
GPS Location	100° 51' 26" E ; 3° 55' 41" N				
CPO Tonnage Total	33,662				
PK Tonnage Total	8,532				
CPO Claimed for Certification*	33,662				
PK Claimed for Certification *	8,532				
Own estates FFB Tonnage	155,126				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Flemington Estate	1,343.88	555.62	236.01	2,135.51	29,500
Bagan Datoh Estate	2,189.99	1,526.73	204.16	3,920.88	49,455
Sungai Samak Estate	2,182.25	541.83	293.85	3,017.93	48,771
Sabak Bernam Estate	1,429.94	886.42	186.62	2,502.98	27,400
<b>TOTAL</b>	<b>7,146.06</b>	<b>3,510.6</b>	<b>920.64</b>	<b>11,577.3</b>	<b>155,126</b>



**Appendix D: Assessment Plan**

Date	Time	Subjects	Mohd Hihdir	Hafri	Hu
Sunday, 14/08/2016	PM	Audit Team travelling to the site.	√	√	√
Monday, 15/08/2016	AM-PM	External stakeholder meeting (Teluk Intan/Hutan Melintang/Bagan Datoh)	√	√	√
Tuesday, 16/08/2016  <b>Flemington Palm Oil Mill</b>	0830-0900	<b>Opening Meeting:</b> <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).</li> </ul>	√	√	√
	0900-1200	<b>Flemington Palm Oil Mill</b> 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, meeting stakeholders etc.	√	√	√
	1200-1300	<b>Lunch</b>		√	
	1300-1630	<b>Flemington Palm Oil Mill:</b> 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	<b>Interim Closing briefing</b>	√	√	√
	Wednesday 17/08/2016  <b>Bagan Datoh Estate</b>	0830-1200	<b>Bagan Datoh Estate</b> 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	<b>Lunch</b>	√	√	√
	1300-1630	<b>Bagan Datoh Estate</b> 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	Mohd Hihdir	Hafri	Hu
	1630-1700	<b>Interim Closing briefing</b>	√	√	√
Thursday 18/08/2016  <b>Flemington Estate</b>	0830-1200	<b>Flemington Estate</b> 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	<b>Lunch</b>	√	√	√
	1300-1630	<b>Flemington Estate</b> 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:	√	√	√
Friday 19/08/2016	AM	Audit Team travelling back to KL	√	√	√

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <p>Managers and Assistants Mill &amp; Estate  Male Mill Staff/Workers  Female Mill Staff/Workers  Foreign Worker  Male and Female Estate workers  Joint Consultative Committee  Gender Committee representatives  Workers Union Representatives  Onsite NUPW representative  AMESU Representative  Hospital Assistant  Creche Attendant  Store Clerk</p>	<p><b>Local Communities</b></p> <p>Head of Village, Kampong Bagan Datoh</p>
<p><b>Government Departments</b></p> <p>Labour Office Teluk Intan  SOCSO Teluk Intan  Immigration Department Teluk Intan  School representatives, SJK(T) Teluk Buloh  School representatives, SJK(T) Ladang  Flemington  Jabatan Pendaftaran Negara Officer  Police Station Bagan Datoh  Department of Environment, Teluk Intan  Land Department, Teluk Intan</p>	<p><b>Contractors and Suppliers</b></p> <p>General Supplier  FFB Transport contractor  Engineering &amp; Civil work contractor</p>

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

Requirements	Compliance
<b>D.1 Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The Flemington mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization. (RSPO IT platform or book and claim).</p> <p>Verified letter to Green Palm – selected mill for B&amp;C email dated 2/3/16 to Bob Norman, Green Palm. Flemington mill not under the selected mill for B&amp;C transaction.</p>
<b>D.3 Documented procedures</b>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>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 (RSPO SCCS v.2 Year 2014) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Flemington Palm Oil Mill. Noted draft procedure , SD/SSDP/PSQM/001, rev :0 dated 1/3/15 has yet to be approved for the SCCS procedure to incorporate latest changes internally and externally under RSPO SCCS November 2014.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>

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<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Flemington Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
<p><b>D.4 Purchasing and goods in</b></p>	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Chersonese mill have system to verify at the weighbridge.</p> <p><b><u>SOU 5 (Sogomana Estate)</u></b>  Code : E-146, Consignment note# 147922, Field 98B (B crop), vehicle: AGW6885, weight: 11.19 ton</p> <p><b><u>SOU 5 (Sabrang Estate)</u></b>  Code : E-009, Consignment note# 147922, Field 2001B (A crop), vehicle: BDU3514, weight: 9.12 ton</p> <p><b><u>SOU 7 (Bukit Cheraka Estate)</u></b>  Code : E-167, Consignment note# 147273, Field 2006A, 1982A, 2001, 2205, 2002B1 (C crop), vehicle: WTH3994, weight: 37.99 ton</p> <p><b><u>SOU6 (Bukit Talang)</u></b>  Code : E-166, Consignment note# 148066, Field 1997C, 1998B, 2002B, (C crop), vehicle: KAT6870, weight: 44.32 ton</p> <p><b><u>SOU5 (Sungai Wangi)</u></b>  Code : E-115, Consignment note# 163432, Field 93W, 97W, vehicle: AHA3733, weight: 12.79 ton</p>
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>Overproduction of certified tonnage noted for the period of June 15 - July 16 was 194,851.23 mt which exceeded the projected certified tonnage of 169,585 mt. Thus , Major NC was raised.</p>
<p><b>D.5 Record keeping</b></p>	
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Flemington Palm Oil mill. PK is sold to Sime Darby's Kernel Crushing Plant and also other 3<sup>rd</sup> party KCP . Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.</p> <p>Updated 3 monthly inventory  Sample of sales contract, RSPO PK –IP (S/C-PSD/1603/PK0381) dated 13/3/16. SD KCP Pulau Carey.  Quantity: 400 mt, Specs: MEOMA (FFA:5%, Moisture: 7%, Dirt: 6%)  Physical delivery (13/3/16), delivery period : March 2016  Vehicle number: BJV2410, Dispatch note: 011701, weight: 27.60 ton</p> <p>Sample of CPO sales contract, RSPO PK-IP ( S/C-PSD/1605/CPO0523) dated  Quantity: 500 mt, Specs: PORAM (FFA:5%, % DOBI&gt; 2.31)  Physical delivery (3/6/16), delivery period: May 2016  Vehicle number: BKJ2131, Dispatch note: 011974, weight: 40.15 ton</p>
<p><b>D.6 Processing</b></p>	
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. There is a possibility that the mill will receive Certified FFB from other Sime Darby's Certified Estate which was certified under SOU1 (SPO 550179 valid until 11/8/20) &amp; SOU3 (SPO 550180 valid until 17/6/16). This will be further verified during next surveillance assessment if such cases occurred and observed. No non-certified FFB received.</p>

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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
Flemington Palm Oil Mill	45mt/hr	41,211	10,639

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

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Flemington Palm Oil Mill	18,071.56	7,750	Sales of certified palm products in eTrace

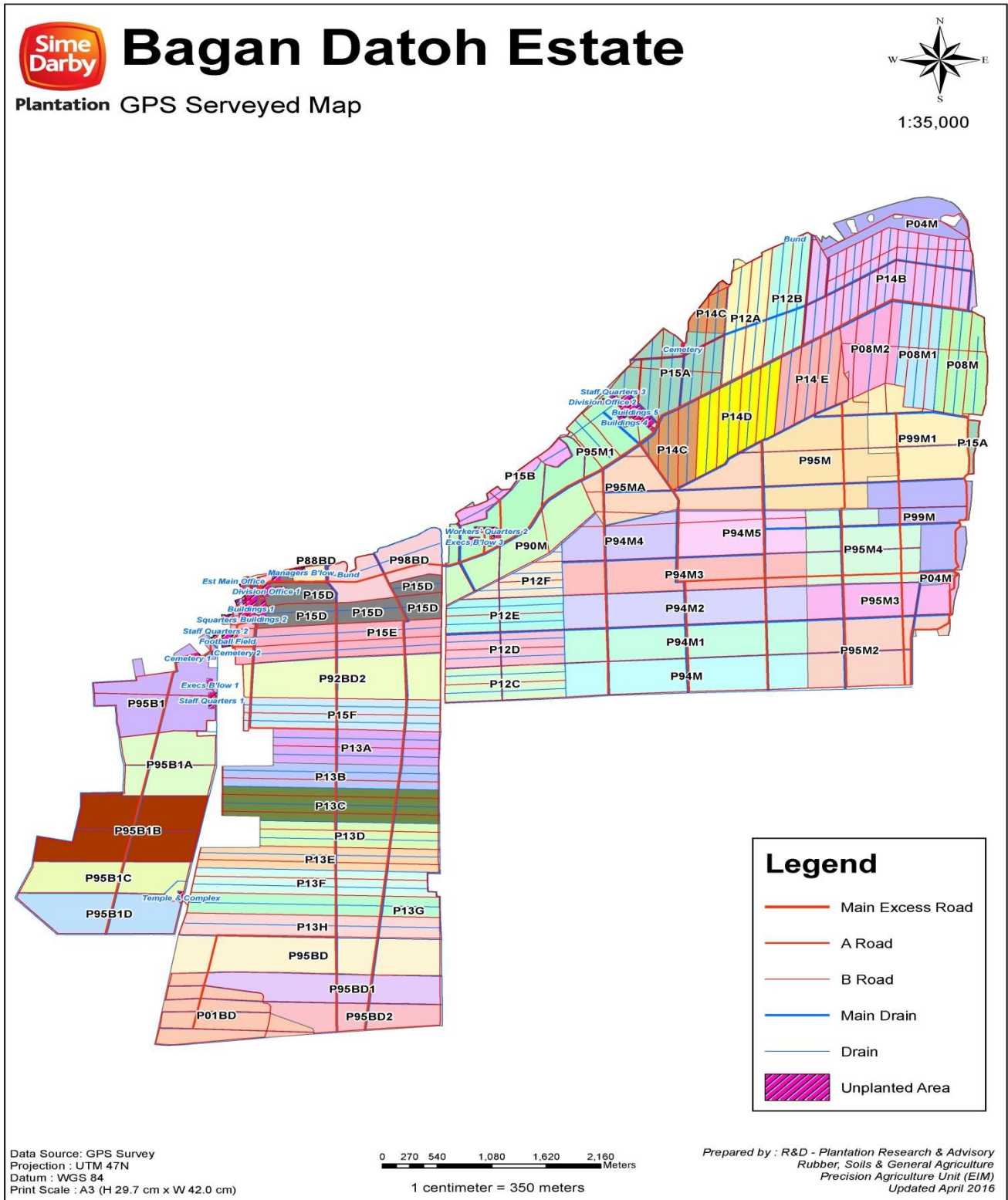
Month	Bagan Datoh Estate	Flemington Estate	Sungai Samak Estate	Sabak Bernam Estate	Sabrang Estate	Sogomana Estate	Sungai Wangi Estate	Bukit Talang Estate	Bukit Cheraka Estate	Total FFB/Month
July 2015	5,760.35	3,712.12	5,807.71	4,243.17	0	0	992.29	0	110.26	20,625.9
Aug 2015	4,194.27	2,922.97	6,004.16	3,156.24	559.15	92.62	575.94	1,005.09	330.09	18,840.53
Sept 2015	4,120.45	2,924.46	5,541.73	2,885.76	792.01	59.59	296.69	0	0	16,620.69
Oct 2015	4,208.62	2,542.23	4,832.51	2,651.27	266.70	0	0	0	0	14,501.33
Nov 2015	3,404.18	2,061.32	3,536.65	1,947.84	698.19	0	138.81	0	0	11,786.99
Dec 2015	3,668.79	1,958.63	3,194.54	1,693.00	0	0	0	0	0	10,514.96
Jan 2016	3,891.10	2,068.06	3,253.23	1,892.10	2,446.49	1,457.91	1,459.54	0	0	16,468.43
Feb 2016	4,823.58	2,421.47	3,668.13	2,446.28	3,258.42	604.96	524.23	0	0	17,747.07
Mar 2016	5,245.57	2,367.64	3,224.59	2,421.81	4,822.31	0	0	0	0	18,081.92
Apr 2016	5,218.19	2,382.33	3,004.69	2,317.74	5,186.76	0	0	0	0	18,109.71
May 2016	4,507.87	2,124.71	2,690.58	2,051.18	4,233.34	145.62	167.58	0	0	15,920.88
June 2016	4,268.98	2,313.54	3,360.74	2,081.75	3,607.81	0	0	0	0	15,632.82
TOTAL	53,311.95	29,799.48	48,119.26	29,788.14	25,871.18	2,360.7	4,155.08	1,005.09	440.35	194,851.23



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

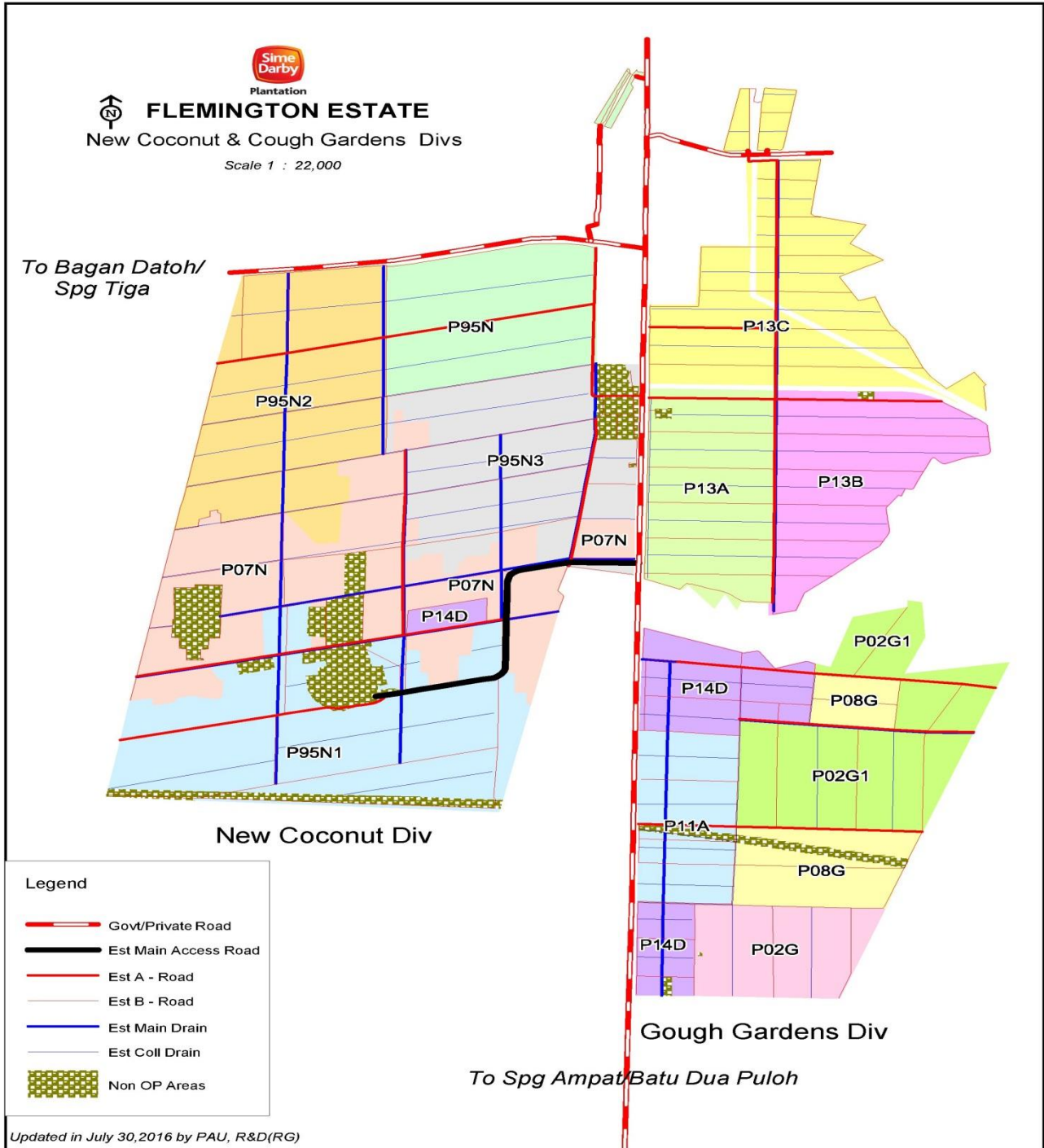


**Appendix H : Bagan Datoh Estate Field Map**





**Appendix I : Flemington 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