

**RSPO PRINCIPLE AND CRITERIA  
2<sup>nd</sup> Annual Surveillance Assessment (ASA2\_1)  
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
<b>Strategic Operating Unit (SOU 14)</b> <b>Tanah Merah Palm Oil Mill</b> 71709 Port Dickson Negeri Sembilan, 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>	Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia Certification Unit: Strategic Operating Unit (SOU 14) – Tanah Merah Palm Oil Mill 71709 Port Dickson		
<b>Subsidiary of (if applicable)</b>	N/A		
<b>Contact Name</b>	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr Noor Hisham Ismail (Senior Manager, Tanah Merah Estate) Ms Nor Azian Anuar (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>
<b>Telephone</b>	+603-78484379 (Head Office) +606 6673317 (Mill)	<b>Facsimile</b>	+603-78484356 (Head Office) +606-6672506 (Mill)

2. Certification Information			
<b>Certificate Number</b>	RSPO 541905	<b>Original Certificate Issued Date</b>	19/05/2010
		<b>Expiry Date</b>	18/05/2020
<b>Scope of Certification</b>	Palm Oil and Palm Kernel Production from Tanah Merah Palm Oil Mill and Supply Base (Tanah Merah Estate & Bukit Pelandok 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
Tanah Merah Palm Oil Mill (35 mt/hr)	Batu 6 ¾ Sepang Road, Tanah Merah Palm Oil Mill, Ladang Tanah Merah 71709 Port Dickson, Negeri Sembilan, Malaysia	101° 47' 34"	2° 39' 19"
Tanah Merah Estate	Batu 6 ¾, Sepang Road, Ladang Tanah Merah, 71709 Port Dickson, Negeri Sembilan, Malaysia	101° 45' 00"	2° 39' 00"

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Bukit Pelandok Estate	Batu 12, Sepang Road, Ladang Bukit Pelandok, 71709 Port Dickson, Negeri Sembilan, Malaysia	101° 46' 17"	2° 39' 59"
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#### 4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Tanah Merah Estate	3,156.91	348.00	833.61	4	3,504.91	4,342.52	81%
Bukit Pelandok Estate	1,653.95	88.05	117.47	3.53	1,742	1,863	94%
Total	4,810.86	436.05	951.08	7.53	5,246.91	6,205.52	

Note: Infras = infrastructure

#### 5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (ASA2_1) (March 2016 – Feb 2017)	Actual (ASA2_1) (March 2016 – Feb 2017)	Forecast (ASA3_1) (March 2017 – Feb 2018)
Tanah Merah Estate	348	981	1,734.91	252	189	86,097	65,866.08	69,678
Bukit Pelandok Estate	88.05	192.04	1,042.79	265.68	0	38,233	28,696.09	35,748.60
Total	436.05	1,173.04	2,777.7	517.68	189	124,330	94,562.17	105,426.6

#### 6. Certified Tonnage of FFB (Own Certified Scope)

Estate	Tonnage / year		
	Estimated (ASA2_1) (March 2016 – Feb 2017)	Actual (ASA2_1) (March 2016 – Feb 2017)	Forecast (ASA3_1) (March 2017 – Feb 2018)
Tanah Merah Estate	86,097	65,866.08	69,678
Bukit Pelandok Estate	38,233	28,696.09	35,748.60
	124,330	94,562.17	105,426.6

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<b>7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>			
Independent FFB Supplier	Tonnage / year		
	Estimated (ASA2_1) (March 2016 – Feb 2017)	Actual (ASA2_1) (March 2016 – Feb 2017)	Forecast (ASA3_1) (March 2017 – Feb 2018)
N/A			

<b>8. Certified Tonnage</b>									
Mill	Estimated (ASA2_1) (March 2016 – Feb 2017)			Actual (ASA2_1) (March 2016 – Feb 2017)			Forecast (ASA3_1) (March 2017 – Feb 2018)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Tanah Merah Palm Oil Mill	124,330	27,353	6,217	94,562.1 7	25,286.4 6	5,594.83	105,426. 6	20,610.9	4,533.34
Other certified estates				34,476.4 3					
Total	124,330	27,353	6,217	129,038. 6	25,286.4 6	5,594.83	105,426. 6	20,610.9	4,533.34

*\*Other certified estates under other certification units: (East) RSPO 543543 valid until 18/5/20, (Sua Betong) SGS-RSPO/PM-MY14/01364 valid until 17/2/19, (Labu) SGS-RSPO/PC17-00004 valid until 29/12/21*

*\*Forecast OER: 19.55%, KER: 4.3%*

## 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. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

### Assessment Methodology, Programme, Site Visits

This 2<sup>nd</sup> Annual Surveillance Assessment was conducted from 28-30 March 2017. 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 (Tanah Merah Estate & Bukit Pelandok Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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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.

All the previous nonconformities are remains closed. Except one minor nonconformity has been upgraded as major nonconformity due to corrective action was not sufficient. The assessment findings for the 2nd Annual Surveillance Assessment are detailed in Section 3.3. An onsite major NC closed out verification visit was carried out on 4th May 2017. Status of major NC closure has been incorporated under section 3.3.2.

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

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

**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>Year 1 (Recertification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Tanah Merah Palm Oil Mill	√	√	√	√	√
Tanah Merah Estate	√	√	√	√	√
Bukit Pelandok Estate	√	√	√	√	√

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

**Tentative Date of Next Visit:** March 13, 2018 – March 15, 2018

**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.



**Hoo Boon Han – Team Member**

He holds Master of Technology (Environmental Management) from the University Malaya and Bachelor of Science Forestry (Hons) Majored in International Tropical Forestry from University Malaysia Sabah. He has more than 3 years working experience in environmental monitoring & audit, carbon accounting & reduction, wastewater treatment, waste management and sustainable development. He has successfully completed the RSPO Lead Auditor and RSPO Supply Chain Training in April 2012. He has been involved in RSPO P&C audit in Indonesia and Malaysia as well as RSPO SC audit across different region including Asia, Europe and North America for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, social and community engagements, stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English and Mandarin.

**Daniel Francis – Team Member**

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

**Accompanying Persons: -**

## Section 3: Assessment Findings

### 3.1 Details of audit results

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

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

### 3.2 Progress against Time Bound Plan

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

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

### 3.2 Progress against Time Bound Plan

Sime Darby Time Bound Plan (TBP) is included as Appendix B. Sime Darby has achieved RSPO certification for 34 management units in Malaysia and 24 Management Units in Indonesia. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid. Sime Darby has acquired NBPOL. NBPOL is managed as a separate management unit. NBPOL has its own RSPO membership (1-0016-04-000-00) and have achieved certification for all the certification units. As for the Plantation in Liberia, Sime Darby has completed the NPP in 2011. However, the plantation sites will be included in TBP upon completion of the mill which is delayed due to Ebola and long drought season.

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

Due to the present mediation process, PT Mitra Austral Sejahtera TBP was revised to 2016 by Sime Darby pending on the resolution and mediation process which is acknowledged by RSPO. The final decision of issuing the certificate is under the CB that audited the PT MAS. BSI has contacted the CB and consultation was held. The CB that audited PT MAS accepted the revision of the TBP. BSI accepted the feedback from the CB that audited PT MAS as per the RSPO Certification System requirement "Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process.

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

- 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

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<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	<p>Sime Darby Plantation's time bound plan for certification is initially 3 years, starting 2008 – 2011. SDP has had all its SOUs (Malaysian &amp; 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.</p> <p>For Indonesian operations, currently, 1 SOU in Indonesia (PT MAS) is pending for RSPO Certification due to social legacy issues.</p> <p>SDP's is actively working on its certification targets given the span across a large geographical location and over 200 estates and mills in operation.</p>	<p>Yes</p>
<p>Have there been any changes since the last audit? Are they justified?</p>	<p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes and a new oil mill in Liberia has been commissioned in Feb 2016.</p> <p>SDP's time bound plan has been revised to take into consideration the social challenges encountered in Indonesia for the remaining SOU (PT MAS) yet to be certified.</p> <p>Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p>	<p>Yes</p>

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<p>If there have been changes, what circumstances have occurred?</p>	<p>Indonesia- PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Ongoing and regular (bi-monthly) discussions is ongoing between Sime Darby Plantation and the project affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30<sup>th</sup> June 2016.</p> <p>Smallholders- As at June 2016, total of 24,820 Ha (59%) of total Ha, (42,008 Ha) of associated smallholders in Indonesia has been certified. Certification process for the remaining associated smallholders areas is on-going. SDP expect to achieve 100% RSPO certification of associated smallholders and outgrowers by end 2019.</p> <p>Liberia- A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p>	<p>Yes</p>
<p>Have there been any stakeholder comments?</p>	<p>Up to date, there is no comment. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p>	<p>Yes</p>
<p>Have there been any newly acquired subsidiaries?</p>	<p>In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified.</p> <p>A new mill has been set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. *RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p>	<p>Yes</p>
<p>Have there been any isolated lapses in implementation of the plan?</p>	<p>No lapses.</p>	<p>Yes</p>
<p><b>Un-Certified Units or Holdings</b></p>		

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<p>Did the company conduct an internal audit? If so, has a positive assurance statement been produced?</p>	<p>Indonesia - PT Mitra Austral Sejahtera has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30<sup>th</sup> June 2016.</p> <p>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></p> <p>Liberia – New mill commissioned in Feb 2016, identification of gaps and preparation to meet the requirements of the RSPO P&amp;C is in progress.</p>	<p>Yes</p>
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <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>	<p>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).</p>	<p>Yes</p>
<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>*Note: RSPO NPP Announcements for SDP can be <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?</a></p>	<p>Yes</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p>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></p> <p>PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) 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></p>	<p>Yes</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>No stakeholder comments or complaints received.</p>	

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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.
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**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 2<sup>nd</sup> Annual Surveillance Assessment there were 3 (three) Major & 1 (one) Minor nonconformity raised. The Bukit Kerayong 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 Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1458363-201703-M1	<b>Requirements</b> <b>RSPO SCCS Nov 2014, module D 4.2</b> 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 recorded for the period of March 2016 - February 2016; 129,038.6 mt which exceeded the projected certified tonnage of 124,330 mt.	
	<b>Statement of Nonconformity</b> CB has not been informed for the projected overproduction of certified tonnage	
	<b>Corrective Actions</b> Mill has established a monitoring format specifically to monitor the actual production against the certified projected tonnage, based on the certificate year. Off-site verification evidence: Verified the mass balance sheet used for monitoring. The threshold limit is set at 65% of FFB forecast and mill will request for extension. Continuous implementation will be further verified in the next audit.	
	<b>Assessment Conclusion</b> The major NC was closed on 29/04/2017. Continuous implementation will be further verified in the next assessment.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1458363-201703-M2	<b>Requirements</b> <b>Indicator 6.5.2</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.)	Major

	<p>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>  Terms of extension contract version May 2016 for the workers were found is not according to the latest Minimum Wages Order 2016. In Clause 4, the contract still refer to basic salary which is RM900 even though their actual salary have achieve minimum wages:  a. Employee No.: 74357 (POM)  b. Employee No.: 96284 (POM)  c. Employee No.: 85105 (POM)  d. Employee No.: 75812 (POM)</p> <p>Following contract were found expired without any extension:  a. Employee No.: 2283 (Bukit Pelandok Estate)  b. Employee No.: 93755 (Bukit Pelandok Estate)  c. Employee No.: 94787 (Tanah Merah)</p> <p>Employment contract not available during site inspection in Tanah Merah estate:  a. Employee No.: 2572 (Tanah Merah Estate)  b. Employee No.: 102255 (Tanah Merah Estate)  c. Employee No.: 127728 (Tanah Merah Estate)  d. Employee No.: 129495 (Tanah Merah Estate)</p> <p><b>Statement of Nonconformity</b>  Employment contracts were found ineffectively managed.</p> <p><b>Corrective Actions</b>  Zone Office has communicated a new set of employment contract on 22nd March 2017. All workers shall be using the new contract agreement. Onsite Major NC close out verification:  Bukit Pelandok (contract extension)  i) Active manning list April 2017 by nationality Bangladesh - 39 workers, India - 34 workers, Indonesia - 67 workers, Nepal - 3 workers  ii) Verified contract extension version EMP02/INDO/2017/01 (Indonesia) and EMP14/NPL/2017/03 (Nepal and Bangladesh) for the following workers  - Bangladesh: contract extension dated 11/4/17 for worker's ID 2283.  - Indonesia: contract extension dated 11/4/17 for worker's ID 93755, 106365 and 89709.</p> <p>Tanah Merah POM (contract extension)  i) Active manning list April 217 Indonesian contract extension version, EMP02/INDO/2017/01 (Indonesia) Sample of contract: 74357, 96284, 85105 and 75812 dated 30/3/17</p> <p>Tanah Merah Estate  i) Active Manning List, as at 30th April 2017 with total workers 375 Employment Contract version, EMP01/INDO/2017/01 (Indonesia) and EMP13/NPL/2017/02 (Nepal and Bangladesh)</p> <p>Sample of contracts checked: 2572, 129495, 127728, 102225.  ii) Contract extension version, EMP02/INDO/2017/01 (Indonesia) Sample of contract checked: 94787</p>	
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	<p><b>Assessment Conclusion</b> The major NC was closed on 4/5/17 during onsite NC closure visit. Continuous implementation will be further verified in the next assessment.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1458363-201703-M3	<p><b>Requirements</b> <b>Indicator 4.7.3</b> All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p><b>Evidence of Nonconformity</b> TM Estate During the visit to the contractor workshop, it was observed that the worker was not wearing the appropriate PPE (eq. hand glove) for grinding/cutting works. Corrective action was not effectively implemented. There was a minor nonconformity raised against this indicator during the previous audit. Therefore, this nonconformity has been upgraded to Major as per RSPO certification system</p> <p><b>Statement of Nonconformity</b> Inadequate and inappropriate protective equipment worn by worker at the place of work.</p> <p><b>Corrective Actions</b> Warning letter has been issued to the contractors to ensure they adhere to estate's safety requirements. The contractors will also be re-trained on the safety requirements.</p> <p>Onsite Major NC close out verification:</p> <ul style="list-style-type: none"> <li>i) Warning letter issued to Green Vision Trading and Services due to failure to wear PPE. Refer to letter dated 1/4/17 signed by estate manager.</li> <li>ii) PPE training for workshop dated 5/4/17 was verified. Training was conducted by Estate Assistant and HA targeted for workshop operator, contractor (green vision) and mechanization department.</li> <li>iii) Verified during at Green Vision workshop, PPE was provided for the workshop workers such as safety helmet, leather gloves, safety boots and kept at the workshop. In addition, PPE issuance record was made available dated 05/04/2017</li> </ul> <p><b>Assessment Conclusion</b> The major NC was closed on 4/5/17 during onsite NC closure visit. Continuous implementation will be further verified in the next assessment.</p>	Major

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1458363-201703-N1	<b>Requirements</b> <b>Indicator 4.7.5</b> Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.	Minor
	<b>Evidence of Nonconformity</b> TM Estate i) During the visit to the mechanization workshop, the first aid content was found to contain expired eye drops (2 bottles) and insufficient amount of necessary items as per the TM estate first aid kit checklist. ii) First aid box was not available at worksite, contract harvester at field P00C.	
	<b>Statement of Nonconformity</b> The first aid equipment was not effectively inspected and monitored.	
	<b>Corrective Actions</b> MA to establish a checklist for First Aid Kits monthly monitoring and follow up/report of those PIC who did not submit for FAK checks. To ensure all PIC bring FAK to site before work.	
	<b>Assessment Conclusion</b> Corrective action plan is accepted. Effective implementation will be further verified in the next assessment.	

Observation	
OBS #	Description
1	Nil

Positive Findings	
PF #	Description
1	External stakeholders for the mill and estates shown positive feedbacks towards the company.
2	The SOU 14 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 Tanah Merah 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</p>

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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.

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.

IS #	Description
1	<p><b>Issues:</b> Workers union seeks understanding and consideration on the approval for medical certificate/leave due to sickness.</p> <p><b>Management Responses:</b> The management noted this issue and will look into this matter.</p> <p><b>Audit Team Findings:</b> No further comments.</p>
2	<p><b>Issues:</b> Workers union understands the budget constraint for the repairs of major/minor defects in their housing but seeks co-operation for faster response time in resolving the defects.</p> <p><b>Management Responses:</b> The management noted this issue and will look into this matter because it is based on the budget approval from HQ.</p> <p><b>Audit Team Findings:</b> No further comments.</p>
3	<p><b>Issues:</b> Kampung Baru Site A- In total 208 houses and total 118 pupils in the primary schools of the village. The head of village had sent the letter requesting more land (10 ha) allocation from Sime Darby to enable the young generation can build their house within the same village.</p> <p><b>Management Responses:</b> The company follow up with the HQ to look into this issue as the land issue only can made in headquarters.</p> <p><b>Audit Team Findings:</b> No other comments as the letter awaiting already submitted to HQ for discussion.</p>
4	<p><b>Issues:</b> NUPW Secretary Negeri Sembilan &amp; representatives (Tanah Merah Mill &amp; estate)</p> <p><b>Management Responses:</b> a. In Bukit Pelanduk, the management well aware of the NUPW subsidy fee. No any other social issue within the estate In Tanah Merah Mill, replacement of the safety shoes is slow and need to await for batch order.</p> <p><b>Audit Team Findings:</b> a. Management will closely monitoring any updated circular from NUPW. Tanah Merah Mill manager: The situation already improve as now already come in 3<sup>rd</sup> and 4<sup>th</sup> batch. Company has pre-order the shoes instead of order after receive request.</p>
5	<p><b>Issues:</b> Contractor Lim Yew Mee (Tanah Merah Estate), transporter for the FFB of the estate.</p> <p><b>Management Responses:</b> The management acknowledged the comment.</p> <p><b>Audit Team Findings:</b></p>

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	Document reviewed on the contract agreement confirmed that they have signed on it and payment was made by headquarter.
6	<p><b>Issues:</b> Amesu representatives (Tanah Merah Estate); Overall no issue and if staff will report to him if any issue.</p> <p><b>Management Responses:</b> The management will continue maintain the good relationship with the Amesu representatives and also the address the issue immediately if they have any.</p> <p><b>Audit Team Findings:</b> No further comments.</p>
7	<p><b>Issues:</b> Health assistance in clinic (Tanah Merah estate): There has no serious illness within the estates. Inspection of housing area conducted once a week. The inventory of the drugs conducted once every 3 months.</p> <p><b>Management Responses:</b> Management will ensure the continuous of the good practices of the clinic and also the house inspection.</p> <p><b>Audit Team Findings:</b> No further comments.</p>

**3.3.1 Status of Nonconformities Previously Identified and Observations**

Observation	
OBS #	Description
1	Nil

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1304220M1	<p><b>Requirements:</b> <b>Indicator 2.1.1</b> i) Evidence of compliance with relevant legal requirements shall be available. ii) "Peraturan-Peraturan Kawalan Bekalan 1974, Peraturan 9(2)"</p> <p><b>Evidence of Nonconformity:</b> Tanah Merah Estate: Diesel permit, Serial# N003191, Ref: NS(PD)10/2011 SK(D), was found expired on 14/4/15</p> <p><b>Statement of Nonconformity:</b> Evidence of compliance with relevant legal requirements was not effectively implemented.</p> <p><b>Corrective Action:</b> Immediate action: Respond for renewal of the diesel permit on 8 Mac 2016 at KPDNKK Port Dickson was sighted. Refer to <i>Akuan Penerimaan/Pembaharuan Permit-</i> (KPDNKK) Corrective Action (long term) i) Master list of all permits and licenses with validity date/expiry date</p>	Major

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	<p>have been established.</p> <p>ii) The list will be periodically monitored and reviewed by the estate management.</p> <p>iii) Admin and Accounts officer (AAO) has been appointed to ensure the aforementioned master list is updated periodically and all permits/licenses are renewed timely.</p> <p>The Major NC was closed out on 5/4/16.</p>	
	<p><b>Assessment Conclusion:</b> ASA1-2 verification: Valid diesel permit was made available for review. Refer to permit ref# NS(PD) 10/2011 P((D/P), serial# N 014895 valid until 6/3/18. The major NC is remain closed.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1304220M2	<p><b>Requirements:</b> <b>Indicator 6.5.2</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Evidence of Nonconformity:</b> Tanah Merah Estate: Review of workers' payslip for the month of February 2015 found deduction for union fee (NUPW) was not following the latest MAPA/NUPW Collective Agreement dated 28 April 2015. Sample checked: Employee No.: 2575 and 89027 found RM 11.00 deducted for union fee whereas, the CA required RM 3.00 Insurance to be fully subsidies by the company.</p> <p><b>Statement of Nonconformity:</b> Deduction for union fee (NUPW) was not following the latest Collective Agreement.</p> <p><b>Corrective Action:</b> Immediate action: i) Estate management noted on the new regulation on the said subsidies. Estate management identified list of the affected workers and will reimburse (lump sum) the fee in coming salary (salary month April 2016)</p> <p>Corrective action: i) Briefing on the MAPA/NUPW Collective Agreement and new requirements have been conducted involving AAO and office staff. ii) Objective of the briefing is to enhance the understanding and awareness on the changes related to the latest CA and MAPA Circular (No 22/2015). iii) The estates has been informed via email on the changes and action required on 19 Aug 2015 by HR and IT Department.</p> <p>The Major NC was closed out on 5/4/16.</p>	Major

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	<p><b>Assessment Conclusion:</b> ASA1-2 verification Through the inspection on the sampled payslip from August &amp; December 2016; Feb 2017 of the workers. All the workers who join as the union member have been subsidized by the company. No repetitive issue detected. Thus, this major under the NUPW issue remain closed.</p>	
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<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
1304220M3	<p><b>Requirements:</b> <b>Indicator 6.12.1</b> There shall be evidence that no forms of forced or trafficked labour are used.</p> <p><b>Evidence of Nonconformity:</b> Bukit Pelandok Estate: Interview with workers and document review found that passport retention agreement was not followed. Security deposit of RM 100 has been collected from workers whenever workers requested to take back their passport. The records were sighted in the "Buku Pinjam Passport" Passport borrowing record book.</p> <p><b>Statement of Nonconformity:</b> Foreign workers Passport retention agreement was not followed.</p> <p><b>Corrective Action:</b> Immediate action: i) Estate management to terminate the collection of passport security deposit from the workers. The collected security deposit has been return to the respective workers. ii) Issued an internal memo regards to termination of passport security deposit. iii) Briefing to the workers will be conducted at morning muster on the termination of security deposit. iv) Briefing with the Local NUPW representative will be conducted on the new changes. (Pusparani A/P Suppiah, Setiausaha NUPW Ladang Bukit Pelandok) Corrective action: i) New mechanism to monitor collection of passport will be introduced and implemented.</p> <p>The Major NC was closed out on 5/4/16.</p> <p><b>Assessment Conclusion:</b> ASA1-2 verification Through the interview to the workers, clerk in office and NUPW representatives, the collection of RM500 security deposit from foreign workers no longer implemented. No evidence of the non-conformity reoccurrence.</p> <p>Based on the circular (WMU/MAY/PG03) dated 31 May 2016, the collection of RM500 security deposit for the above purposes are retracted and discontinued with immediate effect. Any clause that reflect or imply the above policies and practise shall be null and void. Thus, this major remain closed.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1304220M4	<p><b>Requirements:</b> <b>Indicator 5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	Major
	<p><b>Evidence of Nonconformity:</b> <u>Tanah Merah Estate</u> Visit to the estate facility compound found traces of oil contaminated the soil at Mechanisation Department parking bay nearby workshop</p> <p><u>Bukit Pelandok Estate</u> Visit to the estate facility compound found traces of oil contaminated the soil at the vehicle repair parking shade nearby workshop</p>	
	<p><b>There was a minor nonconformity raised against this indicator during the previous audit (RC). Therefore, this nonconformity has been upgraded to Major as per RSPO certification system.</b></p>	
	<p><b>Statement of Nonconformity:</b> Operational plan to avoid pollution not implemented effectively.</p>	
	<p><b>Corrective Action:</b> Immediate action:</p> <ul style="list-style-type: none"> <li>i) The operator to remove all the contaminated soil and to dispose the soil as a schedule waste.</li> <li>ii) The operator will be responsible to ensure pollution prevention are in place at the mechanize department.</li> </ul> <p>Corrective Action:</p> <ul style="list-style-type: none"> <li>i) Bukit Pelandok estate will conduct workplace inspection on quarterly basis. The result of the inspection will be presented during the OSH meeting.</li> <li>ii) SW Management training on the SOU basis will be conducted on 22 Mac 2016. The trainer is a Pn Sharifah (ESH region).</li> </ul> <p>The Major NC was closed out on 5/4/16.</p>	
	<p><b>Assessment Conclusion:</b> ASA1_2 verification:</p> <p><u>Tanah Merah Estate</u> During the visit to the lubricant store, spill of oil will be cleaned using absorbance and soil. Contaminated spill kit will disposed as scheduled waste under SW408. The soil contamination issue has been rectified effectively, thus the major NC is remained closed.</p> <p><u>Bukit Pelandok Estate</u> Observed onsite, all contaminated soil ad spill kit disposed as SW408.</p>	

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1304220N1	<p><b>Requirements:</b> <b>Indicator 4.7.3</b> All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p>	Minor
	<p><b>Evidence of Nonconformity:</b> Tanah Merah Estate (Mechanization Department workshop): Operator was observed doing disc cutting job without proper PPE.</p>	
	<p><b>Statement of Nonconformity:</b> Inadequate and inappropriate protective equipment worn by worker at the place of work.</p>	
	<p><b>Corrective Action:</b> Corrective action: i) Management will ensure all related PPE for cutting job available and maintain. ii) The PPE training and SOP training will be carry out before May 2016 Corrective action plan is accepted and evidence of implementation will be further verified in the next audit.</p>	
	<p><b>Assessment Conclusion:</b> ASA1_2 verification:  <u>Tanah Merah Estate</u> During the visit to the contractor workshop, it was observed that the worker was not wearing the appropriate PPE (eq. hand glove) for grinding/cutting works.  Corrective action was not effectively implemented.  There was a minor nonconformity raised against this indicator during the previous audit. Therefore, this nonconformity has been upgraded to Major as per RSPO certification system.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1304220N2	<p><b>Requirements:</b> <b>Indicator 4.1.2</b> A mechanism to check consistent implementation of procedures shall be in place.</p>	Minor
	<p><b>Evidence of Nonconformity:</b> Bukit Pelandok Estate: A few expired drugs were found and kept inside dispensary refrigerator. i) Xylocaine 2% (Jan 2016) ii) Chlopyramin (Jan 2016)</p>	



	<p><b>Statement of Nonconformity:</b> Mechanism to check consistent implementation was not effective.</p>	
	<p><b>Corrective Action:</b> Corrective action:</p> <ul style="list-style-type: none"> <li>i) Workplace inspection will be conducted on quarterly basis and to include inspection of the expiry drug in the checklist.</li> <li>ii) All the expired drug will be disposed as a schedule waste (Clinical waste SW 404) and liaise with Kualiti Alam Sdn Bhd for disposal.</li> <li>iii) Designated container (Sharp &amp; bin) for expired drugs, and need to dispose as per schedule waste management.</li> </ul> <p>Corrective action plan is accepted and evidence of implementation will be further verified in the next audit.</p>	
	<p><b>Assessment Conclusion:</b> ASA1_2 verification:</p> <p>Drug checklist &amp; expire date being monitor every three months to ensure no expiring of the drugs. Inspection to the clinic and confirmed the correction action plan are implemented accordingly. Thus, this minor non-conformity has closed.</p>	

Observation	
OBS #	Description

### 3.3.2 Summary of the Nonconformities and Status

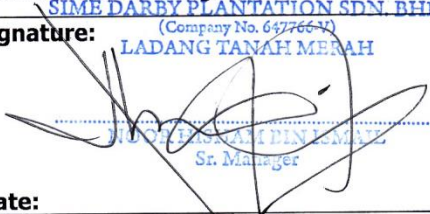

CAR Ref.	CLASS	ISSUED	STATUS
CR01	Major	11/09/2008	Closed on 26/10/2008
CR02	Minor	11/09/2008	Closed on 26/10/2008
CR03	Minor	11/09/2008	Closed on 26/10/2008
CR04	Minor	11/09/2008	Closed on 5/5/2011
CR05	Minor	5/05/2011	Closed on 24/3/2012
CR06	Minor	5/05/2011	Closed on 24/3/2012
1028798N0	Minor	7/03/2014	Closed on 24/2/2015
1159921N1 – 5.3.3	Minor	27/02/2015	Not closed. Escalated to Major NC as RSPO certification system
1304220M1 – 2.1.1	Major	3/3/16	Closed on 5/4/16
1304220M2 – 6.5.2	Major	3/3/16	Closed on 5/4/16
1304220M3 – 6.12.1	Major	3/3/16	Closed on 5/4/16
1304220M4 – 5.3.3	Major	3/3/16	Closed on 5/4/16
1304220N1 – 4.7.3	Minor	3/3/16	Not closed. Escalated to Major NC as RSPO certification system
1304220N2 – 4.1.2	Minor	3/3/16	Closed on 30/03/2017
1458363-201703-M1 – SCCS Module D 4.2	Major	30/03/2017	Closed on 29/4/2017

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1458363-201703-M2 – 6.5.2	Major	30/03/2017	Closed on 04/05/2017
1458363-201703-M3 – 4.7.3	Major	30/03/2017	Closed on 04/05/2017
1458363-201703-N1 – 4.7.5	Minor	30/03/2017	"Open"

**Assessment Conclusion and Recommendation:**

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

Acknowledgement of Assessment Findings	Report Prepared by
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<b>Title:</b> <b>Senior Estate Manager/SOU14 chairman</b> <small>SIME DARBY PLANTATION SDN. BHD.</small>	<b>Title:</b> <b>Lead Auditor</b>
<b>Signature:</b>  <small>(Company No. 642766-10)</small> <small>LADANG TANAH MERAH</small> <small>JUOH KRAMBIN LAMAZ</small> <small>Sr. Manager</small>	<b>Signature:</b> 
<b>Date:</b>	<b>Date: 10<sup>th</sup> July 2017</b>

**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 were attended accordingly
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	Records of requests for information and responses were maintained. Sample of records checked: i) Notice issued to Tanah Merah POM (DOSH). NOI# 039889 dated 19/9/16 – No annual inspection of LEV. Notice was closed on 27/12/16. Verified completion of job order by consultant, SEMC Sdn Bhd. Report ref# SEMC/KKSTANAHMERAH/LEV258/2016 dated 4/11/16.  ii) Incident investigation report requested by DOSH based on the visit dated 25/7/16. The requested report submitted to DOSH on 23/8/16 (Chronology, medical certificate, incident report, HIRARC and medical report  iii)DOE’s field citation report, JAS/ATOP1/10/2015 – Comments received from DOE with regards to black smoke and calibration of smoke density recorder. In addition, date of first generation was not written on the label. Official reply to DOE dated 19/9/16 to DOE Negeri Sembilan. Scheduled waste label updated with the calibration certificate for smoke density recorder for boiler no.2
<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.</p> <p>Sime Darby Plantations Sdn Bhd continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Procedure for complaints and grievances were available through Sime Darby Plantations Sdn Bhd website at <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 under Corporate Policy Statement dated January 2015. Policy displayed on the notice board and communicated to employees.</p> <p>Code of Business Conduct (COBC) Refresher Course had provided to all the workers on during muster. Interviewed with employees reveal that they are aware of the policy.</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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<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU 14 had continued to comply with legal requirements as per the indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. Records and evidences related to compliance were verified:</p> <p>i) 2nd mill annual inspection for SB and UPV was done on 22/3/16.</p> <ul style="list-style-type: none"> <li>- NS PMD 877 (steam boiler) valid until 10/4/17</li> <li>- NS PMT 2688 (receiver tank) valid until 21/6/17</li> <li>- NS PMA 3703 (crane/hoist) valid until 21/6/17</li> </ul> <p>Competent person</p> <p>i) AESP and AGT for confined space competent person</p> <ul style="list-style-type: none"> <li>- AESP: NW-HQ-AE-R-1211-O, valid until 6/3/18.</li> <li>- AGT: NW-HQ-AGT-0998-O, valid until 256/6/18</li> </ul> <p>Permits and licenses checked :</p> <p>a) MPOB license: 532379004000 (valid until 31/8/2017) for 201,000MT</p> <p>b) DOE License/Jadual Pematuhan: ASNS (B) 31/152/000/003, license# 003289 (validity period 1/7/2016 - 30/6/2017) for 35MT/hr and method of POME discharge is land application. BOD limit is 5000 mg/l.</p> <p>c) Water abstraction license: BKSA-PD/700-11/2/1-45/2016/0374 (validity period until 30/06/2017) for the volume of 262,800 m<sup>2</sup> per annum.</p> <p>d) Energy commission license; serial no.: 19383, license number, 2017/00044 (valid until 3/1/18) for 1735 kW installation capacity</p> <p>e) Diesel permit, ref:NS(PD)12/1999 SK (D), Diesel: 18,200 liter, valid until 2/6/17.</p> <p>f) Permit overtime permit &gt; 104 hours (max 130 hours; ref# (30)d/m Bhg PU/9/134 Jilid 2 dated 2/12/13</p> <p>g) Fire certificate, serial# 28814, ref# JBPM: NS/7/3/2016, valid until 23/2/17. Inspection for fire certificate renewal was done on 20/3/17 by Negeri Sembilan Fire Department waiting for the issuance from BOMBA.</p> <p><u>Tanah Merah Estate</u></p> <p>a) MPOB license: 527164002000, valid until 28/2/18 (estate), MPOB license: 558187011000 valid until 28/2/18</p> <p>b) Diesel permit, Serial# N014895 Ref: NS(PD)10/2011 P (D/P), Diesel: 15,000 liter, Petrol: 9,000 valid until 6/3/18.</p> <p><u>Bukit Pelandok Estate</u></p> <p>a)MPOB license – 530985002000 valid until 30/6/17</p> <p>b) Diesel permit, Ref: NS(PD)8/1999 SK (D/B), Diesel: 18,200 liter, valid until 28/4/17</p>	<p>Complied</p>

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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.  All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. At the mill the LORR was reviewed on 25/1/2017	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 seculars.	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 -	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land available at visited estates.  <u>Tanah Merah estate:</u> Sighted land titles to cover the plantation area and mill (Lot No. 0008889 HM00161781, GRN 00248408, 161783, 197067, 228764, 161781, 32341, 1327, 32340, 32339, 238129, 76000, 1826, 32343).  <u>Bukit Pelandok</u> Quit rent 2016 Title area : 1862.1383 ha Sample : Land title: 228765, Lot 11327, Mukim Jimah, District Port Dickson, total area: 1486 Ha.	Complied

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2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Field visit to P1998 noted that boundary is visibly maintained and verified during the visit. Legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Tanah Merah Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
<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 -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	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 -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes.	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 -	SOU2 had an annual budget for the financial year 2016/2017. The palm oil mill budget includes the projected FFB processed, CPO and PK production which projected for five years. For palm oil mill, CAPEX included for machinery equipment to improve process efficiency. Budget was also allocated for the other estates for OPEX (crop evacuation and upkeep) as well as CAPEX for machine and vehicle replacement.	Complied



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3.1.2	<p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -</p>	<p>Annual replanting programme projected for a minimum of five years and yearly review conducted at the head office level and participated by the Regional GM and Estate managers. <u>Bukit Pelandok</u> Long range replanting programme (FY16/17 to FY35/36) FY16/17: 56.16 ha ( field 1989A, 1990B, 1991C) FY17/18: 117.22 ha (field 1994A, 1995A) Reason for replanting: low yield, P&amp;D infected palm (Ganoderma)</p>	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	<p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>SOU14 has continued to use the documented SOPs for Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc. Noted updated procedure under SOP for water analysis and RSPO SCCS procedure:  i)SPMS, Appendix 7: SOP for water quality monitoring, issue:2 dated 1/6/16.  SOP for sampling guideline  ii)Water and Wastewater Sampling Guideline, issue:1 dated 1/6/16.  iii) RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15, version:2, issue: 2 dated October 2016</p>	Complied
4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>External Mill Advisor and a Planting Advisor inspect and report on the operations on annual basis. There were other audits by PSQM and GCAD to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements</p>	Complied

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<p>4.1.3</p> <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>The latest advisory report for FY16/17 was carried out on 14/2/17. Refer to MA report ref# SOU14/TMM/02/16-17 dated 1/3/17. No major issues recorded based on the visit by MA.</p> <p>Audit conducted by R&amp;D team for laboratory audit was carried out on 2/2/17. Report ref#TMM01/2017 was verified. Assessment scopes were on the laboratory organization, quality system, ESH, good laboratory practices etc. Overall score is 87.3 % (good) with a few comments for improvement.</p> <p>OER Task Force was carried out on 6/2/17 by PSQM Crop Losses and Quality Assessment. The focus of task force is more on oil recovery assessment (process and infield losses) with to identified the critical control parameter/point for mill and estate.</p> <p><u>BPE:</u> PA visit: 15-17/2/2017 (Report No.: PAR/SOU14/BPE/2016-2017/02) Agronomist: 21-21 December 2016</p> <p>Energy Commission report submitted to Energy Commission on month basis. Verified the latest report for February 2017 dated 4/3/17. Total of 184,990 kWh generated for the month of February 2017</p>	<p>Complied</p>
<p>4.1.4</p> <p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -</p>	<p>No third party FFB purchased by the mill. Mill only received certified FFB from group estates</p>	<p>Complied</p>
<p><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.</p>		
<p>4.2.1</p> <p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -</p>	<p>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.</p>	<p>Complied</p>
<p>4.2.2</p> <p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizer recommendation is based on agronomist report under 2017 Agronomic &amp; Recommendation Report – Oil Palm dated 21-22/12/16. Verified the latest recommendation in the report, appendix I.</p> <p>Latest application for Sep – Dec 2016: field 1998A ( total area 59.31 ha)</p> <p>Recommendation for Sept – Dec 2016: NKC1 (10.5/0/30) @ 3.75% per palm.</p> <p>Actual application – completed for 645 bags x 50 kg = 13/3/17 (bring forward programme)</p>	<p>Complied</p>

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4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Leaf nutritional status summary reported in the Agronomist Report dated 21-22/12/16. The latest leaf sampling was carried out on August 2016 for B1 division (i.e field 1996A, 1997A and 1998A). The last soil sampling was carried out in 2014, refer to report#S80/2014 dated 10/9/14.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	No EFB application recommendation for BPE.  <u>TME</u> Based on agronomist report under 2016/2017 Agronomic & Fertilizer Recommendation Report (Oil Palm); Appendix IA, a few selected fields (i.e 1999B, 2000E, 1999G) recommended for compost fertilizer programme. Recommendation rate is 100kg compost per palm.  In addition to composting programme, POME was applied to selected field as part of nutrient recycling strategy	Complied
<b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.		
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	All the estates hold copies of soil map. Soil maps and field visit confirm that there is no fragile soil on the estates. <u>BPE</u> Soil seris map available. Majority : Munchung (20.73%), Serdang (21.70%)	Complied
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Slope map available. The slope ranging from 0°-2°: 15%; 2°-6°: 56%; 6°-12°: 27%; 12°-20°: 1%. Slope area constructed with terrace and side drainage. Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as muccuna and soft grasses and ferns.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Road maintenance programme available for FY17/18. The programme was placed under OPEX for road and bridges for A road (29,405 m) and B road (100,000 m).	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates visited.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil at SOU14	Complied

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4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates visited.  Complied
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.		
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	Water management plan available. Document dated 25/1/17 was verified.  - Identification & management of wastewaters: Action plan to identify source of wastewater & management of the containment/treatment/reuse/recycle/disposal method of wastewaters. - Action plan to reduce fresh water usage-reduce water use for cleaning, reduce no. of cleaning - Contingency plan during water shortage – reduce no. of cleaning - Action plan during severe water pollution
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 -	Sampled water monitoring records for pesticides residue in water: Quarterly Water Analysis Test Report no. PL190/2017 dated 21/3/2017 for samples taken on 14/2/2017 by Sime Darby Research Sdn. Bhd.; parameters monitored:- Aldrin, Dieldrin, DDT, Heptachlor, Heptachlor Epoxide, Chlordane, Lindane, Endosuffan, BHC and Alpha-HCH.  Complied
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD allowed by DOE was 5000mg/l through land application. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point on monthly basis and water at the upstream, midstream and downstream of the river on quarterly basis.  Sampled latest effluent monitoring records: Monthly Effluent Analysis Test Report sampled dated 24/3/2017 for sample taken on 2/3/2017 by Sime Darby Research Sdn. Bhd.; parameter monitored:- pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Samples were taken from each point of treatment in the system consist of raw pond, acid ponds, digester tanks and final pond before field application. BOD limit for final discharge <5000mg/L were met as well as all parameters that were within allowable limit. Quarterly return for the final quarter of 2016 (Oct – Dec 2016) available for review.
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Mill water usage for Jan-Dec 2016: ranged from 1.40 – 2.07 mt/FFB processed. Targeted/expected water usage for mill operation was at 1.5 mt/FFB processed.  Complied
<b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		

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4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>IPM is documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. Although there have been no outbreaks of leaf eating pests, beneficial plants are being established along roadsides to attract natural predators. The estates are continue to plant beneficial plants such as Turnera subulata. Latest updates of the BPE IPM's as per below:</p> <p>Beneficial plant : 6:2:2 (planted 1.8 dm/ha)</p> <p>Rat baiting : calendar baiting (4 rounds below 20%), warfarin (1<sup>st</sup> generation)</p> <p>Barn owl box : Occupancy rate 58%, BOB maintenance and replacement</p> <p>Bagworm infestation : Trunk injection (Acephate, class III), as at February is 80 ha.</p>	Complied
4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the barn owl occupancy census team confirm their understanding of the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on census. The latest IPM training was carried on 26/11/16 at BPE.</p>	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 -	<p>The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are:</p> <p>Immature planting (sample)</p> <ul style="list-style-type: none"> <li>- General weeds : Glyphosate</li> <li>- Legume &amp; broad leave : Metsulfuron Methyl</li> <li>- Stenochlaena palustris : Sodium chlorate</li> </ul> <p>Mature planting</p> <ul style="list-style-type: none"> <li>- VOPs : glyphosate &amp; sodium chlorate</li> </ul> <p>The selection is also evaluated by the agronomist during his visit to the estate.</p>	Complied

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<p>4.6.2</p> <p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate. For January 2017, total 0.725 Ai/Ha recorded.</p> <p>(Metsulforon methyl, cypermethrin, acephate, warfarin, glufosinate ammonium). Summary of Ai/Ha from July 2016 – Jan 17 as per below:</p> <table border="1" data-bbox="660 636 1299 1048"> <thead> <tr> <th>Month</th> <th>Ai/Ha</th> </tr> </thead> <tbody> <tr> <td>July 2016</td> <td>0.679</td> </tr> <tr> <td>August 2016</td> <td>0.07</td> </tr> <tr> <td>September 2016</td> <td>0.56</td> </tr> <tr> <td>October 2016</td> <td>0.127</td> </tr> <tr> <td>November 2016</td> <td>0.104</td> </tr> <tr> <td>December 2016</td> <td>0.813</td> </tr> <tr> <td>January 2017</td> <td>0.725</td> </tr> <tr> <td><b>Average</b></td> <td>0.439</td> </tr> </tbody> </table>	Month	Ai/Ha	July 2016	0.679	August 2016	0.07	September 2016	0.56	October 2016	0.127	November 2016	0.104	December 2016	0.813	January 2017	0.725	<b>Average</b>	0.439	<p>Complied</p>
Month	Ai/Ha																			
July 2016	0.679																			
August 2016	0.07																			
September 2016	0.56																			
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November 2016	0.104																			
December 2016	0.813																			
January 2017	0.725																			
<b>Average</b>	0.439																			
<p>4.6.3</p> <p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5.</p>	<p>Complied</p>																		
<p>4.6.4</p> <p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. Based on the latest chemical register only class III &amp; IV chemical used at visited estates. Alternative for class IA chemical, Acephate was used. Verified license to buy Acephate as per the following :</p> <p><u>BPE</u></p> <p>Acephate license, ref# NS/2017/ACP/0011(GL) for 700 kg dated 7/3/17.</p> <p><u>TME</u></p> <p>Acephate license, ref# NS/2017/ACP/0014(GL) for 800 kg dated 13/3/17</p>	<p>Complied</p>																		
<p>4.6.5</p> <p>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).</p> <p>- Major compliance -</p>	<p>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.</p>	<p>Complied</p>																		

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4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5 Complied
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spray at SOU14. 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 SOU14. Employees demonstrate knowledge and skills on pesticide handling. MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster for the easy understanding of the agrochemical handlers. Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Disposal method of all identified waste was already included in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within mill and estates. Complied

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<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p><u>TMPOM</u> Last medical check-up was conducted on 18/01/2017 (Workshop &amp; Lab Personnel) and 21/02/2017 (Boilermen Personnel) by DOSH Registered doctor No.: HQ/08/DOC/00/28. All 21 workers were found fit based on the medical results.</p> <p><u>BP Estate</u> Medical surveillance carried out once a year for all chemical handlers (Foreman, Fogger, Trunk Injection Gang, Chemical Mixer &amp; Sprayers). Last medical check-up was conducted on 20/01/17 by DOSH Registered doctor No.: HQ/08/DOC/00/(28) for 16 workers. Total 05 workers were found not fit based on the medical results and was transferred to another work pending repeat medical test on 20/04/17.</p> <p><u>TM Estate</u> Medical surveillance carried out once a year for all chemical handlers (Trunk Injection Gang, Chemical Mixer &amp; Sprayers). Last medical check-up was conducted on 17/01/17 by DOSH Registered doctor No.: HQ/13/DOC/00/304 for 23 workers. All 23 workers were found fit based on the medical results.</p>	<p>Complied</p>
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -</p>	<p><u>TMPOM/BP Estate/TM Estate</u> The female workers confirmed knowledge of the policy of transfer to alternative duties if wished to continue working when pregnancy was confirmed or breast-feeding.</p>	<p>Complied</p>
<p><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:</p>		



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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>SOU14 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English.</p> <p><u>Baseline &amp; Annual Audiometric Testing</u></p> <p>TMPOM – Baseline &amp; Annual Audiometric testing completed on 20/06/2016 and 18/07/2016 by Specialist Mobile Safety Supplies Sdn Bhd (HQ/13/DOC/00/329). Total of 105 workers were sent for the annual testing. Results from testing: 26 workers with no test required. 19 workers with Hearing Impairment. 25 workers with Standard Threshold Shift.</p> <p><u>Chemical Health Risk Assessment (CHRA)</u></p> <p>TMPOM - CHRA conducted on 15/05/2015 by registered assessor JKPP HIE 127/171-2(166). Based on the CHRA, a total of 37 findings/recommendations reported.</p> <p>BP Estate - CHRA conducted on 31/05/15 by registered assessor JKPP HIE 127/171-2(160). Based on the CHRA, a total of 08 findings/recommendations reported.</p> <p>TM Estate - CHRA conducted on 30/05/2015 by registered assessor JKPP HIE 127/171-2(160). Based on the CHRA, a total of 08 findings/recommendations reported. Trunk Injector specific CHRA was conducted on 03/03/2016 by registered assessor JKPP HIE 127/171-2(160). Based on the CHRA, a total of 10 findings/recommendations reported.</p> <p>The action plan was established through the recommendation from the assessor.</p> <p><u>Periodic Chemical Exposure Monitoring</u></p> <p>TMPOM - The periodic chemical exposure monitoring was conducted on 24/07/2015 (RT013/2015/189) by JKPP HIE 127/171-3/1(183) for the laboratory was observed. The exposure results of personal monitoring at Laboratory for n-Hexane, Chloroform and Isopropyl Alcohol were below permissible exposure limit as specified under OSH USECHH Regulation 2000.</p> <p><u>Boundary Noise Monitoring</u></p> <p>TMPOM – The boundary noise monitoring (RT010/2013/191) was conducted on 07/11/13 by Global Safe-T Sdn Bhd.</p> <p>Regulation 12 states that whenever there have been changes in production process, equipment, control measures or personal change in the factory, the employer shall conduct Additional Noise Monitoring within 6 months from the date of such change. Noted that P15 press was installed in December 2016. Report to be verified during the next audit.</p>	<p>Complied</p>

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	<p><u>LEV inspection and testing</u>                      TMPOM - LEV inspection and testing (SEMC/KKSTANAHMERAH/LEV/258/2016) was conducted on 05/10/2016 by registered assessor JKPP HIE 127/171-3/2(96). The LEV systems installed met the minimum required face velocity and duct transport velocity along the ducting and hoods.</p> <p><u>Contractors Management</u>                      TMPOM - Permit to Work (PTW) has been implemented for internal and external works involving confined space, hot work, working at height, LOTO and etc. Monitoring of PTW for confined space entry, permit issuance and cancellation are effectively implemented</p>		
<p>4.7.2</p>	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.                      - Major compliance -</p>	<p>SOU14 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. Appropriate control measure has been determined and revised in the HIRARC register.</p> <p>TMPOM - HIRARC was reviewed on 25/01/17 and approved by the Manager. Mill activities was identified and risk assessed with respect to weighbridge, reception station, FFB grading and sorting, fruit handling station, FFB sterilization, trashing station, pressing station, kernel and oil extraction, oil clarification, laboratory, maintenance activities at the workshop, water treatment, working in confined space, working at height and hot work activities.</p> <p>Previous review was on 19/08/16 due to accident (830311-02-5823) on 28/05/16</p> <p>At the estate, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance.</p> <p>BP Estate - HIRARC was reviewed on 09/03/17 and approved by the Manager. Revision done for harvesting (frond stalker and loose fruit collector) and Collection (Badang).</p> <p>TM Estate - HIRARC was reviewed on 25/01/2016 and approved by the Manager. Revision done for transporting workers using motorcycles.</p>	<p>Complied</p>

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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p> <ol style="list-style-type: none"> <li>1. Sime Darby Plantation KKS Tanah Merah FY16/17 was established and approved.</li> <li>2. Environment, Safety &amp; Health Program Bukit Pelandok Estate FY 2016/2017 was established and approved.</li> <li>3. Sime Darby Plantation Sdn Bhd SOU14 – Tanah Merah Estate (FY16/17) was established and approved.</li> </ol> <p>Suitable PPE has been provided to the workers based on the information in the MSDS and CHRA assessor’s recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <ol style="list-style-type: none"> <li>i. Boiler/Engine operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff.</li> <li>ii. Field workers (sprayer, manure &amp; harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover.</li> </ol> <p>During the site visit, it was noted that the PPE will be replaced by the workers when damaged or lost.</p> <p>The chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. CSDS was placed at the chemical stores and is available. The person in charge understands the information written in CSDS.</p> <p><u>Tanah Merah Estate</u> During the visit to the contractor workshop, it was observed that the worker was not wearing the appropriate PPE (eq. hand glove) for grinding/cutting works.</p> <p>Corrective action was not effectively implemented.</p> <p>There was a minor nonconformity raised against this indicator during the previous audit. Therefore, this nonconformity has been upgraded to Major as per RSPO certification system.</p>	<p>Major nonconformance</p>

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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>SOU14 OSH policy is well briefed to all workers. Interview with workers reveal that they understand the policy and the importance of safety at work.</p> <p><u>TMPOM</u></p> <p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 09/03/17 attended by 30 persons.</p> <p>The work place inspection conducted on 15/02/17 and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2016/2017</u></p> <p>Chairman – Mill Manager (appointment letter dated 15/12/16). Appointment letters for other OSH committee members dated 18/03/17 &amp; 5/12/16.</p> <p>OSH/EHS meeting: 09/03/17, 24/11/16, 05/05/16, and 08/03/16.</p> <p><u>BP Estate</u></p> <p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 23/03/17 attended by 16 persons. Meeting minutes to be verified during the next audit.</p> <p>The work place inspection conducted on 06/03/17 and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2016/2017</u></p> <p>Chairman – Estate Manager (appointment letter dated 29/03/2017). Appointment letters for other OSH committee members dated 17/12/16.</p> <p>OSH/EHS meeting: 23/03/17, 03/12/16, 03/09/16 &amp; 03/06/16</p> <p><u>TM Estate</u></p> <p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 15/03/2017 attended by 21 persons.</p> <p>The work place inspection conducted on 10/03/17 and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2016/2017</u></p> <p>Chairman – Estate Manager (appointment letter dated 13/02/2016). Appointment letters for other OSH committee members dated 14/04/16.</p> <p>OSH/EHS meeting: 15/03/17, 16/12/16, 28/09/16 28/06/16 29/03/16 and 07/01/16.</p>	<p>Complied</p>

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<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>Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <ol style="list-style-type: none"> <li>1. TMPOM - Fire evacuation drill was last conducted on 13/02/16 to test the state of readiness during emergency situation. FY2017 training still pending confirmation from BOMBA.</li> <li>2. BP Estate - Fire evacuation drill was last conducted on 23/04/15 to test the state of readiness during emergency situation. FY2017 training still pending confirmation from BOMBA.</li> <li>3. TM Estate - Fire evacuation drill was last conducted on 27/05/16 to test the state of readiness during emergency situation.</li> </ol> <p>Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <ol style="list-style-type: none"> <li>1. Training for First Aid is conducted in annually. Sufficient first aiders trained.</li> <li>2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition.</li> <li>3. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date.</li> <li>4. Emergency eye wash facility available at chemical store and laboratory. Both are in good working condition.</li> </ol> <p>Quarterly review on accident cases carried out during OSH quarterly meeting.</p> <p><u>TMPOM</u></p> <p>01 accident reported. JKKP 8 was sent to DOSH on 15/01/2017.</p> <p>DOSH visits (19/09/16) been recorded in the DOSH log book and comments highlighted by DOSH was noted and action taken accordingly.</p> <p><u>BP Estate</u></p> <p>04 accidents reported. JKKP 8 was sent to DOSH on 23/01/2017.</p> <p>DOSH visits (10/10/16) been recorded in the DOSH log book and comments highlighted by DOSH was noted and action taken accordingly.</p> <p>First aid box was not available at worksite, contract harvester at field P00C.</p>	<p>Minor nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance																					
	<p><u>TM Estate</u></p> <p>05 accidents reported. JKPP 8 was sent to DOSH on 04/01/2017.</p> <p>DOSH visits (26/02/16) been recorded in the DOSH log book and comments highlighted by DOSH was noted and action taken accordingly.</p> <p>During the visit to the mechanization workshop, the first aid content was found to contain expired eye drops (2 bottles) and insufficient amount of necessary items as per the TM estate first aid kit checklist.</p>																						
<p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p>	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p> <p>Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for <u>February 2017</u>.</p> <p>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance.</p> <table border="1" data-bbox="660 1066 1299 1565"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>RHB Insurance (FW195668)</td> <td>24/10/2016 – 23/10/2017</td> <td>TMPOM</td> </tr> <tr> <td>RHB Insurance (BR-BG148775)</td> <td>24/10/2016 – 23/04/2018</td> <td>TMPOM</td> </tr> <tr> <td>RHB Insurance (FW185881)</td> <td>20/04/2016 – 19/04/2017</td> <td>BP Estate</td> </tr> <tr> <td>RHB Insurance (FW187662)</td> <td>18/05/2016 – 17/05/2017</td> <td>BP Estate</td> </tr> <tr> <td>RHB Insurance (FW199804)</td> <td>29/12/2016 – 28/12/2017</td> <td>TM Estate</td> </tr> <tr> <td>RHB Insurance (FW196410)</td> <td>07/11/2016 – 06/11/2017</td> <td>TM Estate</td> </tr> </tbody> </table>	Insurance	Period	Remark	RHB Insurance (FW195668)	24/10/2016 – 23/10/2017	TMPOM	RHB Insurance (BR-BG148775)	24/10/2016 – 23/04/2018	TMPOM	RHB Insurance (FW185881)	20/04/2016 – 19/04/2017	BP Estate	RHB Insurance (FW187662)	18/05/2016 – 17/05/2017	BP Estate	RHB Insurance (FW199804)	29/12/2016 – 28/12/2017	TM Estate	RHB Insurance (FW196410)	07/11/2016 – 06/11/2017	TM Estate	<p>Complied</p>
Insurance	Period	Remark																					
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<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -</p>	<p>Accident records are found to be updated. All records on Lost Time Accident (LTA) metrics are maintained.</p> <p>Samples of accident statistic as shown below :</p> <table border="1" data-bbox="660 510 1299 678"> <thead> <tr> <th>Year to – date</th> <th>TMPOM</th> <th>BP Estate</th> <th>TM Estate</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1 (LTA 05)</td> <td>8 (LTA 89)</td> <td>0 (LTA 225)</td> </tr> <tr> <td>2016</td> <td>1 (LTA 90)</td> <td>4 (LTA 15)</td> <td>0 (LTA 256)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p> <p>TMPOM recorded LTI as at January 2017 – 699,200. BP Estate recorded LTI as at January 2017 – 444,481. TM Estate recorded LTI as at January 2017 – 973,440.</p>	Year to – date	TMPOM	BP Estate	TM Estate	2015	1 (LTA 05)	8 (LTA 89)	0 (LTA 225)	2016	1 (LTA 90)	4 (LTA 15)	0 (LTA 256)	<p>Complied</p>
Year to – date	TMPOM	BP Estate	TM Estate											
2015	1 (LTA 05)	8 (LTA 89)	0 (LTA 225)											
2016	1 (LTA 90)	4 (LTA 15)	0 (LTA 256)											
<p><b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.</p>														

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<p>4.8.1</p> <p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -</p>	<p>SOU14 has established an annual training program that covers all aspects of the RSPO Principles and Criteria.</p> <p>The training need analysis and program was made available for verification at all visited sites.</p> <p>TMPOM – Environment, Safety &amp; Health Program Tanah Merah Oil Mill FY2016/2017. Implementation is still on-going. 15 training needs/requirements identified for various categories of operating units.</p> <p>BP Estate – Environment, Safety &amp; Health Program Bukit Pelandok Estate FY2016/2017. Implementation is still on-going. 14 training needs/requirements identified for various categories of operating unit.</p> <p>TM Estate – Sime Darby Plantation SOU14 – Tanah Merah Estate (FY16/17). Implementation is still on-going. 28 training needs/requirements identified for various categories of operating unit.</p> <p><u>TM Estate</u></p> <table border="1" data-bbox="660 1025 1299 1704"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>22/02/17</td> <td>SOP Mechanical Buffalo</td> <td>En Syafiq (Edaran Badang)</td> </tr> <tr> <td>08/02/17</td> <td>Special Task Force – Bagworm Management SOU14</td> <td>Tuan Noor Hisyam B Ismail</td> </tr> <tr> <td>16/01/17</td> <td>SDP Safety &amp; Health Townhall 4.0</td> <td>Tuan Noor Hisyam B Ismail</td> </tr> <tr> <td>23/12/16</td> <td>Road Safety Campaign</td> <td>Tuan Noor Hisyam B Ismail</td> </tr> <tr> <td>08/11/16</td> <td>Store Management Training</td> <td>Tuan Noor Hisyam</td> </tr> <tr> <td>30/09/16</td> <td>Zenoah Blower Machine Training</td> <td>En Muhammad Najdi</td> </tr> <tr> <td>30/08/16</td> <td>Grass Cut Maintenance &amp; Safety</td> <td>En Fadhliy Aliy</td> </tr> <tr> <td>01/08/16</td> <td>Physical Condition Evaluation / First Aid</td> <td>En Che Johari Ibrahim (SHA)</td> </tr> </tbody> </table>	Date	Training	Trainer	22/02/17	SOP Mechanical Buffalo	En Syafiq (Edaran Badang)	08/02/17	Special Task Force – Bagworm Management SOU14	Tuan Noor Hisyam B Ismail	16/01/17	SDP Safety & Health Townhall 4.0	Tuan Noor Hisyam B Ismail	23/12/16	Road Safety Campaign	Tuan Noor Hisyam B Ismail	08/11/16	Store Management Training	Tuan Noor Hisyam	30/09/16	Zenoah Blower Machine Training	En Muhammad Najdi	30/08/16	Grass Cut Maintenance & Safety	En Fadhliy Aliy	01/08/16	Physical Condition Evaluation / First Aid	En Che Johari Ibrahim (SHA)	<p>Complied</p>
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<p>4.8.2</p> <p>Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&amp;C requirement. Samples of training record for 2016 as follows:</p> <p><u>TMPOM</u></p> <table border="1" data-bbox="659 566 1297 958"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>23/01/17</td> <td>Permit to Work</td> <td>Mr. Yogeswaran (SHO)</td> </tr> <tr> <td>08/12/16</td> <td>LOTO and Confined Space</td> <td>Puan Sharifah (PSQM ESH)</td> </tr> <tr> <td>04/08/16</td> <td>Crop Checker</td> <td>En Muhammad Shaher</td> </tr> <tr> <td>28/06/16</td> <td>SIME Card</td> <td>En Salahudin (SHO)</td> </tr> <tr> <td>13/02/16</td> <td>ERP &amp; Fire Fighting</td> <td>BOMBA</td> </tr> </tbody> </table> <p><u>TM Estate</u></p> <table border="1" data-bbox="659 1084 1297 1756"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>22/02/17</td> <td>SOP Mechanical Buffalo</td> <td>En Syafiq (Edaran Badang)</td> </tr> <tr> <td>08/02/17</td> <td>Special Task Force – Bagworm Management SOU14</td> <td>Tuan Noor Hisyam B Ismail</td> </tr> <tr> <td>16/01/17</td> <td>SDP Safety &amp; Health Townhall 4.0</td> <td>Tuan Noor Hisyam B Ismail</td> </tr> <tr> <td>23/12/16</td> <td>Road Safety Campaign</td> <td>Tuan Noor Hisyam B Ismail</td> </tr> <tr> <td>08/11/16</td> <td>Store Management Training</td> <td>Tuan Noor Hisyam</td> </tr> <tr> <td>30/09/16</td> <td>Zenoah Blower Machine Training</td> <td>En Muhammad Najdi</td> </tr> <tr> <td>30/08/16</td> <td>Grass Cut Maintenance &amp; Safety</td> <td>En Fadhliy Aliy</td> </tr> <tr> <td>01/08/16</td> <td>Physical Condition Evaluation / First Aid</td> <td>En Che Johari Ibrahim (SHA)</td> </tr> </tbody> </table>	Date	Training	Trainer	23/01/17	Permit to Work	Mr. Yogeswaran (SHO)	08/12/16	LOTO and Confined Space	Puan Sharifah (PSQM ESH)	04/08/16	Crop Checker	En Muhammad Shaher	28/06/16	SIME Card	En Salahudin (SHO)	13/02/16	ERP & Fire Fighting	BOMBA	Date	Training	Trainer	22/02/17	SOP Mechanical Buffalo	En Syafiq (Edaran Badang)	08/02/17	Special Task Force – Bagworm Management SOU14	Tuan Noor Hisyam B Ismail	16/01/17	SDP Safety & Health Townhall 4.0	Tuan Noor Hisyam B Ismail	23/12/16	Road Safety Campaign	Tuan Noor Hisyam B Ismail	08/11/16	Store Management Training	Tuan Noor Hisyam	30/09/16	Zenoah Blower Machine Training	En Muhammad Najdi	30/08/16	Grass Cut Maintenance & Safety	En Fadhliy Aliy	01/08/16	Physical Condition Evaluation / First Aid	En Che Johari Ibrahim (SHA)	<p>Complied</p>
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**Principle 5: Environmental responsibility and conservation of natural resources and biodiversity**

**Criterion 5.1:**

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	<p>SOU14 Plans and impact assessments relating to environmental impacts based on documents as following:</p> <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; Register</li> <li>Appendix 5.4.1c - Environmental Aspect and Impact Identification form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-01/EAI</li> <li>Appendix 5.4.1d - Environmental Impacts Evaluation form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-02/EIE.</li> </ul>	Complied
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<p>5.1.2</p> <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>There is no change of current practices required to mitigate negative effects based on identified impacts for both the mill and estates.</p> <p>However the mill and estates have conducted periodical review on the aspects and impacts identified and evaluated as registered.</p> <p>The mill and estates has continuously implemented its annual programs that were established as part of its individual Pollution Prevention Plan. Managers and assistant managers of mill and estates were identified as person-in-charge of the programs which were established upon review of the aspect and impact register. It was observed that the reviewing and updating on the registers were done annually if there's no any new activity within respective sites.</p> <p>Review of aspect and impact register were done as following:</p> <p><u>TMPOM</u> Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 03/01/2017. Neither any change to current operation nor new activity identified by the mill other than normal mill operation including weighbridge operation, process, maintenance, water and waste water treatment.</p> <p><u>BP Estate</u> Environment Aspect and Impact (EAI) and Environmental Impact Evaluation (EIE) for FY2016/17 reviewed on 09/12/2016. Existing EAI reviewed was for dispensary, field – FFB transportation, field – Weeding and Spraying, harvesting &amp; collection, petrol/diesel, maintenance, road, nest, replanting, store, workshop, scheduled waste store, pest and diseases control, compound and line site.</p> <p><u>TM Estate</u> Environment Aspect and Impact (EAI) and Environmental Impact Evaluation (EIE) SOU 14 Tanah Merah Estate Reviewed for 2016/2017 reviewed on 20/01/2017. No additional issues review in the FY16/17.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p><b>TMPOM</b> Monitoring plan was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Based on Sustainable Plantation Management System Appendix 10 Procedure for Mill Environmental Performance version 1, year 2008, issue no. 1, dated 1 October 2008. Uses the Mill Environmental Performance Review (Form A) Mill environmental monitoring records available/sighted:</p> <ul style="list-style-type: none"> <li>• Online scheduled waste inventory &amp; consignment (file ref. no. ASNS(B)31/152/000/003; Inventory no. 0503N20697413217) – updated as of 03/03/17 where the quantity and storage period were within allowable limit.</li> <li>• Isokinetic stack monitoring at KKS Tanah Merah (SEMC/SIMEDARBY/ISO/309/2016) was conducted on 29/12/16 by SEMC Sdn Bhd. The dust concentration level emitted at stack leading from Boiler Stack No. 2 (BMWT0078) was found to be well within the limits of MEQ (Clean Air) Regulations 2014 of 0.150g/Nm<sup>2</sup> during the sampling period.</li> </ul>	Complied
<p><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 operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>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).</p> <p>- Major compliance -</p>	<p>HCV Re-Assessment for Strategic Operating Unit (SOU) 14 Tanah Merah has been conducted on February 2015 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. Interim Report (Version II). Total HCV area identified for Tanah Merah Estate falls under Water Catchment area (4ha) – HCV category 4. Unused/Old cemetery (0.30ha) – under HCV category 6. Jungle tree planting (CSA) areas of 4.70ha – HCV 1 and Water Catchment areas of 3.53ha – HCV 2.</p> <p>Identified HCV: Tanah Merah River of Life, field 13B - Action: regular patrol Bukit Siamang Conservation Area (BSCA) - Action: No trespassing signboard - AP patrolling - Continuous Enhancement of Bio-D Sungai Jangling Wetland Conservation Area (SJWCA) - Action: No spraying marking/signboard - Buffer zone establishment - Water sampling</p>	Complied

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5.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p> <p>Signage that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited (i.e. Tanah Merah &amp; Bukit Pelandok estates) found to have been satisfactorily maintained.</p>	Complied
5.2.3	<p>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.</p> <p>- Minor compliance -</p>	<p>The program to regularly educate the workforce and community about the status of these RTE species are also established with on-going consultation with the relevant authorities at the Port Dickson District. There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities</p>	Complied
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <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> <p>- Minor compliance -</p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers. There are no HCV or reported RTE at the Tanah Merah and Bukit Pelandok estates, as reported in the PSQM HQ Report. Verification were also made during on-site assessment and found to be satisfactory. The overall management plan on the status of HCV/RTE of the Tanah Merah operating unit is collated reviewed and monitored by the HQ sustainability team and is on-going.</p>	Complied
5.2.5	<p>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.</p> <p>- Minor compliance -</p>	<p>There was no HCV set-aside that needs any negotiation process with the local communities.</p>	Complied
<p><b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			

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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>As per Sustainable Plantation Management System Appendix 9 Procedure for Handling of Domestic Waste version 1, year 2008, issue no. 1, dated 1 October 2008.</p> <p>Mill: type of waste – effluent, fibre/shell, EFB, boiler clinker, wash water, scrap metal, scheduled waste, boiler blowdown, hydro-cyclone wash water, methane gas.</p> <p>Estate: type of waste – scheduled waste – SW102, SW305, SW306, SW409, SW410, SW404 – workshop, clinic, SW store, store; domestic waste – rubbish &amp; sewage – line-site, office, workshop, store, shop &amp; recycle waste – empty container, scrap metal.</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 accordingly.</p> <p><u>TMPOM</u></p> <p>Scheduled waste for KKS Tanah Merah through Texcycle (P2) Sdn Bhd:-</p> <ol style="list-style-type: none"> <li>1. 27/02/17 consignment #201702271381BXUZ for SW409.</li> <li>2. 16/02/17 consignment #2017021613IWZX8Q for SW410</li> <li>3. 09/01/17 consignment #2017010913F9C8AO for SW322.</li> </ol> <p><u>BP Estate</u></p> <p>Record of medical waste disposal shown latest disposal was done on 12/12/16 through Radicare (M) Sdn Bhd serial #0079646.</p> <p>Records from Bukit Pelandok Estate shown latest disposal was done on 17/01/17 through its contractor SDI for SW305 and SW306.</p> <p><u>TM Estate</u></p> <p>Record of medical waste disposal shown latest disposal was done on 12/10/16 through Radicare (M) Sdn Bhd serial #0100441.</p> <p>Records from Tanah Merah Estate shown latest disposal was done on 16/02/17 through its contractor SDI for SW305 and SW306.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	<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>Stores for scheduled waste were inspected at audited sites in TMPOM and BP estate. The disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>The TMPOM and BP estate also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	Complied
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>Sampled Tanah Merah Oil Mill Environmental Improvement Plan/Pollution Prevention Plan 2016/2017 dated 28/01/17 including control of black smoke, effluent, POME, oil spillage domestic, waste water and scheduled waste sighted during the visit as well as for estates.</p> <p>Sampled Environmental Improvement Plan/Pollution Prevention Plan (Bukit Pelandok Estate) dated 01/12/16 including control of pesticides, open burning and scheduled waste management.</p> <p><u>Tanah Merah Estate</u></p> <p>During the visit to the lubricant store, spill of oil will be cleaned using absorbance and soil. Contaminated spill kit will disposed as scheduled waste under SW408.</p> <p>The soil contamination issue has been rectified effectively, thus the major NC is remained closed.</p> <p><u>Bukit Pelandok Estate</u></p> <p>Observed onsite, all contaminated soil ad spill kit disposed as SW408.</p>	Major nonconformance
<p><b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

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<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. Summary for 2016 as per below table for reference:</p> <table border="1" data-bbox="662 591 1294 1115"> <thead> <tr> <th>Month</th> <th>Turbine (kWh)</th> <th>CPO production (mt)</th> <th>kWh/CPO (kWh/mt)</th> </tr> </thead> <tbody> <tr><td>Jan 16</td><td>170,080</td><td>1,568.22</td><td>108.45</td></tr> <tr><td>Feb 16</td><td>238,590</td><td>2,540.01</td><td>93.93</td></tr> <tr><td>Mar 16</td><td>250,050</td><td>2,457.13</td><td>101.77</td></tr> <tr><td>Apr 16</td><td>285,470</td><td>2,640.26</td><td>108.12</td></tr> <tr><td>May 16</td><td>281,355</td><td>2,032.41</td><td>138.43</td></tr> <tr><td>June 16</td><td>35,070</td><td>1,666.98</td><td>21.04</td></tr> <tr><td>July 16</td><td>70,407</td><td>1,373.78</td><td>51.25</td></tr> <tr><td>Aug 16</td><td>88,900</td><td>1,709.24</td><td>52.01</td></tr> <tr><td>Sept 16</td><td>90,168</td><td>2,369.24</td><td>38.06</td></tr> <tr><td>Oct 16</td><td>217,845</td><td>2,299.59</td><td>94.73</td></tr> <tr><td>Nov 16</td><td>297,770</td><td>2,859.58</td><td>104.13</td></tr> <tr><td>Dec 16</td><td>297,770</td><td>2,282.82</td><td>104.85</td></tr> </tbody> </table>	Month	Turbine (kWh)	CPO production (mt)	kWh/CPO (kWh/mt)	Jan 16	170,080	1,568.22	108.45	Feb 16	238,590	2,540.01	93.93	Mar 16	250,050	2,457.13	101.77	Apr 16	285,470	2,640.26	108.12	May 16	281,355	2,032.41	138.43	June 16	35,070	1,666.98	21.04	July 16	70,407	1,373.78	51.25	Aug 16	88,900	1,709.24	52.01	Sept 16	90,168	2,369.24	38.06	Oct 16	217,845	2,299.59	94.73	Nov 16	297,770	2,859.58	104.13	Dec 16	297,770	2,282.82	104.85	<p>Complied</p>
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<p><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.</p>																																																						
<p>5.5.1</p> <p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -</p>	<p>Zero burning within estate area has been implemented in Tanah Merah and Bukit Pelandok Estate as part of its pollution prevention plan. This was based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc. Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in both Tanah Merah and Bukit Pelandok estates field showed no evidence of open burning</p>	<p>Complied</p>																																																				
<p>5.5.2</p> <p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -</p>	<p>The operating units have adhered to the zero burning policy for replanting at the estates. <u>Tanah Merah Estate</u> Field 91E (gonoderma affected field) – observed no open burning. Felling , debolling and chipping using excavator.</p>	<p>Complied</p>																																																				
<p><b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>																																																						



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Criterion / Indicator	Assessment Findings	Compliance
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 -	Isokinetic stack monitoring at KKS Tanah Merah (SEMC/SIMEDARBY/ISO/309/2016) was conducted on 29/12/16 by SEMC Sdn Bhd. The dust concentration level emitted at stack leading from Boiler Stack No. 2 (BMWT0078) was found to be well within the limits of MEQ (Clean Air) Regulations 2014 of 0.150g/Nm <sup>2</sup> during the sampling period.	Complied
5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	For the estate, GHG emissions identified including CO <sub>x</sub> , SO <sub>x</sub> and NO <sub>x</sub> from various sources including fossil fuel, chemical, peat oxidation, sinks, crop sequestration, fertilizer consumptions and sequestration in conservation area.  For mill, GHG emission identified from POME, fuel consumption and grid electricity utilization. 5 years plan for GHG reduction (phase I, 20 mills (Malaysia) was sighted. Programme such as feed in tariff (FIT), flaring, CNG , CaP, Co-gen was included in the plan.	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 and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points. The water samples were sent to Sime Darby R&D Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Quarterly reporting to DOE was also done and record documented.  Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 3.0.1 is used and the management opted for full version was applied.  These GHG calculations were done as per certification unit basics including 2 estates and mill. Summary emissions: <ul style="list-style-type: none"> <li>a. Emission/ mt CPO= 1.34 tCO<sub>2</sub> e/mt CPO</li> <li>b. Emission/ mt PK= 1.34 tCO<sub>2</sub> e/mt PK</li> </ul> Details of GHG calculation can be found under Appendix K: GHG Reporting Executive Summary.	Complied

**Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.**

**Criterion 6.1:**

Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

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Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Social Impact Assessment Report of SOU 14 Tanah Merah was conducted on 7 <sup>th</sup> – 9 <sup>th</sup> October 2013 by PSQM department. The scope of assessment cover Tanah Merah POM, Tanah Merah Estate and Bukit Pelandok Estate.  The SIA conducted on every 5 year basics. The assessment was conducted by interviewing with the relevant stakeholders such as workers, woman’s representative, Union representative, school, contractor and etc.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Assessment also covered social amenities, environment, road users, employee changes, safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers. List of the stakeholders consulted are also available.	Complied
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	In Bukit Pelandok estate, the management plan on social impact assessment updated 2 February 2017. The issue such as upgrading/enhancing facilities and the wild dog problem have been incorporated into the plans.  In Tanah Merah Estate, the social action FY16/17 sighted during onsite audit. For example, request from Jagging village for grass cutting and request from police not allow any of estate workers riding motorcycle at main road without full documentation as required by JPJ. Follow up action taken accordingly.	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan was reviewed on yearly basis and the last reviewed was conducted on 4 Aug 2016 for the mill, 2 Dec 2016 for Tanah Merah estate and 07 February 2017 for (Bukit Pelandok).	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No scheme smallholder involved in the Tanah Merah POM certification unit.	Not applicable
<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.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	Documented procedure in Sustainable Mill Management System for External Communication, Appendix 5.5.3.2, Version 2, and Issue No.0, dated 25/05/2015 was established and available.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	In POM, total three assistant manager have been appointed as social person in charge. Their appointment letter dated 31 Dec 2016 has iterated all the job function accordingly.  In Bukit Pelanduk, similar letter dated 1 December 2016 sighted during site visit.  In Tanah Merah estate, appointment letter dated 19 Jan 2017 available onsite.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
6.2.3	<p>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.</p> <p>- Minor compliance -</p>	<p>Stakeholder list FY 2016/2017 where CPO and PK buyers, CPO transporters, suppliers and contractors, government authorities and etc were included into the list for mill.</p> <p>Stakeholder meeting was conducted on 09/Jan/2017 which involved relevant stakeholders from the estates and also POM. Meeting minutes sighted during onsite visit. An action plan has been developed to monitor the issues raised by stakeholder during the meeting.</p>	Complied
<p><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.</p>			
6.3.1	<p>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.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>For external stakeholder, procedure for external communication (appendix 5.5.3.2; version 2; year 2015; issue date: 25/05/2015) is to effectively communicate with external interested parties on matters pertaining to QSHE performance of the mill.</p> <p>Internally, SOP to resolve social disputes “Handling Social Issues” SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings.</p> <p>Follow-up actions had timelines, responsibilities, and details of actions were included in the social action plan and monitored by managers for satisfactory conclusion.</p> <p>Review on the internal complaint book, the issue raised on 29 June 2016 which regarding the septic tank has been resolved accordingly.</p> <p>The complaint log book mainly record issue such as: 22/2/17 electric wire near clinic- Tanah Merah 6/12/16 paid repairing</p> <p>Letter requesting for increasing cost for compost transportation dated 3 March 2017; already send for management approval by a week.</p>	Complied
<p><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.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
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. The purpose of the procedure is to explain and identify the customary land or any social land dispute reported by the people. Negotiation process was involved and compensation is required to the local communities for the loss of land rights. The Land Management Department was the one who determine the calculation and distribution of compensation to the affected parties.  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 -	There are no indigenous communities within or surrounding SOU 14 that holds legal or customary rights over the land. Procedure for handling land disputes to identify legal, customary rights and people entitled to compensation has been established dated 01 Nov 2008.	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 to date.	Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.1</p> <p>Documentation of pay and conditions shall be available.                      - Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill workers are under direct employment and estates consisted of direct and contract employment of workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. Sampled payslip from August &amp; December 2016; Feb 2017 as below:</p> <ul style="list-style-type: none"> <li>a) Employee No.: 74357 (POM)</li> <li>b) Employee No.: 121447 (POM)</li> <li>c) Employee No.: 85105 (POM)</li> <li>d) Employee No.: 75812 (POM)</li> <li>e) Employee No.: 93755 (Bukit Pelanduk)</li> <li>f) Employee No.: 15092 (Bukit Pelanduk)</li> <li>g) Employee No.: 2283 (Bukit Pelanduk)</li> <li>h) Employee No.: 115119 (Tanah Merah)</li> <li>i) Employee No.: 94787 (Tanah Merah)</li> <li>j) Employee No.: 104541 (Tanah Merah)</li> <li>k) Employee No.: 109397 (Tanah Merah)</li> </ul> <p>All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/ day.</p>	<p>Complied</p>
<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.                      - Major compliance -</p>	<p>The mill and estates have employed local and foreign workers under direct and contract employment. Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, holiday and annual leave, period of notice and etc.</p> <p>Terms of extension contract version May 2016 for the workers were found is not according to the latest Minimum Wages Order 2016. In Clause 4, the contract still refer to basic salary which is RM900 even though their actual salary have achieve minimum wages:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 74357 (POM)</li> <li>b. Employee No.: 96284 (POM)</li> <li>c. Employee No.: 85105 (POM)</li> <li>d. Employee No.: 75812 (POM)</li> </ul> <p>Following contract were found expired without any extension:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 2283 (Bukit Pelandok Estate)</li> <li>b. Employee No.: 93755 (Bukit Pelandok Estate)</li> <li>c. Employee No.: 94787 (Tanah Merah)</li> </ul> <p>Employment contract not available during site inspection in Tanah Merah estate:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 2572 (Tanah Merah Estate)</li> <li>b. Employee No.: 102255 (Tanah Merah Estate)</li> <li>c. Employee No.: 127728 (Tanah Merah Estate)</li> <li>d. Employee No.: 129495 (Tanah Merah Estate)</li> </ul>	<p>Major nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance	
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>SOU 14 Tanah Merah has provided free housing and medical assistance to all the workers. In POM, electricity was provided without any charges from workers. Line site inspection was conducted on weekly basis by supervisor. Inspection record for line site as below:</p> <ul style="list-style-type: none"> <li>a. In POM, latest record dated 27 March 2017</li> <li>b. In Bukit Pelandok estate, inspection line site record dated 23 March 2017.</li> <li>c. In Tanah Merah estate, inspection record dated 20 march 2017</li> </ul>	Complied
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Canteen, sundry shop and food stall available within the mill and estates compound. All the foods and drinks sold are displayed with price. As the estates near to the town, workers are easily access to food.</p>	Complied
<p><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.</p>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>The company has developed Social Policy dated January 2015 signed by Managing Director stated the employees have freedom of association. The employees are freely choose to join workers union.</p>	Complied
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>	<p>In Tanah Merah POM, meeting with Union representatives was conducted on 23/12/2016 with total of 13 participants. Meeting minutes was sighted. An action plan to monitor the issues raised during the meeting was developed. The action plan was updated accordingly if any issue has been resolved.</p> <p>In Bukit Pelandok estate, NUPW meeting between workers and management conducted on 13 May 2016.</p> <p>In Tanah Merah estate, meeting conducted on 7 Jan 2016. Issues such as workers safety and permit to work being discussed in the meeting.</p>	Complied
<p><b>Criterion 6.7:</b> Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p>	<p>The company has developed Child Labour policy dated January 2015. Operating units are complied with the minimum age requirement. No employees below the age of 18 after confirmed with the list of workers profile. It was further confirmed during interview with surrounding stakeholder such as workers and villager that no children working in plantation during peak crop season.</p>	Complied
<p><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.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
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, sexual orientation, union membership, political view, religion and/or age. Besides, training on the policy being conducted during briefing meeting on 24 Nov 2016.	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 -	Through document reviewed on the list of employees found that the composition of workers are local and foreign workers, male and female workers. No discrimination was sighted based on interview with the workers. The management treated all the workers fairly and equally without discrimination.	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 -	Workforce Management Unit has developed a procedure on recruitment drive & interview/ Selection of Foreign Workers dated 30/3/2016 with Doc. No. WMU/LR-SOPP/MARCH2016. The procedure has detailing the process of recruitment from the original country up to Malaysia. The recruitment was based on the criteria and requirement set by the company such as capabilities, medical fitness and 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 -	Gender policy dated January 2015 signed by Managing Director is available and displayed at the office compound.  Gender committee meeting has been conducted and meeting minutes were sighted. Latest meeting minutes (8/03/2017 – Tanah Merah POM, 5/12/2016 – Bukit Pelandok Estate, 14/03/2017– Tanah Merah Estate) were sampling and no issue on sexual harassment and violence sighted.	Complied
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Social & Humanity Management Policy dated January 2015 described the management protects women reproductive rights.  Female employees are aware that they are entitled for two months paid maternity leave. Interviewed the female workers has no issue on the reproductive right.	Complied
6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Sexual Harassment Grievance Procedures is part of the Manual on Implementation of the Gender Policy. The Gender Committee will carry out investigation upon receipt of the grievance report. The investigation shall, as far as is practicable, commence within 2 days from the filling of the grievance. The findings will be made known to the victim within 5 days of the commencement of the investigation  Up to date, no grievances received and it was confirmed through interview with the female workers.	Complied
<b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.		

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Criterion / Indicator		Assessment Findings	Compliance
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Tanah Merah Palm oil mill process FFB from company owned estates only. No FFB purchased from out-growers or smallholders.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	The palm oil mill did not purchase FFB from third party or out growers. However, the mill has the details of FFB prices based on MPOB pricing. Operating units have pricing mechanisms for inputs/services documented for the contract work under the control of the mill or plantation through contract agreements.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Contractors/suppliers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement which is explained prior to signing.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Verified the contract and payments confirmed that all payments were made in a timely manner. Sample contract for transporting FFB from Tanah Pelandok E state were verified:  a. PO: 4300365005 dated 2 March 2017 b. PO: 4300365250 dated 3 March 2017  It was also further verified through interview with the replanting contractor and confirmed that no issue in payment terms.	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	The mill and estates has made donation and contribution to any stakeholders' requests. It all well recorded at the corporate social responsibility report. For eg: In Bukit Pelandok, rice donation to all the workers.  In Tanah Merah estate, the management organised badminton games with stakeholders and also provide free pre-school education to workers' children.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholders.	Not applicable
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			



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6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Workers, staff and stakeholder interview confirmed that there is no any form of forced labour or trafficked labour in the operating units. All employees have valid passport, and paid the agreed national minimum wages. The workers were signed on the contract of employment prior commencement of work. They were provided with induction training before being assigned to each estate. For example: a) Employee No.: 74357 (POM) b) Employee No.: 121447 (POM) c) Employee No.: 93755 (Bukit Pelanduk) d) Employee No.: 15092 (Bukit Pelanduk) e) Employee No.: 115119 (Tanah Merah) f) Employee No.: 94787 (Tanah Merah)	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract substitution was noted. This was confirmed through inspection of employment contract and interview with workers.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Human Rights and Social Development in order to respect human right and empowering communities, protect labour standard and enhance employment condition that eliminating all forms of bonded and forced labour including charging of recruitment fees for the purpose of restriction free movement. Besides, they are also implemented Social policy and Social & Humanity Management policy where they are committed not to practice force labour. It was further confirmed through interviewed with the NUPW and workers representatives.	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 -	The Social and Humanity management policy dated January 2015 covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. The policy was displayed outside the mill and estate office.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable.	Not applicable
<b>Principle 7: Responsible development of new plantings</b> Tanah Merah Palm Oil Mill and supply base did not carry out any new plantings after November 2005. Therefore, the requirement of Principle 7 is not applicable during this annual surveillance			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <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>SOU14 estates are not using paraquat and totally banned in all Sime Darby Plantation’s estates. This is one of the major commitment by the operating unit to stop using paraquat. For bagworm control, alternative such as Acephate was introduced which less hazardous compared to class 1A, methamidophos.</p> <p>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. Waste disposal is gradually reduced by continuous recycling programme through segregation of waste (paper,plastic and glass).</p> <p>A comprehensive multi-stakeholder social impact assessment was conducted by interviewing with the relevant stakeholders such as workers, woman’s representative, Union representative, school, contractor and etc. Assessment also covered social amenities, environment, road users, employee changes, safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers. Management plan reviewed on yearly basis to incorporated latest issues brought up by the stakeholders during the consultation and meetings</p>	<p>Complied</p>

**Appendix B: Approved Time Bound Plan**

<b>TIME BOUND PLAN – Certification Units in Malaysia</b>					
<b>SOU No</b>	<b>Name of SOU</b>	<b>Location</b>	<b>Date of certification</b>	<b>End Date of Certification</b>	<b>Remarks</b>
1	Sungai Dingin	Karangan, Kedah	12 Aug 2010	11 Aug 2020	
2	Chersonese	Kuala Kurau, Perak	5 Oct 2011	4 Oct 2021	
3	Elphil	Sg. Siput, Perak	18 June 2011	17 June 2021	
4	Flemington	Teluk Intan, Perak	5 Oct 2011	4 Oct 2021	
5	Seri Intan	Teluk Intan, Perak	3 March 2011	2 March 2021	
5a	Selaba	Teluk Intan, Perak	3 March 2011	2 March 2021	
6	Tennamaram	Bestari Jaya, Selangor	3 March 2011	2 March 2021	
7	Bukit Kerayong	Kapar, Selangor	15 April 2011	14 April 2021	
8	East	Carey Island, Selangor	19 May 2010	18 May 2020	
9	West	Carey Island, Selangor	19 May 2010	18 May 2020	
10	Bukit Puteri	Raub, Pahang	7 July 2016	6 July 2021	
11	Kerdau	Temerloh, Pahang	7 July 2016	6 July 2021	
12	Jabor	Kuantan, Pahang	7 July 2016	6 July 2021	
13	Labu	Nilai, Negeri Sembilan	30 Dec 2011	29 Dec 2016	Recertification of Labu POM is in progress. PalmTrace License is valid till end of March 2017 in the PalmTrace system.
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May 2010	18 May 2020	
15	Sua Betong	Port Dickson, Negeri Sembilan	18 Feb 2014	17 Feb 2019	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO-819165, certification date: 30 Dec 2011.
16	Kok Foh	Bahau, Negeri Sembilan	7 July 2016	6 July 2021	
17	Kempas	Jasin, Melaka	19 May 2010	18 May 2020	
18	Diamond Jubilee	Jasin, Melaka	5 Oct 2011	4 Oct 2021	
19	Pagoh	Muar, Johor	28 Jan 2014	27 Jan 2019	Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill with Certificate No: SPO 549297, certification date: 7 Jan 2011.
20	Chaah	Chaah, Johor	18 Nov 2010	17 Nov 2020	
21	Gunung Mas	Kluang, Johor	19 May 2010	18 May 2020	
22	Bukit Benut	Kluang, Johor	5 Oct 2011	4 Oct 2021	

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23	Ulu Remis	Layang-layang, Johor	11 Apr 2016	10 Apr 2021	
24	Hadapan	Layang-layang, Johor	29 March 2011	28 March 2021	
26	Sandakan Bay	Sandakan, Sabah	1 Oct 2008	30 Sept 2018	
27	Melalap	Tenom, Sabah	21 Jan 2011	20 Jan 2021	
28	Binuang	Kunak, Sabah	16 Jan 2009	12 July 2020	
29	Giram	Kunak, Sabah	16 Jan 2009	12 July 2020	
30	Merotai	Tawau, Sabah	16 Jan 2009	12 July 2020	
31	Lavang	Bintulu, Sarawak	30 Dec 2011	29 Dec 2016	
32	Rajawali	Bintulu, Sarawak	30 Dec 2011	29 Dec 2016	
33	Derawan	Bintulu, Sarawak	30 Dec 2011	29 Dec 2016	
34	Pekaka	Bintulu, Sarawak	30 Dec 2011	29 Dec 2016	

**TIME BOUND PLAN – Certification Units in Indonesia**

No	Name of PT/Mill	Location	Date of certification	End Date of Certification	Status
1	(PT Lahan Tani Sakti) Alur Dumai	Bagan Sinembah/Tanh Putih, Pujud, Rokan Hilir, Riau	16 Jan 2012	15 Jan 2017	
2	(PT Sajang Heulang) Mustika	Sebamban, Indonesia	3 July 2013	2 July 2018	
3	(PT Ladangrumpun Suburubadi) Angsana	Sebamban, Indonesia	9 Nov 2016	8 Nov 2021	
4	(PT Langgeng Muaramakmur) Bebunga	Pamukan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur	16 March 2012	15 March 2017	
5	(PT Kridatama Lancar) Sukamandang	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	2 Sept 2016	1 Sept 2021	
6	(PT Bahari Gembira Ria) Ladang Panjang	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9 July 2012	8 July 2017	
7	(PT Tunggal Mitra Plantations) Manggala	Riau, Indonesia	25 Nov 2010	24 Nov 2020	
8	(PT Paripurna Swakarsa) Pondok Labu	Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16 March 2012	15 March 2017	
9	(PT Bersama Sejahtera Sakti) Gunung Aru	Sebamban, Indonesia	21 Oct 2016	20 Oct 2021	

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10	(PT Peconnina) Panjang	Guhtrie Rantau	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16 March 2012	15 March 2017	
11	(PT Laguna Mandiri) Rantau		Sungai Durian, Kotabaru, Kalimantan Selatan	30 Dec 2011	29 Dec 2021	
12	(PT Laguna Mandiri) Betung		Sungai Durian, Kotabaru, Kalimantan Selatan	1 April 2014	31 March 2019	
13	(PT Indotruba tengah) Sekunzir		Kalimantan Tengah, Indonesia	23 Nov 2010	22 Nov 2020	
14	(PT Swadaya Andika) Selabak		Sungai Durian, Kotabaru, Kalimantan Selatan	16 March 2012	15 March 2017	
15	(PT Bina Cemerlang) Pinang	Sains Sg	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11 Sep 2012	10 Sept 2017	
16	(PT Sempurna) Pemantang	Teguh	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9 Sept 2016	8 Sept 2021	
17	(PT Bhumireksa Nusa Sejati) Teluk Bakau		Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	1 Dec 2016	30 Nov 2021	
18	(PT Bhumireksa Nusa Sejati) Mandah		Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	1 April 2014	31 March 2019	
19	(PT Intipersada) Siak	Aneka Teluk	Tualang, Perawang, Siak, Riau	8 Dec 2016	7 Dec 2021	
20	(PT Tamaco Krida) Ungkaya	Graha	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10 July 2016	9 July 2021	
21	(PT Sime Indo Agro BK Ajong)		Kalimantan Barat, Indonesia	18 July 2016	17 July 2021	
22	(PT Padang Permai/PT Subur Bakti) Simpo	Palma Perkasa Blang Simpo	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3 May 2013	2 May 2018	
23	(PT Natapalma/PT Budidaya Lestari)	Sandika Agro Lembiru	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3 July 2014	2 July 2019	
24	(PT Mitra Austral Sejahtera) MAS			<p>The target date for certification is by 2017 subject to the progress of the matter being resolved.</p> <p>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</p>		

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affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30th June 2016. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.

**Progress Update for PT MAS**

- Regular discussion is ongoing between Sime Darby Plantation and the group of community (PAC) through bi-monthly Tim Kerja Perwakilan Petani (TKPP) meeting since November 2012.
- In October 2013, representatives from two of nine villages (Kerunang and Entapang) left TKPP. These two villagers are supported by and working with TuK and OXFAM. They have then requested SDP to enter into Dispute Settlement Facility (DSF) in June 2014. Hence, there are two groups of communities:

1. TKPP (7 of 9 villages) and;
2. Kerunang & Entapang (2 of 9 villages)

- To-date, 21 TKPP meetings have been conducted. The most recent TKPP meeting was held on 2nd November 2016. Issues related to the 14 demands are closed except for two items related to land matters i.e. ownership of nucleus plantation after expiry of HGU and allocation of plasma farm within the plasma original village/customary area. SDP is engaging with the local authority on this matter together with TKPP. Current discussion is on moving forward especially on replanting activities.
- SDP visited the Kerunang & Entapang communities on 27 Aug 2014 to listen and have a better understanding on their requests. The subsequent meeting with the communities was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee (TKPP) meetings and will continue to engage directly with SD instead of using the DSF mechanism.

**Engagement with RSPO:**

- RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest meeting with RSPO Secretariat was held on 8th Sept 2016.
- To-date, 9 progress reports have been submitted to RSPO. The latest progress report was submitted on 30th June 2016.

**Engagement with TuK-Indonesia:**

- SDP continues to work on direct engagement with PAC – working towards a consensus with the PAC to resolve the issues.
- Further information can be obtained from <http://www.rspo.org/members/complaints/status-of-complaints/view/29>

**Appendix C: Certification Unit RSPO Certificate Details**

Sime Darby Plantation Sdn Bhd  
Strategic Operating Unit (SOU 14)  
Tanah Merah Palm Oil Mill  
Batu 6 ¾ Sepang Road  
Ladang Tanah Merah 71709 Port Dickson  
Negeri Sembilan, Malaysia  
RSPO membership number: 1-0008-04-000-00

BSI RSPO Certificate No. : RSPO 541905  
Date of Initial Certificate Issued: 19/05/2010  
Date of Expiry: 18/05/2020  
Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D – CPO Mills: Identity Preserved)

<b>Tanah Merah Palm Oil Mill and Supply Base</b>					
Location Address	Strategic Operating Unit (SOU 14) – Tanah Merah Palm Oil Mill, Batu 6 ¾ Sepang Road, Ladang Tanah Merah 71709 Port Dickson, Negeri Sembilan				
GPS Location	101° 47' 34" E ; 2° 39' 19" N				
CPO Tonnage Total	20,610.9				
PK Tonnage Total	4,533.34				
CPO Claimed for Certification*	20,610.9				
PK Claimed for Certification *	4,533.34				
Own estates FFB Tonnage	105,426.6				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Tanah Merah Estate	3,156.91	348.00	837.61	4,342.52	69,678
Bukit Pelandok Estate	1,653.95	88.05	121	1,863	35,748.60
<b>TOTAL</b>	<b>4,810.86</b>	<b>436.05</b>	<b>958.61</b>	<b>6,205.52</b>	<b>105,426.6</b>

**Appendix D: Assessment Plan**

Date	Time	Subjects	Mohd Hidhir	Boon Han	Daniel
Monday 27/03/2017	PM	Audit team travelling to site	√	√	√
Tuesday 28/03/2017  <b>Tanah Merah Palm Oil Mill</b>	0830 – 0900	<b>Opening Meeting:</b> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	√	√
	0900 - 1200	<b>Tanah Merah 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	Lunch	√	√	√
	1300-1630	<b>Tanah Merah 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	Interim Closing briefing	√	√	√
Wednesday 29/03/2017  <b>Bukit Pelandok Estate</b>	0830-1200	<b>Bukit Pelandok 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	<b>Meeting with stakeholder</b> (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	1300-1630	<b>Bukit Pelandok 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	Interim Closing briefing	√	√	√



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Date	Time	Subjects	Mohd Hidhir	Boon Han	Daniel
Thursday 30/03/2017  <b>Tanah Merah Estate</b>	0830-1200	<b>Tanah Merah 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	Lunch	√	√	√
	1300-1630	<b>Tanah Merah 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).	√	√	√
	1630-1730	Preparation for closing meeting Closing Meeting Audit Team travelling back to KL	√	√	√

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <p>Tanah Merah Certification Unit Management team and Staff</p> <p>Representatives from Sustainability Department</p> <p>On site compliance executives</p> <p>Mill Manager and Assistants</p> <p>Estate Managers and Assistants</p> <p>WWTP Operator</p> <p>Boilerman and fireman</p> <p>Store keeper</p> <p>Gender Committee Representatives</p> <p>Hospital Assistant</p> <p>Male and Female workers</p> <p>Kindergarten Teacher</p> <p>Workers Union Representatives</p> <p>Onsite NUPW secretary</p> <p>AMESU Representative</p>	<p><b>Local Communities</b></p> <p>Nearby village (Kg Baru Site A)</p> <p>Sundry shop</p>
<p><b>Government Departments</b></p> <p>Pre-school teacher</p>	<p><b>Contractors</b></p> <p>General Supplier</p> <p>FFB harvesting and transport contractor</p> <p>Engineering work contractor</p>

**Appendix F: CPO Mill Supply Chain Assessment Report (Module D: 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>Tanah Merah Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>D.3 Documented procedures</b>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <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 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, version:2, issue: 2 dated October 2016. 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 Tanah Merah Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Tanah Merah Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
<b>D.4 Purchasing and goods in</b>	

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D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.;	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. West mill have system to verify at the weighbridge.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Overproduction of certified tonnage recorded for the period of March 2016 - February 2017; 129,038.6 mt which exceeded the projected certified tonnage of 124,330 mt. Thus, a major NC was issued.
<b>D.5 Record keeping</b>	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly and reported on monthly and 3 monthly inventory. Computerized system in place. No PKO and Palm kernel meal at West Palm Oil mill. PK is sold to Sime Darby's Kernel Crushing Plant, SDP Nuri. CPO sold to Sime Darby's owned refineries (SDP Joma) and the other 3rd party buyer. Daily records are prepared at the entry point at the weighbridge.  Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.
<b>D.6 Processing</b>	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. There is a possibility that the mill will receive Certified FFB from other Sime Darby's Certified Estate which was certified under East) RSPO 543543 valid until 18/5/20, (Sua Betong) SGS-RSPO/PM-MY14/01364 valid until 17/2/19, (Labu )SGS-RSPO/PM-MY13/01284 valid until 29/12/16. This will be further verified during next surveillance assessment if such cases occurred and observed. No non-certified FFB received.
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

**Actual Certified Palm Production – March 2016 – February 2017 (ASA2 1)**

Mill	Capacity & Supply Chain Model	CPO	PK
Tanah Merah Palm Oil Mill	35 mt/hr Identity Preserved (IP)	25,286.46	5,594.83

**Actual Sales of Certified Palm Products – March 2016 – February 2017 (ASA2 1)**

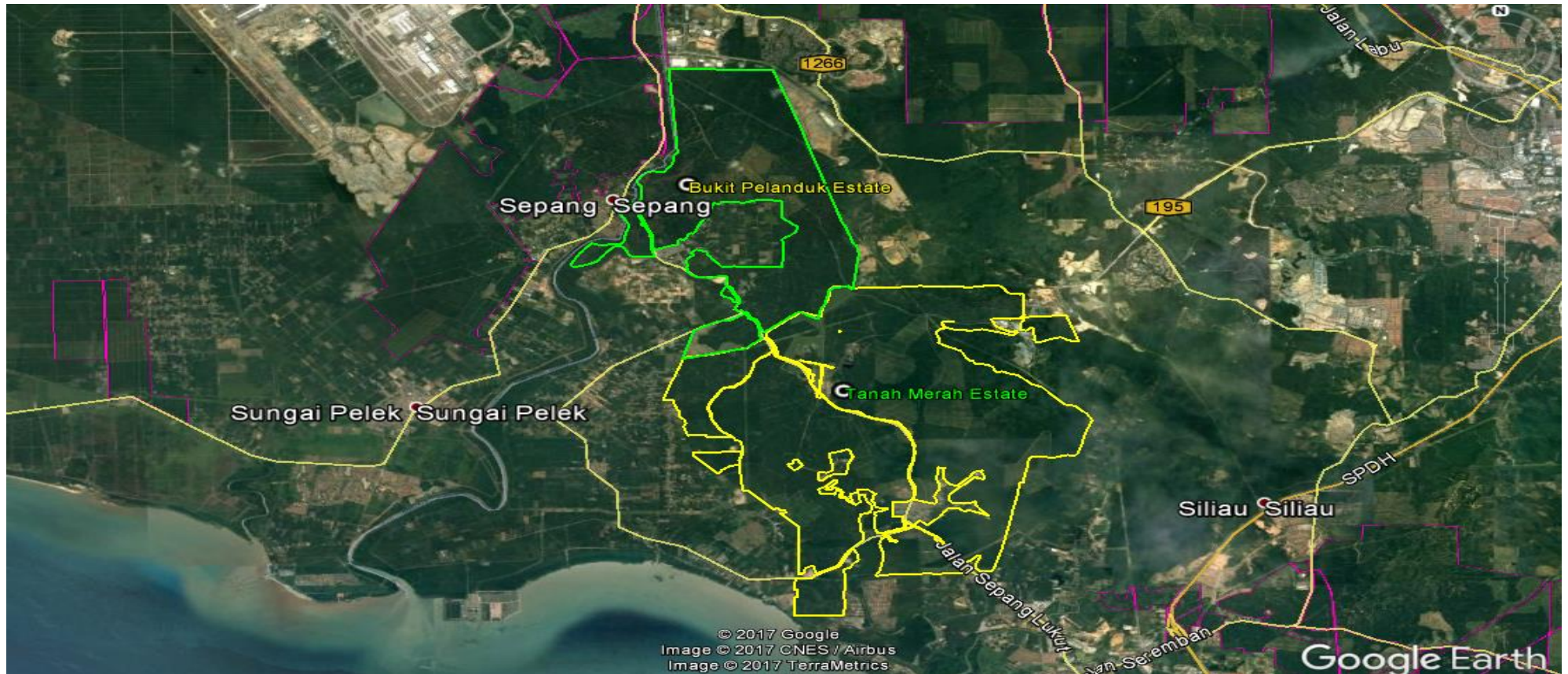
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Tanah Merah Palm Oil Mill	3,851.4 mt	0	Physical sales : 3,851.4 mt (CPO) Certificates allocated: 27,353mt (CPO) (Confirmed sales through PalmTrace)

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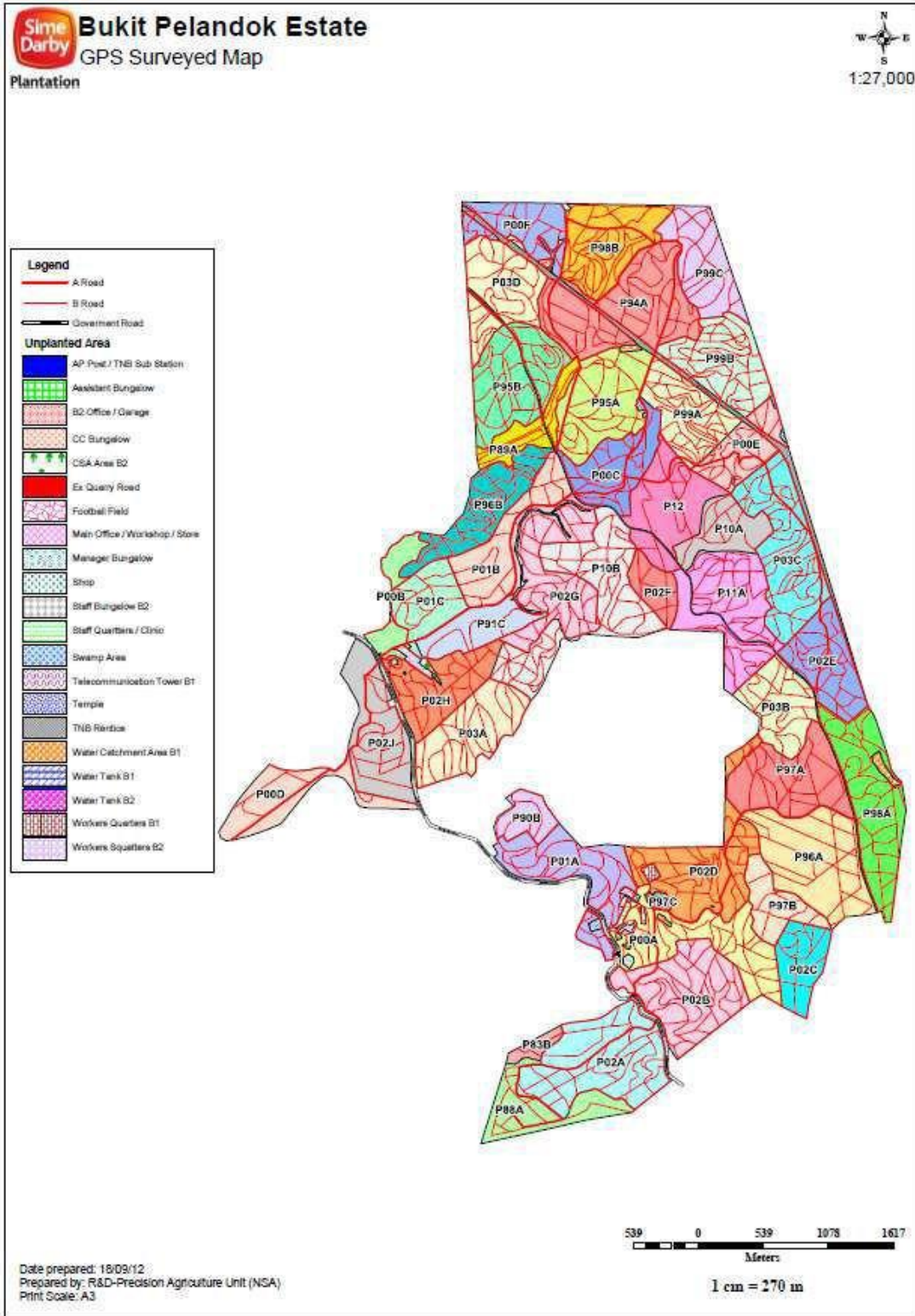
**Actual Certified FFB Received Monthly – March 2016 – February 2017 (ASA2 1)**

Month	Total FFB/Month (mt)														TOTAL
	Tanah Merah Estate	Bkt Pelandok Estate	PD Lukut Estate	Sengkang Estate	Siliau Estate	Sua Betong Estate	Salak Estate	Glengowrie Estate	Sepang Estate	Dusun Durian Estate	Bradwall	Labu	New Labu	Sg. Bahru	
MARCH 2016	5,095.16	2,157.67	1,858.28	2,782.88	48.96	118.87	0	0	0	0	0	0	0	0	12,061.82
APRIL 2016	6,291.75	2,567.92	2,330.31	2,144.13	0	0	0	0	0	0	0	0	0	0	13,334.11
MAY 2016	5,998.29	2,311.14	2,097.28	0	0	0	129.9	0	0	0	0	0	0	0	10,536.61
JUNE 2016	4,751.23	1,922.85	1,660.18	134.25	57.25	0	0	14.78	192.58	0	0	0	0	0	8,733.12
JULY 2016	3,991.29	1,696.78	1,258.72	0	0	0	0	0	86.77	0	0	0	0	0	7,033.56
AUGUST 2016	4,738.44	2,016.2	1,402.22	0	77.98	0	493.87	0	0	0	0	0	0	0	8,728.71
SEPTEMBER 2016	5,881.54	2,302.03	1,997.24	0	41.82	0	1,168.78	0	502.91	0	0	0	0	0	11,894.32
OCTOBER 2016	5,773.33	2,396.09	1,938.16	0	0	0	115.6	0	1,226.26	76.23	0	0	0	0	11,525.67
NOVEMBER 2016	6,820.14	3,094.52	2,722.33	106.72	29.83	63.01	228.18	0	220.86	0	352.99	422.41	731.15	117.22	14,909.36
DECEMBER 2016	5,568.83	3,100.66	953.16	0	33.05	0	263.86	0	1,621.24	0	0	0	0	0	11,540.8
JANUARY 2017	5,254.57	2,682.13	790.53	0	0	0	0	0	0	0	0	0	0	0	8,727.23
FEBRUARY 2017	5,701.51	2,448.1	1,749.62	0	14.45	0	99.65	0	0	0	0	0	0	0	10,013.33
<b>Total</b>	<b>65,866.08</b>	<b>28,696.09</b>	<b>20,758.03</b>	<b>5,167.98</b>	<b>303.34</b>	<b>181.88</b>	<b>2,499.84</b>	<b>14.78</b>	<b>3,850.62</b>	<b>76.23</b>	<b>352.99</b>	<b>422.41</b>	<b>731.15</b>	<b>117.22</b>	<b>129,038.6</b>

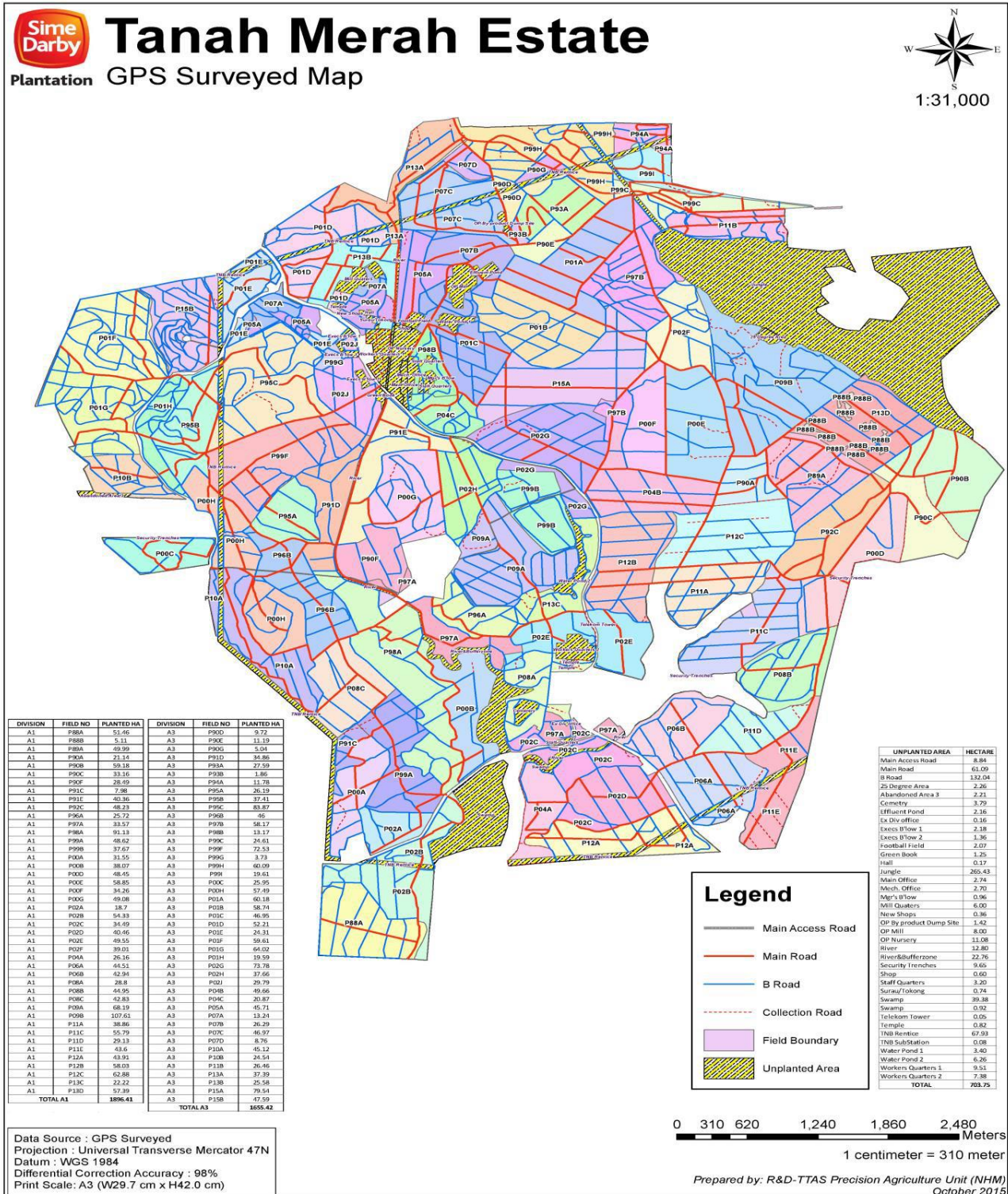
**Appendix G: Location Map of Tanah Merah Palm Oil Mill Certification Unit and Supply bases**



**Appendix H: Bukit Pelandok Estate Field Map**



**Appendix I: Tanah Merah Estate Field Map**





**Appendix J: GHG Reporting Executive Summary**

The GHG emissions that were produced in 2016 for Tanah Merah Palm Oil Mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGpalm Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in 2016 for Tanah Merah Palm Oil Mill mill and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	1.34
PKO	1.34

Extraction	%
OER	19.75
KER	4.31

Production	t/yr
FFB Process	130,588.75
CPO Produced	25,792.15
PKO Produced	5,631.46

Land Use	Ha
OP Planted Area	30,067.41
OP Planted on peat	118.48
Conservation (forested)	0
Conservation (non-forested)	0
<b>Total</b>	<b>30,185.89</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	49,027.16	0.54	23,546.02	0.58	0	0	72,573.18	1.12
CO <sub>2</sub> Emission from fertilizer	6,001.76	0.07	3,071.24	0.07	0	0	9,073	0.14
NO <sub>2</sub> Emmission	5,171.96	0.06	1,727.13	0.04	0	0	6,899.09	0.1
Fuel Consumption	429.72	0	262.89	0.01	0	0	755.61	0.01
Peat Oxidation	0	0	557.65	0.02	0	0	0	0
<b>Sink</b>								
Crop Sequestration	-46,471.24	-0.52	-22,325.3	-0.54	0	0	-68,796.54	-1.06
Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>14,159.36</b>	<b>0.16</b>	<b>6,839.63</b>	<b>0.17</b>	<b>0</b>	<b>0</b>	<b>20,998.99</b>	<b>0.23</b>

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*\*Note: Includes both estates and smallholders*

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	20,478.09	0.16
Fuel Consumption	106.93	0
Grid Electricity Utilisation	514.02	0
<b>Credit</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>21,099.04</b>	<b>0.16</b>

**Summary of Kernel Crusher Emission and Credit (if applicable)**

Emissions	tCO <sub>2</sub> e
PK from own mill	7,544.43
PK from other source	0
Fuel Consumptions	0
<b>Total Crusher emissions</b>	<b>0</b>

\*This mill has no kernel crusher operation.

<b>Palm Oil Mill Effluent (POME) Treatment:</b>	
Divert to Compost (%)	20
Divert to anaerobic diversion (%)	80

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

**Appendix K: List of Smallholder Sampled**

- Not applicable -

**Appendix L: List of Abbreviations Used**

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
BPE	Bukit Pelandok Estate
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
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MAPA	Malayan Agricultural Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
NUPW	National Union of Plantation Workers
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SAJ	Syarikat Air Johor
SCCS	Supply Chain Certification Standard
SDPSB	Sime Darby Plantation Sdn Bhd
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
TME	Tanah Merah Estate
TMPOM	Tanah Merah Palm Oil Mill