

RSPO – RECERTIFICATION ASSESSMENT

Company Name:

Sime Darby Plantation Sdn. Bhd.

Head Office: Level 3A, Main Block, Plantation Tower,
No 2 Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor,
Malaysia.

Certification Unit:

Melalap Palm Oil Mill and Supply Base

14th KM, Jalan Tenom – Keningau,
P.O. Box 205,
89908 Tenom, Sabah

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Section 1 Scope of the Re-Certification Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Date	Member since 6 September 2004
Company Name	Sime Darby Plantation Sdn Bhd		
Address	Head Office: Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia. Mill: Melalap Palm Oil Mill, 14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.		
Subsidiary of (if applicable)	N/A		
Contact Name	Pn Sabarinah Marzuky (Head Office) Mr. Ahmad Fauzi Haji Jantan (Melalap Palm Oil Mill Manager)		
Website	www.simedarby.com	E-mail	kks.melalap@simedarby.com
Telephone	+603-78484371 (Head Office) +6087-302146 (Mill)	Facsimile	+603-78484363 (Head Office) +6087-302243 (Mill)

2. RSPO Certification Information			
Certificate Number	SPO 547124	Original Certificate Issued Date	21/01/2011
		Expiry Date	20/01/2021
Scope of Certification	Palm Oil and Palm Kernel Production from Melalap Palm Oil Mill and Supply Base (Melalap Estate and Sapong Estate)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
AC-LM 140:2015	Quality Environment – Lean Management Bronze	Malaysian Productivity Corporation	16/03/2017
EU-ISCC-Cert-DE119-60152804	ISCC	ASG Cert	17/06/2016

3. Location(s) of Mill & Supply Bases (Certified Scope)			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Melalap Palm Oil Mill	14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.	116° 00' 00"	5° 15' 40"
Melalap Estate	14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.	116° 00'00.09"	5° 15' 45.61"
Sapong Estate	14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.	115° 56' 56.8"	5° 03' 52.9"

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4. Description of Certified Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)	Infrastructure & Other (ha)	Certified Area (ha)	% of Planned
Melalap Estate	1,353	0	1,353	892	2,245	60.27
Sapong Estate	2,333	0	2,333	1,119	3,452	67.58
Total	3,686	0	3,686	2,011	5,697	64.70

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (2014)	Actual (Oct 14 – Sept. 15)	Forecast (Oct 15 – Sept. 16)
Melalap Estate	0	0	100 %	0	0	34,597	26,133	30,634
Sapong Estate	0	0	100 %	0	0	58,316	35,318	48,467
Total						92,913	61,451	79,101

Note: Melalap mill was breakdown in February 2015. Melalap estate delivered 1,266mt FFB to Sook Mill in Feb. 2015, Sapong estate delivered 2,449mt FFB to Sook Mill and 111mt FFB to Kenigau mill. Balance 57,625mt sent to Melalap mill.

6. Certified Tonnage									
Mill	Estimated (July 14 – June 15)			Actual (July 14 – June 15)			Forecast (July 15 – June 16)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Melalap Palm Oil Mill	92,913	20,490	4,738	57,625	12,675	2,629	79,101	17,402	4,034

7. Non-Certified Tonnage									
Supplier	Estimated (July 14 – June 15)			Actual (July 14 – June 15)			Forecast (July 15 – June 16)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Trader and Independent Smallholder/outgrower	10,000	2,200	510	1,657	358	77	10,000	2,200	510

Section 2 Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
B08-01 (East), Level 8, Block B, PJ 8, No.23,
Jalan Barat, Seksyen 8, Petaling Jaya,
46050 Petaling Jaya, Malaysia
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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) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an affiliate office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted from 20-23 October 2015. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply bases as a RSPO Certification Unit. Mill was audited together with the sample estates (Melalap and Spong Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C MYNI-2014 was used as Checklists and questionnaires were used to guide the collection of information. The mill's supply chain elements were assessed based on RSPO SCCS 2014 for CPO Mills. The comments made by external stakeholders were also taken into account in the assessment.

Public Stakeholder Notification was made on 14 September 2015, 30 days prior to the recertification assessment. No written feedback received at the end of the 30 days period. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss Chaah Certification Unit's environmental and social performance.

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

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

There was 1 non-conformity raised during ASA4 and previous nonconformities remain closed and re-verified during this assessment. The assessment findings are detailed in Section 3.3.

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

This report was internally reviewed by Mr Muhd Haris Abdullah and externally by independent review prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Supply Base)	Recertification	ASA1	ASA2	ASA3	ASA4
Melalap Palm Oil Mill	√	√	√	√	√
Melalap Estate	√	√	√	√	√
Sapong Estate	√	√	√	√	√

Tentative Date of Next Visit: October 2015

Total No. of Mandays: 9 mandays

BSI Assessment Team:

Mohamed Hidhir – Lead Assessor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Senniah Appalasamy – Team member

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, Social Auditing Training by RSPO at Yogyakarta, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training

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Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He has experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member. He has participated and presented paper regarding smallholder RSPO certification during RT 10 in Singapore and RT 11 in Medan, Indonesia in the experience sharing session. For this assessment he assessed Mill and Estate best practices, supply chain, OSH, HCV, Legal, Environment, Social issues, stakeholder interview etc. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

Kelvin Lim – Team member

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He attended internal RSPO training in May 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014, MSPO Lead Auditor training in March 2014 and OHSAS 18001 Lead Auditor training in March 2015. He has vast experience in auditing social aspects in plantation and mills since April 2014. Currently he is an ISO 9001:2008 and Medical Device auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues. For this assessment he assessed legal issues, Social issues, workers consultation, Stakeholder Consultation and legal aspects. He is able to speak and understand Bahasa Malaysia, English, Mandarin and Bahasa Indonesia

Accompanying Persons: Not Applicable

Section 3 Summary of Assessment Findings

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

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

3.2 Progress against Time Bound Plan

Sime Darby Time Bound Plan (TBP) is included as Appendix B. Sime Darby has achieved RSPO certification for 34 management units in Malaysia and 24 Management Units in Indonesia. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid.

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

Due to the present mediation process, PT Mitra Austral Sejahtera TBP was revised to 2016 by Sime Darby pending on the resolution and mediation process which is acknowledged by RSPO. The final decision of issuing the certificate is under the CB that audited the PT MAS. BSI has contacted the CB and consultation was held. The CB that audited PT MAS accepted the revision of the TBP. BSI accepted the feedback from the CB that audited PT MAS as per the RSPO Certification System requirement "Where the Certification Body conducting the surveillance audit

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is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress and acknowledge by RSPO and all parties as mutually agreed process. Latest meeting among the community and Sime Darby was held on 16 October 2015. 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.

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. 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.

BSI considers that Sime Darby complies with the RSPO requirements for Partial Certification rules.

3.3 Details of findings

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

During the recertification assessment there were 1 major and 1 minor nonconformities raised. Melalap Palm Oil Mill and Supply Base Estates submitted Corrective Action Plans for the nonconformities. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The evidence of implementation for the major nonconformities was verified. The major nonconformities are closed on 12/11/15. Following are the details of the nonconformities:

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245151M1	<p>Requirements: Indicator 4.7.2: All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p>	Major
	<p>Evidence of Nonconformity: Sapong Estate: Demolishing and dismantling work of old wooden house was not identified and included in the HIRARC register</p>	
	<p>Statement of Nonconformity: Non-routine operation was not comprehensively risk assessed and documented.</p>	

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	<p>Corrective Action Plan and close out:</p> <p>i) Updates on any proposed or ongoing installation of new machines/process/activities/construction/demolition were discussed in the OSH meeting agenda to ensure that the review for HIRARC is triggered or not overlooked. Latest ESH meeting dated 4/11/15 is referred to.</p> <p>ii) HIRARC for the demolishing and dismantling work of the wooden house has been prepared and updated. Refer to HIRARC dated 4/11/15 signed by estate manager.</p>	
	<p>Status: The Major NC was close out on 12/11/15.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245151N1	<p>Requirements: Indicator 4.1.3: Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>Evidence of Nonconformity:</p> <p>Melalap POM: - Domestic water analysis, IE625/2015 (COD=16 mg/l) exceeded the limit of Class I(INWQS)</p> <p>Melalap Estate: - Domestic water analysis, ML158/2015 (feecal coliform = 23 MPN/100ml)exceeded the limit of Class I(INWQS)</p> <p>Sapong Estate: - Domestic water analysis, ML213/2015 (feecal coliform = 23 MPN/100ml)exceeded the limit of Class I(INWQS)</p> <p>Statement of Nonconformity: Records of action taken for the off-limit water monitoring parameter was not properly maintained</p> <p>Action: i)To enhance internal mechanism (OU level) on how to handle cases where water quality results exceed limit (based on the Guideline of River Reserve Management, April 2014) ii)To conduct and document investigation on results that exceed limit and indicate resolution</p> <p>Status: Effectiveness of correction taken will be verified in the next assessment.</p>	Minor

Observation	
OBS #	Description
1	Initial HCV assessment that includes both the planted area and relevant landscape has been conducted by the company. Recently the company took proactive measures to review the initial HCV assessment. The review was conducted internally as per for existing plantation on 7-9 July 2015. The report is in progress of completion. The status of the review will be followed up during the next assessment.

Positive Findings	
PF #	Description
1	Stakeholders have positive feedback on the certification unit's contribution to local development.
2	Biodiversity areas are well maintained and preserved.
3	Initiative on KAIZEN project at Melalap Palm Oil Mill showed commitment towards continual improvement to improve plant safety and process performance

Issues raised by Stakeholders

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Melalap Certification Unit's environmental and social performance, legal and any known dispute issues. Stakeholder notification was posted on RSPO website as well as on BSI website. No comments were received at the end of 30 days period.

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

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	Issues Local and Foreign workers representative: Similar to last assessment no issue regarding pay and condition of work. The representative as well as individual workers consulted privately at the filed highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.
	Management Responses The management treat all employees equally and no discrimination.
	Audit Team Findings No disputes were highlighted by foreign workers interviewed during field visit.
2	Issues Worker Representative (SPIEU Secretary of Melalap POM, Melalap estate & Sapong estate): It was highlighted that they are satisfied with the work condition and payment. The workers also highlighted that they are receiving free cooking oil and rice from the management once in two month.
	Management Responses The management is continued to give attention to the welfare, pay and condition.
	Audit Team Findings There were no any issues that require further verification was highlighted. Consultation with stakeholders and Document review confirm that there were no pending issues.
3	Issues Village representative (Kampung Maran Sapong): It was highlighted that the estate management allowed the road usage, job opportunity and feel satisfied with them.
	Management Responses The management will continue to maintain the good relationship with them.
	Audit Team Findings There were no any issues that require further verification was highlighted.
4	Issues FFB Supplier (Ek Hong Agriculture Sdn Bhd & Golden Horse): It was highlighted that company has paid them accordingly and payment was on time. They have been advised and ensure the safety measure of the lorry driver when delivered the FFB to POM such as used of PPE.

	<p>Management Responses The management will continue to maintain the good relationship with them to ensure the continued supply of FFB to the mill.</p> <p>Audit Team Findings There were no any issues that require further verification was highlighted.</p>
5	<p>Issues School headmaster (SK Pulong): It was re-confirmed that the management always support school activities through donation. The relationship is good. No other issues.</p> <p>Management Responses Management assists wherever possible.</p> <p>Audit Team Findings There were no any issues that require further verification was highlighted.</p>
6	<p>Issues Village Representative (Kg Pangansangon): 1) Request to clear the big tree on the roadside entrance to village due to danger when wind was strong. 2) Request of repairing the water pipe</p> <p>Management Responses 1) The request has been included in the social action plan 15/16 to clear the tree away manually without using pesticide. 2) The request has been reviewed by the management and will be rectified accordingly.</p> <p>Audit Team Findings 1) Verified that the request has been included in the social action plan 15/16 dated 22/9/15. 2) The management has acknowledged the request and will assist wherever possible.</p>
7	<p>Issues Department of Wildlife and National Park: There was no reported issue of wildlife and endangered species encountered or illegally hunted at Sime Darby's Melalap certification unit.</p> <p>Management Responses To continue good relationship with the Wildlife Department.</p> <p>Audit Team Findings Good positive feedback.</p>
8	<p>Issues Department of Environment: No non-compliance issue related to environmental legislations by Melalap Palm Oil Mill Certification Unit.</p> <p>Management Responses To continue good relationship with Department of Environment</p> <p>Audit Team Findings Good positive feedback.</p>
9	<p>Issues Department of Occupational Safety and Health: No non-compliance issue related to occupational safety and health by Melalap Palm Oil Mill Certification Unit.</p> <p>Management Response: To continue good relationship with Department of Occupational Safety and Health</p> <p>Audit Team Findings Good positive feedback.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

All the previous nonconformity was followed up and remains closed. The corrective action plans effectively implemented.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1132815N1	Requirements: 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained	Minor
	Evidence of Nonconformity: The Sabah state regulation which applicable to Melalap mill, Melalap estate and Sapong estate were not included in the legal and other requirement register which updated on the 19/11/14 and 28/10/14 respectively. The regulation such as 1. Environment Protection (Prescribed Activities) (Environmental Impact Assessment) Order 2005 2. Sabah Labour Ordinance1950 3. Sabah Land Ordinance (Sabah Cap.68) was not documented in the legal and other requirement register.	
	Statement of Nonconformity: Legal and Other Requirement Register (LORR) did not make reference to Sabah State Regulations.	
	Action: Legal register version July 2015 has included all related Sabah State Ordinance and Regulations was sighted at all visited operating units.	
	Status: The minor NC was close out on 21/10/15.	
Observation		
OBS #	Description	
Nil	Nil	

3.3.2 Summary of the nonconformities and status

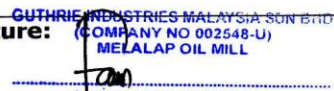

CAR Ref.	CLASS	ISSUED	STATUS
CR01	Major	20/5/2010	Closed 19/7/2010
CR02	Major	20/5/2010	Closed 28/1/2012
CR03	Minor	20/5/2010	Upgraded to Major 28/1/2012
CR04	Minor	20/5/2010	Closed 28/1/2012
CR05	Minor	20/5/2010	Closed 28/1/2012
CR06	Minor	28/1/2012	Closed 28/3/2012
CR07	Minor	28/1/2012 Upgraded 8/1/2013	Closed 19/2/2013
CR08	Minor	28/1/2012	Closed 8/1/2013
CR09	Minor	8/1/2013	Closed 27/11/2013
CR10	Minor	8/1/2013	Minor Upgraded to Major. See ref. 997687M1

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997687M0	Major	27/11/2013	Closed 24/1/2014
997687M1	Major	27/11/2013	Closed 24/1/2014
997687N2	Minor	27/11/2013	Closed on 1/12/2014
1132815M1	Major	3/12/2014	Closed on 31/01/2015
1132815M2	Major	3/12/2014	Closed on 31/01/2015
1132815N1	Minor	3/12/2014	Closed on 21/10/15
1245151M1	Major	23/10/2015	Closed on 12/11/15
1245151N1	Minor	23/10/2015	"open"

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Assessment Conclusion and Recommendation:	
Based on the findings during the recertification assessment Malalap Palm Oil Mill and supply base complies with the RSPO P&C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Melalap Palm Oil Mill Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Ahmad Fauzi Hj Jantan	Name: Mohamed Hidhir Bin Zainal Abidin
Company name: Sime Darby Plantation Sdn Bhd, Melalap Palm Oil Mill	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Mill Manager	Title: Lead Auditor
Signature:  GUTHRIE INDUSTRIES MALAYSIA SDN BHD (COMPANY NO 002548-U) MELALAP OIL MILL AHMAD FAUZI BIN JANTAN (MILL MANAGER)	Signature: 
Date: 14/12/2015	Date: 3 rd December 2015

Appendix A: Summary Report of the Assessment

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	All operating units continue to provide information on environmental, social and legal issues which are relevant to RSPO P&C and to stakeholders and shared for effective participation and decision making during stakeholder meeting. Requests for information from the Regulatory Department were attended and no noncompliance was noted. Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.	Complied
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance –	Publicly available management documents covers Land titles, OHS plans, EIA, SIA, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator. Some of the Sime Darby Group information are accessible through website link: http://www.simedarby.com RSPO Public summary reports are publicly available on request at each certification unit and at the head office Plantation Sustainability and Quality Management (PSQM) Department.	Complied
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			

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1.3.1 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. -Minor compliance	Sime Darby plantation has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation. Policy displayed on the notice board and communicated to employees. Interview with employees reveal that they are aware of the policy.	Complied
Principle 2: Compliance with applicable laws and regulations		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU 27 had continued to comply with legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU 27 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were :</p> <p>Melalap POM</p> <p>i) Permit for electrical installation from Electricity Commissioner, Permit ST(SKK)2548U/TNOM/0001-P, validity period 16/6/14 to 15/6/16.</p> <p>ii) MPOB licence: 535146004000, volume : 96,000 mt, validity period (1/1/15-31/12/15)</p> <p>iii) "Permit Sekatan Kerja Lebih Masa" under section 104(7) Sabah Ordinance (Sabah Cap.67), limit for 104 hr/month, valid until 1/4/16.</p> <p>iv) DOE licence approval, JPXXX/12/001870, period validity (1/7/15 -30/6/16). Discharge method: composting and land irrigation for 25mt/hr.</p> <p>v) DOE written approval for belt press system under CPO(prescribed premise) Regulation 1977. Refer to ASSH(B) 31/152/000/145 Jld 6(25), SPE-15/2014 dated 21/5/14.</p> <p>vi) Competent person for confined space entry (AESP/AGT) NW-NSDK-AGT-0050-L valid until 10/4/17 (AGT) NW-NSDK-AGT-0053-L valid until 10/4/17 (AGT) NW-NSDK-AE -0234-L valid until 31/3/17 (AESP) NW-NSDK-AE-0239-L valid until 31/3/17 (AESP)</p> <p>v) Registered A1 Electrical Chageman, PJ-T-2-B-0155-2014 valid until 15/8/18.</p> <p>vii) CePPOME – AS(S) 91/110/600/038 (54), 2/1/14. #L037</p> <p>Melalap Estate</p> <p>i) Diesel permit; Serial# S013138. Reference B.PGK.SB(KGU) 05/04(PBKB). Quantity: 13,500 liter valid until 3/2/16.</p> <p>ii) MPOB license: 531977002000 valid until 31/8/16.</p> <p>iii) "Lesen Untuk Menggaji Perkerja Bukan Pemastautin", section 118, Labour Ordinance, Sabah Cap. 67), JTK.H.TNM:600-4/1/577 valid until 11/6/16.</p> <p>Sapong Estate</p> <p>i) Diesel permit; Serial# S013325. Reference B.PGK.SB(KGU) 27/07(PBKB). Quantity: 18,200 liter valid until 26/8/16.</p> <p>ii) MPOB license : 532297002000 valid until 31/8/16.</p> <p>iii) "Lesen Untuk Menggaji Perkerja Bukan Pemastautin", section 118, Labour Ordinance, Sabah Cap. 67), JTK.H.TNM:600-4/1/63 valid until 11/6/16.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. LORR updated. It was found that the management has updated the Legal and Other Requirement Register (LORR) to make reference to Sabah State Regulations such as Environment Protection (Prescribed Activities) (Environmental Impact Assessment) Order 2005 2. Sabah Labour Ordinance 1950 3. Sabah Land Ordinance (Sabah Cap.68).	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, PSQM team, OHS Department and head office Group Compliance Department.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.	Complied
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land lease documents is available. There is no change in the land ownership. All the land belongs to Sime Darby at the parent company. Land lease Melalap Estate (835, 17553, 17554, 28934, 29759, 31464). Mill located inside the Melalap estate land. Sapong (CL165294628, CL166290044, CL16283076).	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Melalap Estate and sharing the estate boundary. Boundary at field 00P1 adjacent with smallholder at Sapong estate was verified. Boundary with Makaniton village and Melalap estate field number P02K was verified. Boundaries are clearly demarcated.	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

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Criterion / Indicator		Assessment Findings	Compliance
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	The estate lands are legally owned and leased by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	The estate lands are legally owned by the company.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The estate lands are legally owned by the company.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The estate lands are legally owned by the company.	Complied
Principle 3: Commitment to long-term economic and financial viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc.	Complied
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	There will be no replanting at both estates for the next 5 years. The oldest palm is 15 years. Recent review was conducted in July and management is considering replanting area with low productivity. Final decision pending. The status will be followed up during next assessment.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1:			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	No changes noted in the existing SOP for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	External Mill Advisor and a Planting Advisor (PA) inspect and report on the operations on annual basis (PA visited the estate on 3-5/8/15. PQR rating for 2015 is 80% compared to 2014 rating of 83%). The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators. Latest MA visit dated 23-25/6/15 was sighted. 2015 - PQR rating: 70%, safety rating: 80% 2014 – PQR rating: 67.20%, safety rating: 80%.	Complied
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Melalap POM Domestic water monitoring report, refer to IE625/2015 tested against Class I of INWQS for domestic use. Noted that COD exceeded class I of INWQS. There was no action taken for the off-limit parameter. Melalap and Sapong Estate i) Microbiological analysis for domestic water. Refer to test report #ML1213/2015 dated 29/7/ Noted the total coliform and fecal coliform results slightly over the limit.(ND@<2 for MPN/100ml) total coliform. ii) Microbiological analysis for domestic water. Refer to test report #ML158/2015 dated 16/7/15. Noted the total coliform and fecal coliform results slightly over the limit.(ND@<2 for MPN/100ml) total coliform. Therefore, minor NC was raised against the indicator.	Minor-non compliance
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	The mill records the origins of all third-party sourced Fresh Fruit Bunches (FFB). The records are maintained beginning at the weigh bridge onwards with MPOB license printed on the delivery notes. (i.e. Ladang Paal Sdn. Bhd.: 413195-701000; Arena Trading: 540189015000). List of third party supplier is available on the R06 Monthly crop report. The FFB supplier contract requires the supplier to declare the origin of FFB. Sample contract verified No. P/G/1214/FFB00619L	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2:			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield. Agronomist visited on 24-25 June 2015 for field visit and visual inspection.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizer recommendation for FY2015/16 revised on 8/9/2015 by Sime Darby Research Sdn Bhd's R&D Centre. Recommendation for the field P02MA block 1 (21.59ha) at Melalap estate was applied with 1.90kg/palm Ammonium Chloride. Application records match the recommendation. Fertilizer application records held on file "Fertiliser Application Records". At Sapong estate Rock Phosphate was applied at field 00P at the rate of 2kg/palm.	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Sime Darby R&D Centre prepares the annual fertilizer recommendation. Leaf analysis result completed end of January 2015 which shows the nutrient level was used as guidance for the fertilizer recommendation. Agronomy visited on 24-25 June 2015 for field observation and recommend necessary action to be taken for area indicating nutrient deficiency.	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 -	POME used for composting EFB. EFB compost applied at rate of 100kg/palm. Palm residues applied back to the filed.	Complied
Criterion 4.3:			
Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	All the estates hold copies of soil map. Soil maps and field visit confirm that there is no fragile soil on the estates.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Management strategy in place for plantings on slopes above >10°. Planting terraces had been constructed where slope >10°. Melalap estate is flat to undulating while Sapong have slope >25° planted through terracing.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Both Melalap and Sapong have implemented annual Road Maintenance Programme. Roads inspected during field visit are generally in a good condition. Road maintenance carried out internally with grader and compactor. Road maintenance includes road grading, e-surfacing wherever necessary, road side drain upkeep, culvert upkeep, road side silt pits construction etc. Monthly progress records are prepared and sent to head office. Road side pruning and silt pit construction are in the road maintenance plan.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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.	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	<p>Establishment of water management plan: Contingency plan during water shortage for financial year 2015/2016 at Melalap Mill are:</p> <ul style="list-style-type: none"> iii) Water shortage/dry spell <ul style="list-style-type: none"> 1) Purchase water from "Jabatan Bekalan Air Sabah" 2) Train staff/workers to conserve water 3) Revise demand and supply conditions 4) Monitor water supply iv) Severe water pollution <ul style="list-style-type: none"> 1) Purchase water from "Jabatan Bekalan Air Sabah" 2) Perform treatment of polluted water 3) Reusing/recycling/rationing <p>Establishment of water management plan for estates : Plan dated 27/7/15 was sighted at Melalap Estate.</p> <p>Wastewater management:</p> <ul style="list-style-type: none"> v) Chemical mixing water spillage – recycle for chemical mixing vi) Sprayer PPE washing water – recycle for chemical mixing vii) Workshop , linesite & office drains and washrooms water – septic tank and drains <p>Contingency plan during water shortage:</p> <ul style="list-style-type: none"> viii) No rain / prolonged dry period – linesite <ul style="list-style-type: none"> 1) Fill up drain with water from catchment area 2) Fill up drain with water from waterway 	Complied

Criterion / Indicator		Assessment Findings	Compliance												
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Monitoring of upstream and downstream Sungai Melalap and Sungai Pegalan was done on monthly basis as stipulated under "Jadual Pematuhan".</p> <p>Refer to report IE624/2015 dated 14/8/15 was sighted and conforms with class IIA/IIB of INWQS for natural waterways.</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	Complied
River width	Buffer zone														
> 40 meters	50 meters														
20 to 40 meters	40 meters														
10 to 20 meters	20 meters														
5 to 10 meters	10 meters														
< 5 meters	5 meters														
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	<p>Treated mill effluent discharge was regularly monitored as prescribed under "Jadual Pematuhan" JPKKS/12/001870. Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l for land irrigation. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Sample of latest month analysis done by Sime Darby Research Sdn Bhd, Bombalai, Tawau. Report dated 9/10/15 (Ref: EP258/2015) was sighted. Performance monitoring was done after each point outlet point starting from raw effluent (sludge pit). There was no outlet discharge from point "X" since July 2015. Currently, point of monitoring and sample was taken at "Post DAF Filtrate Tank".</p> <p>The latest "Borang Penyata Suku Tahun" 3rd quarter of 2015 was sighted during the audit. Refer to the report dated 20/9/15 to DOE.</p> <p>Result was found in compliance with the regulatory limit.</p>	Complied												
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	<p>Water consumption recorded for FY14/15 : 1.53 m3/mt FFB while for FY 15/16 to date showing the ascending trend. Consumption is slightly more than the usual due to maintenance and cleaning works during low crop season.</p> <p>Action plan to reduce water consumption based on water management plan –</p> <ul style="list-style-type: none"> a) Rainwater harvesting (gutter, piping and pump installation : Completion date April 2016 ii) Vacuum dryer water recycle (piping c/w pump and concrete tank installation) 	Complied												
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>															

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	IPM is documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. Although there have been no outbreaks of leaf eating pests, beneficial plants are being established along roadsides to attract natural predators. The estates are continue to plant beneficial plants such as <i>Turnera subulata</i> .	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist on 24-25 June 2015 during his visit to estates.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are: Immature planting (sample) <ul style="list-style-type: none"> - General weeds : Glyphosate - Legume & broad leave : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate Mature planting <ul style="list-style-type: none"> - VOPs : glyphosate & sodium chlorate The selection is also evaluated by the agronomist during his visit to the estate.	Complied
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha was maintained. <u>Melalap Estate</u> To date September 2015 : Usage of BM Glyphosate & Kenlon (0.18 Ai/ha) <u>Sapong Estate</u> To date September 2015 : Usage of BM Glyphosate & Kenlon (0.037 Ai/ha)	Complied

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4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. Only class III and class IV chemical was used in the estates.	Complied
4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipments and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied
4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied
4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at SOU27.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 SOU27. 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
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	CHRA for Melalap Estate was conducted on 15/11/14 by registered assessor JKPP HIE 127/171-2(257). Based on recommendation, sprayer need to be sent for periodic medical surveillance (annually). Medical surveillance carried out once a year for all pesticide handlers. Last medical check-up was conducted on 12/8/2015 by DOSH Registered doctor. No.: HQ/08/DOC/00(695) for Melalap estate. All 13 workers were found fit based on the medical results. Sapong Estate: Medical surveillance was last done on 12/8/15 for total of 43 workers and found to be fit based on the medical results.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There are female pesticide operators but only for normal weeding work. However, based on interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding	Complied
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

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Criterion / Indicator	Assessment Findings	Compliance
<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>SOU27 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office. Environment safety and health (ESH) management plan for each operating unit had been established. The ESH management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training programme, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. The latest ESH plan FY2015/2016 was made available during this assessment. Sample of Melalap Palm Oil Mill ESH programme for FY2014/2015 were:</p> <p>Audiometric Testing Last audiometric testing was done on 12/11/14 by Klinik Mansor Sdn Bhd, OHD number (HQ/10/DOC/00/625), NOISE/HIE/127/5/3-1(128). Total of 84 workers were sent for the annual testing. There was no NIHL cases and only hearing impairment and STS cases reported. Retest was done for STS and noted there was no permanent STS recorded.</p> <p>Medical Surveillance Programme As per CHRA recommendation dated June 2014 by JKPP IH 127/171-(2)253 medical surveillance programme has been carried out for those exposed to N-hexane, potassium chromate, welding fumes and Calcium Carbonate. The latest medical surveillance was carried out on 17/12/14 by registered OHD, (HQ/08/DOC/00(695) under Klinik Dr Mansor. From the results, all workers sent for medical surveillance are fit to work with no detrimental of health.</p> <p>Personal Chemical Exposure Monitoring (PCEM) PCEM was last carried out on 11/4/15 by registered IHT 1, JKPP/HIE/127/171-3/2(179) for 3 type of chemical, N-hexane, calcium carbonate and welding fumes. The results were found below permissible exposure limit for 8 hours Total Weighted Average (TWA₈).</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>SOU 27 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Refer to newly revisited CHRA report for Melalap POM by registered assessor (JKKP IH 127/171-(2)253 dated June 2014.</p> <p>CHRA recommendation :</p> <ul style="list-style-type: none"> - Medical surveillance for lab operator - PCEM : n-Hexane, Calcium carbonate, welding fumes <p>A few new activities were identified. Refer to HIRARC dated 1/10/15.</p> <ul style="list-style-type: none"> ii) Mixing polymer for belt press operation ii) Operation of VCT(after 3 phase decanter installation) iii) Maintenance at STR no.2 (CS) iv) Press – Digester platform cleaning <p>Melalap Estate: Revised after accident – commuting to work dated 21/1/15.</p> <p>Sapong Estate Non-routine activities were not comprehensively covered for demolishing and dismantling work of old wooden house in the HIRARC register. Thus, major NC was issued.</p>	<p>Major Non-Compliance</p>
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor’s recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <ul style="list-style-type: none"> i) Sterilizer and boiler/power operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff ii) Lab operator – Respirator (double cartridge) Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB) iii) Field workers (sprayer, manurer & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. 	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>OSH meeting has been conducted on quarterly basis and last meeting conducted on 9/9/15 at mill attended by 21 persons. The review of accident record was conducted during the OSH meeting with the quarterly work place inspection and the last was conducted 7/9/15. No any unresolved safety and health issues noted. Assistant manager at each of the operating units are appointed as OSH Coordinators. Below are the date of meeting for 2015 conducted at visited operating unit:</p> <p><u>Melalap Estate</u></p> <p>Latest OHS meeting : 19/10/15, 18/8/15, 17/4/15</p> <p><u>Sapong Estate</u></p> <p>Latest OHS meeting : 3/9/15, 22/6/15, 24/4/15,</p>	<p>Complied</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Emergency Response Plan (ERP) has been established and defined in procedure, Level 2, Standard Operation Manual, Sub Section 5.5, Management Responsibility, Appendix 5.5.3.3 Emergency Preparedness and Response Procedure, version:1, issue :1 dated 1/11/2008. Emergency response activities were also included in the ESH plan FY 14/15. The following were Emergency Response Plan were addressed: Fire Outbreak, Accident and incident occurrence, Oil Spillage and etc.</p> <p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 & 8 forms. The previous nonconformity remains closed and the action plans implemented</p>	<p>Complied</p>
<p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>Reviewed on workers profile records found all the workers are covered by the accident insurances. Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial); while for foreign workers is covered by Foreign Workers Compensation Scheme Certificate of Insurance (RHB Insurance Berhad).</p> <p>Refer to form 8A, "Jadual Caruman" for September 2015.</p> <p>Melalap Estate: Insurance coverage for foreign workers Policy# FW149501, valid until 30/6/16 for 65 workers.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance									
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard and reported to PSQM-ESH department using new online system called SMS-IT. Sample of accident statistic as shown below : <table border="1"> <thead> <tr> <th>Year</th> <th>Melalap Estate</th> <th>Sapong Estate</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>5 (50 LTA)</td> <td>11 (19 LTA)</td> </tr> <tr> <td>2015</td> <td>4 (7 LTA)</td> <td>3 (5 LTA)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p> <p>For Melalap Mill, days without LTA recorded were 45457 man hours as of 30/09/15.</p>	Year	Melalap Estate	Sapong Estate	2014	5 (50 LTA)	11 (19 LTA)	2015	4 (7 LTA)	3 (5 LTA)	Complied
Year	Melalap Estate	Sapong Estate										
2014	5 (50 LTA)	11 (19 LTA)										
2015	4 (7 LTA)	3 (5 LTA)										
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.												
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria for the financial year 2015.2016 has been established. Implementation is on-going. There are 30 training needs identified for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied.	Complied									
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	<ol style="list-style-type: none"> Schedule Waste management 21/9/2015 (attended by 17 employees). Smoke Density Chart Recorder Training 18/9/2015 (attended by 10 employees). Backhoe safety Training 21/8/2015 (attended by 9 employees). Fire Drill 23/5/2015 (attended by all employees). First aid Training 8/4/2015 (attended by 14 first aiders). NALCO Chemical Handling Training 2/2/2015 (attended by 9 employees). LEV Inspection Training 16/1/2015 (attended by 8 employees) by Hygiene Technician JKPP HIE 127/171-3/2(176). Supply Chain training on SCCS 2014 was conducted on 25/8/2015 attended by 8 staff. 	Complied									
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity												
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.												

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Criterion / Indicator		Assessment Findings	Compliance
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Plans and impact assessments relating to environmental impacts based on documents as following: <ul style="list-style-type: none"> Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; Register Appendix 5.4.1c - Environmental Aspect and Impact Identification form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-01/EAI Appendix 5.4.1d – Environmental Impacts Evaluation form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-02/EIE.	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 1/10/2015. 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. Environment Aspect and Impact Identification for various estates activities- construction work, compound, dispensary, field, harvesting and collection, main entrance, pest and disease control, petrol and diesel, power station, replanting, road, schedule waste store, workshop. It was observed that the reviewing and updating on the registers were done annually if there's no any new activity within respective sites.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Pollution prevention plan and waste management plan was reviewed on yearly basis and was verified at all visited operating units.	Complied
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.			

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Criterion / Indicator		Assessment Findings	Compliance
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	HCV Toolkit for Malaysia by WWF – Malaysia was used for the Initial Internal HCV assessment. There was an appropriate consultation process for identification, management and monitoring of HCVs. Previously identified area are maintained and monitored. Observation: Initial HCV assessment that includes both the planted area and relevant landscape has been conducted by the company. Recently the company took proactive measures to review the initial HCV assessment. The review was conducted internally as per for existing plantation on 7-9 July 2015. The report is in progress of completion. The status of the review will be followed up during the next assessment.	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	There is no any ERT identified within the plantation. There is no ERT in the conservation area within the estates. Common species found in the conservation areas are long tail monkeys, wild boar (<i>Sus scrofa</i>), Black Cobra (<i>naja sp.</i>) and monitor lizard. Ecologist from the PSQM team conducted initial HCV assessment of the possible presence of HCVs within and adjacent to the estates in 2009. BSI audit team already assessed the HCV assessment in 2009 during the initial certification of the supply base. HCV Toolkit for Malaysia by WWF – Malaysia was used for the HCV assessment.	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signages as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	Management plans were established and monitoring outcomes were reviewed by the estate managers. Ongoing monitoring of the management plan on the status of HCV available.	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There was no HCV set-aside that needs any negotiation process with the local communities.	Complied
Criterion 5.3:			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			

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Criterion / Indicator		Assessment Findings	Compliance
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Mill and estates have identified and documented all waste products and sources of pollution. Waste management plan FY2015/2016 was sighted at all visited operating units. For example, the mill and estates has listed POME, EFB, chemical containers, domestic waste, clinical waste and etc as sources of pollution.	Complied
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose. The used chemical containers were disposed through appointed Department of Agriculture (DOA) waste recycler, New Gates Industries Borneo Sdn Bhd. Refer to DOA letter, JP KRP(BBH)207/12/467(19) dated 18/3/11. Latest disposal was done on 25/8/15 for empty chemical container with the quantity of 0.0018 mt. Sapong Estate : empty chemical container disposal dated 25/8/15 with 89 pcs by New Gates Industries Sdn Bhd.	Complied
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	Scheduled waste were disposed by license contractor and appointed vehicle contractor under Sime Darby Industrial Sdn Bhd. Melalap Mill Latest Scheduled Waste disposal done on 15 Aug 2015, consignment # 4223 (SW 410), # 4221 (SW 305), # 4222 (SW 409), # 4224 (SW 322), # 4225 (SW 430) & # 4226 (SW 323) by Segar Alam Kinabalu. Melalap Estate i) Latest Clinical Waste (SW 404) disposal was done on 18/8/2015 by Faber Medi-Serve Sdn. Bhd. Disposal facility located at Edgenta Mediserve Sdn Bhd, Kota Kinabalu, Sabah ii) Latest scheduled disposal was done on 9/7/2015 by OLST Petro-Chemical Sdn. Bhd for SW 410 (consignment # 11116), SW 306 (consignment # 11114), SW 305 (consignment # 11113) SW 409 (consignment # 11115) Sapong Estate i)All scheduled waste generated from workshop & vehicle was collected by appointed vehicle contractor, Sime Darby Industrial Sdn Bhd. Other scheduled waste was disposed by OLST Petro-Chemical Sdn. Bhd latest on 9/7/2015 for SW 409 (consignment # OPC12957), SW 305 (consignment # OPC10088)	Complied
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.			

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Criterion / Indicator		Assessment Findings				Compliance												
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	Renewable fuel usage FY 2014/2015 and first quarter of FY 2015/2016 were : <table border="1" data-bbox="662 474 1307 633"> <thead> <tr> <th>Biomass fuel usage (mt)</th> <th>Power generation (turbine)</th> <th>Total power usage</th> <th>Renewable energy (RE) usage(%)</th> </tr> </thead> <tbody> <tr> <td>6,710.34</td> <td>1,193,140</td> <td>1,971,580</td> <td>60.52%</td> </tr> <tr> <td>1,836.86</td> <td>378,670</td> <td>578,210</td> <td>65.49%</td> </tr> </tbody> </table>				Biomass fuel usage (mt)	Power generation (turbine)	Total power usage	Renewable energy (RE) usage(%)	6,710.34	1,193,140	1,971,580	60.52%	1,836.86	378,670	578,210	65.49%	Complied
Biomass fuel usage (mt)	Power generation (turbine)	Total power usage	Renewable energy (RE) usage(%)															
6,710.34	1,193,140	1,971,580	60.52%															
1,836.86	378,670	578,210	65.49%															
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.																		
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted during the field visit and facility visit.				Complied												
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	Company have policy on no use of fire for land preparation during replanting. During the assessment there were no replanting.				Complied												
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.																		

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Criterion / Indicator	Assessment Findings	Compliance														
<p>5.6.1</p> <p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p>	<p>Assessment of all polluting activities was conducted under Environmental Aspect Impact for identifying activities that contributes significant impact to environment. Pollution prevention plan FY2015/2016 has been established with the mitigation measures for those activities. Source of pollution from mill processes and related activities in the premise were described as follows :</p> <table border="1" data-bbox="667 636 1310 925"> <tr> <td>Mill Processes /Activity</td> <td>Source of pollution</td> </tr> <tr> <td>Boiler and genset operation</td> <td>Clinkers@ soot, smoke and particulate emission</td> </tr> <tr> <td>POME (palm oil mill effluent)</td> <td>POME liquor and solid</td> </tr> <tr> <td>Composting</td> <td>Composting leachate</td> </tr> </table> <p>As prescribed under "<i>Jadual Pematuhan</i> JPKKS/12/001870, air emission from boiler stack have to be monitored twice per year. Stack sampling results for 2015 were :</p> <table border="1" data-bbox="675 1099 1281 1279"> <tr> <td>Date of monitoring</td> <td>Stack no.1</td> </tr> <tr> <td>22/7/15 (1st half)</td> <td>0.250 g/Nm³ at 12%CO₂</td> </tr> <tr> <td>11/12/14 (2nd half)</td> <td>0.256 g/Nm³ at 12%CO₂</td> </tr> </table> <p>* Stack emission limit @ 0.4 g/Nm³</p> <p>Smoke emission was monitored using online system (CEMS-DIS) to DOE based on the transmitted data from boiler smoke density indicator and recorder. Emission result was found in compliance with the regulatory limit. Smoke density recorder was last calibrated on 26/4/15 and valid until 26/10/15 for the next calibration.</p> <p>For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE. Refer to Indicator 4.4.3 for details.</p>	Mill Processes /Activity	Source of pollution	Boiler and genset operation	Clinkers@ soot, smoke and particulate emission	POME (palm oil mill effluent)	POME liquor and solid	Composting	Composting leachate	Date of monitoring	Stack no.1	22/7/15 (1 st half)	0.250 g/Nm ³ at 12%CO ₂	11/12/14 (2 nd half)	0.256 g/Nm ³ at 12%CO ₂	Complied
Mill Processes /Activity	Source of pollution															
Boiler and genset operation	Clinkers@ soot, smoke and particulate emission															
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11/12/14 (2 nd half)	0.256 g/Nm ³ at 12%CO ₂															
<p>5.6.2</p> <p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented. It was noted that the PSQM Department from HQ have established plans for implementation and monitoring of GHG emissions.</p>	Complied														

Criterion / Indicator	Assessment Findings	Compliance
5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring of the GHG quantity was done through its custom GHG calculator where annual quantification of all GHG sources was input into the calculator. Default values of emissions factor Calculation of the GHG emissions were derived from publicly available sources including World Resource Institute and BioGrace. These calculations were done in HQ level where GHG calculations were done separately between the mill and estates. Reporting of the GHG to RSPO ERWG has been implemented since Jan 2015.	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.		
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA has been conducted on 5-6/3/2009 with yearly revision on the action plan. Social Management Plan & action FY14/15 has been verified and being implemented as the plan. The pending action plan has been bought forward and included in the Social Management Plan & action FY15/16 after the stakeholder meeting which was held respectively in respective estate. Stakeholder meeting was conducted on 18/9/15 (Melalap mill & estate) and 17/9/15 (Sapong estate), that involve internal & external stakeholder. Attendance record was taken and maintained accordingly.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Meeting attendance and interview with stakeholders found they were invited for the meeting and the issues highlighted by them have been included in the management plan. Several stakeholder meetings have been conducted to gather the feedbacks, e.g. Stakeholder meeting with school representative, contractor, neighbouring village representative, suppliers were held on 18/9/15 at Melalap estate that involves total 16 persons, Meeting with workers/ SPIEU dated 17/9/15 & meeting with FFB supplier dated 3/9/15. Issues that required further action has been included in the 15/16 action plan in Melalap POM and Melalap estate. At Sapong estate, the stakeholder meeting conducted on the 17/9/15. Total of 28 persons attended include worker representative, neighbouring village representative, government agency, contractor. Issues of concerns have been included in the action 15/16 to be followed up accordingly.	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 -	Social management plan has been included in the SIA assessment to mitigate the negative impacts with time frame and person in charge. Several issues raised by the neighbouring village representatives has been include in management plan FY15/16 where issue such as frond found at man-made waterway by villages for planting purpose where action has been taken to prevent re-occurrence. Internal stakeholders raised mainly issues on additional OT work, housing repair and upgrading of other facilities.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
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 -	Social Management Plan & action plan was reviewed on annual basis. The latest reviewed was conducted on Sept 2015 through stakeholder meeting with related internal & external stakeholder. Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	There was no smallholder scheme within the certification units. Complied
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Consultation and communication procedure is similar to the procedure reported during the previous assessments. i.e. "Handling Social Issues" SOP dated 01 Nov 2008. Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The mill and estates have appointed the respective person in charge as the management officer for any social issues. Eg. Melalap POM has appointed Assistant manager with appointment letter dated 15/6/15, Melalap estate has appointed Assistant manager with appointment letter dated 19/11/2014 and Sapong estate, has appointed estate assistant Manager with appointment letter dated 1/1/2015 Complied
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	The mill and estates have an updated list of stakeholders. It includes internal and external stakeholders such as government departments, contractor, suppliers and workers representatives. Stakeholder Meeting, weekly meeting etc. was the record used for 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 and action taken has been verified during the visit. Complied
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		

Criterion / Indicator	Assessment Findings	Compliance	
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	System to resolve disputes, open to all affected parties to resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers is available in Mill and Estate Quality Management System Manual which. The complaint and grievances is open to effected parties including internal and external stakeholders. This was confirmed through stakeholder interview.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	SOP to resolve social disputes “Handling Social Issues” SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings. Follow-up actions had timelines, responsibilities, and details of actions and monitored by managers for satisfactory conclusion. Minutes of meetings are maintained and reviewed. Complaint by the workers and staff was recorded using housing repairing request form and sampled check was from staff that request for repairing was completed and accepted by the staff to close the complaint.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled “Handling Land Disputes” SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.4.1 above.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and conditions such as pay slips shows gross pay, net pay, leave, medical leave pay etc are maintained by the company. Documentation of pay and conditions such as pay slips shows gross pay, net pay, leave, medical leave pay etc are maintained by the company and a copy to the workers. At Melalap POM, Sampled of workers taken (Employee ID: 34797, 34782, 34787, 67190 & 58439) where the pay has been verified to meet the minimum wage order 2012 and the deduction such as SOCSO & EPF for local workers and deduction of union fees of RM 3 for union workers has been clearly stated in the payslip with the agreement from the workers.	Complied
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Employment contract are available in languages understood by workers. Pay and conditions explained to workers by the operating units. Basic daily pay was verified to be in accordance with the Minimum Wage Order 2012. The employment contract is as per the collective agreement between Sabah Plantation Industry Employees Union (SPIEU) and Sime Darby Plantation (Sabah) Sdn. Bhd which is valid till 31/12/2016.	Complied
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	Palm Oil Mill and estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers’ Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	Accesses to food for the workers are considered adequately and sufficiently available. There are sundry shops accessible to employees. There is a township nearby estates and mill.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			

Criterion / Indicator	Assessment Findings	Compliance
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated April 2008. Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Worker Union was formed by the workers. Union (SPIEU) Meeting at Melalap mill and estate was on 17/9/2015. Attended by 12 people. SPIEU meeting was conducted with attendance of estate management team with the committee members that include local and foreign worker representatives. The meeting minutes for the site visit during the audit (Melalap POM, estate & Sapong estate) has been verified on site which dated 17/9/15. The attendance has been taken and maintained with the meeting minutes. Issues related to work was discussed and it was confirmed by the union secretary that there is no any unresolved labour issue. Interview with the on-site workers union secretary reveals that most of the work related issues are resolved through verbal discussion. Complied
Criterion 6.7: Children are not employed or exploited.		
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Operating units are complied with the minimum age requirement. No employees below the age of 18. Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Policy on equal opportunity available and displayed at the offices along with the other policies. 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 -	Operating units are continue to recruit migrant workers to overcome the shortage of local workers. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders. Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Similar to last assessment the recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc. Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		

Criterion / Indicator		Assessment Findings	Compliance
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 -	All operating units maintain the Policy on protection against Sexual Harassment and other forms of harassment and implemented since 2009 and revised on April 2011. There is no any reported case of harassment in the operating units. Gender committee formed to implement the policy. Gender committee meeting was held on 17/2/2015 at Melalap estate, 23/5/2015 and latest on 5/8/15 attended by 8 members at mill and on 6/5/2015 at Sapong estate. No any reported case of harassment. Gender Committee members appointment letters dated 15/6/2015.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Existing grievance procedure to handle grievances from internal and external stakeholders contains flow chart and available in the local language. Grievances and complaints are treated as confidential and not discussed in public.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Current and past prices paid for Fresh Fruit Bunches (FFB) is available for interested parties. Pricing mechanism for FFB follows the MPOB price structure.	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 -	Interview with the FFB suppliers reveal that mill have explained FFB pricing, and pricing mechanisms for FFB.	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 -	Interview confirmed that contractors/suppliers and workers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Interview of contractors and workers confirmed payment is made promptly. Inspection to the "Grievance Book" indicated no complaint was raised in relation to processing of the payment. Sample contract of FFB supplier (Company reg. no.: 29959-V) for the period of 1 Dec. 2014 – 31 Dec. 2015 found as per the contract No. P/G/1214/FFB00619L. Payment records reveal that payments are as per agreed term and were confirmed by FFB suppliers during stakeholder consultation.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			

Criterion / Indicator		Assessment Findings	Compliance
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	Contributions are regularly made to school activities and community activities. This was confirmed by school teachers and local community during interview. Company also allow access to local community to access through the estate roads. Consultations with the local communities are held to encourage them to highlight and suggest any activities for local community development	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 within the certification Unit.	Complied
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	All employees are legal with local identification card for local employees and foreign employees are with valid passports and working permits. No evident of trafficked workers were found during the audit.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract substitution was noted.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The existing policy covers the aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	The management have engaged HUMANA school for the foreign workers children. Audit team member visited the HUMANA school and found that it is operating well.	Complied
Principle 7: Responsible development of new plantings Melalap Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Melalap Palm Oil Mill and supply base estates have carried out annual review of the environmental and social aspects of its operations to identify improvements. The Social Action Plan has continued to work towards improving stakeholder relationship through engagement and dialogue besides further improving the workers housing. Initiative on KAIZEN project at Melalap Palm Oil Mill showed commitment towards continual improvement to improve plant safety and process performance.</p> <p>Example of KAIZEN projects such as:</p> <ul style="list-style-type: none"> i) Nut dry silo top cover install (to improve cleanliness) ii)Conveyor cover installation (easy opening for maintenance) iii)Manhole for elevator (easy opening for maintenance) <p>Pesticide use is limited to use only when there is outbreak and justified with census prior to application. IPM is continuously implemented as part of efforts to reduce pesticide usage. Paraquat is completely eliminated. Recycling awareness is progressively implemented and evidence of recycling was noted during the assessment.</p>	

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

TIME BOUND PLAN – Certification Units in Malaysia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
1	Sg Dingin	Certified 2010. Recertification completed.	Kedah
2	Chersonese	Certified 2011	Perak
3	Elphil	Certified 2011	Perak
4	Flemington	Certified 2011	Perak
5	Seri Intan	Certified 2011	Perak
6	Selaba	Certified 2011	Perak
7	Tennamaram	Certified 2011	Selangor
8	Bkt Kerayong	Certified 2011	Selangor
9	East	Certified 2010. Recertification completed.	Selangor
10	West	Certified 2010. Recertification completed.	Selangor
11	Bukit Puteri	Certified 2011	Pahang
12	Kerdau	Certified 2011	Pahang
13	Jabor	Certified 2011	Pahang
14	Labu	Certified 2011	N. Sembilan
15	Tanah Merah	Certified 2010. Recertification completed.	N. Sembilan
16	Sua Betong	Certified 2014	N. Sembilan
17	Kok Foh	Certified 2011	N. Sembilan
18	Kempas	Certified 2010. Recertification completed.	Malacca
19	Diamond Jubilee	Certified 2011	Malacca
20	Pagoh	Certified 2014	Johor
21	Chaah	Certified 2010. Recertification completed.	Johor
22	Gunung Mas	Certified 2010. Recertification completed.	Johor
23	Bukit Benut	Certified 2011	Johor
24	Ulu Remis	Certified 2011	Johor
25	Hadapan	Certified 2011	Johor
26	Sandakan Bay	Certified 2008. Recertification completed.	Sabah
27	Melalap	Certified 2011	Sabah
28	Binuang	Certified 2009. Recertification completed.	Sabah
29	Giram	Certified 2009. Recertification completed.	Sabah
30	Merotai	Certified 2009. Recertification completed.	Sabah
31	Lavang	Certified 2011	Sarawak
32	Rajawali	Certified 2011	Sarawak
33	Derawan	Certified 2011	Sarawak
34	Pekaka	Certified 2011	Sarawak

TIME BOUND PLAN – Certification Units in Indonesia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
1	Sekunyir (PT. Indotruba Tengah)	Certified 2010 Recertification completed.	Seruyan and West Kotawaringin District – Central Kalimantan
2	Manggala (PT. Tunggal Mitra Plantations)	Certified 2010 Recertification completed.	Rokan Hilir District – Riau
3	Bk. Ajong (PT. Sime Indo Agro)	Certified 2010 Recertification completed.	Sanggau District –West Kalimantan
4	Teluk Siak (PT Aneka Inti Persada)	Certified 2011	Pekanbaru, Siak District – Riau
5	Sungai Pinang (PT. Bina Sains Cemerlang)	Certified 2012	Musi Rawas District – South Sumatera
6	Sukamandang (PT. Kridatama Lancar)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan

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7	Pematang (PT. Teguh Sempurna)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
8	Alur Dumai (PT Lahan Tani Sakti)	Certified 2011	Rokan Hilir District – Riau
9	Teluk Bakau (PT. Bhumireksa Nusa Sejati)	Certified 2011	Indra Giri Hilir District – Riau
10	Mandah (PT. Bhumireksa Nusa Sejati)	Certified 2014	Indra Giri Hilir District – Riau
11	Angsana Mini (PT Sajang Heulang)	Certified 2011	Tanah Bumbu District – South Kalimantan
12	AngsanaPT Ladangrumpun Suburabadi	Certified 2011	Tanah Bumbu District – South Kalimantan
13	Mustika (PT Sajang Heulang)	Certified 2013	Tanah Bumbu District – South Kalimantan
14	Gunung Aru (PT Bersama Sejahtea Sakti)	Certified 2011	Kotabaru District – South Kalimantan
15	Bebunga (PT. Langgeng)	Certified 2011	Kotabaru District – South Kalimantan
16	Blang Simpo (PT Padang Palma Permai)	Certified 2013	Aceh Tamiang, Nangroe Aceh Darussalam
17	Pondok Labu (PT Paripurna Swakarsa)	Certified 2012	Kotabaru District – South Kalimantan
18	Selabak (PT Swadaya Andhika)	Certified 2012	Kotabaru District – South Kalimantan
19	Rantau (PT Laguna Mandiri)	Certified 2012	Kotabaru District – South Kalimantan
20	Betung (PT Laguna Mandiri)	Certified 2014	Kotabaru District – South Kalimantan
21	Ungkaya (PT Tamaco Graha Krida)	Certified 2012	Morowali District – Sulawesi Tengah
22	Ladang Panjang (PT Bahari Gembira Ria)	Certified 2012	Muaro Jambi District - Jambi
23	Rantau Panjang (PT Guthrie Pecconina Indonesia)	Certified 2012	Musi Banyuasin District – South Sumatera
24	MAS (PT Mitra Austral Sejahtera) The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Regular discussions is ongoing between Sime Darby Plantation and the project affected communities.	2015	<p>Sanggau District – West Kalimantan RSPO Certification Target Date for PT MAS - The target date for certification is by 2016. However, this is subject to the progress of the matter being resolved.</p> <p>Progress Update (As at end Oct 2015) - Regular discussion is ongoing between Sime Darby Plantation and the project affected communities (PAC) through bi-monthly Tim Kerja Perwakilan Petani (TKPP) meeting since November 2012. - In October 2013, representatives from two of nine villages (Kerunang and Entapang) left TKPP and backed by TuK and OXFAM. They have then requested SDP to enter into Dispute Settlement Facility (DSF) in June 2014. - Hence, there are two groups of PAC: 1) TKPP (7 of 9 villages) and 2) Kerunang & Entapang (2 of 9 villages)</p> <p>Engagement with TKPP: - The most recent TKPP meeting was held on 16th October 2015. The meeting was on reviews on the current and planned CSR activities for the communities. - Engagement with Kerunang/ Entapang: - SDP visited the communities on 27 August 2014 to listen and have a better understanding on their requests - The subsequent meeting with the communities was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee (TKPP) meetings and will continue to engage directly with SD.</p> <p>Engagement with RSPO: - RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest report submitted to RSPO</p>

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			<p>dated 7th August 2015.</p> <p>Engagement with TuK-Indonesia:</p> <ul style="list-style-type: none"> - In May 2015, TuK submitted a proposal (in the form of concept note). SDP has requested for a presentation from TuK for better understanding, before signing of agreement. - To-date, 12 out of 14 demands have been resolved whilst, another two remaining demands are related to land matters. SDP is in engagement with TuK-Indonesia to resolve the remaining issues involving land matters. <p>SDP continues to work on direct engagement with PAC – working towards a consensus with the PAC to withdraw their complaint.</p>
25	Lembiru (PT Sandika Nata Palma)	Certified 2014	Ketapang District – West Kalimantan

**Appendix C: Sime Darby Plantation Sdn Bhd – SOU 27 Melalap Certification Unit
 RSPO Certificate Details**

Sime Darby Plantation Sdn. Bhd.
 SOU 27 Management Unit (KKS Melalap)
 14th KM, Jalan Tenom – Keningau, P.O. Box 205,
 89908 Tenom, Sabah,
 MALAYSIA

BSI RSPO Certificate No: SPO 547124

Date of Initial Certificate Issued: 21 January 2011

Date of Expiry: 20 January 2020 (Recertification completed)

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

Applicable Standards: RSPO P&C MYNI 2014; RSPO Certification System June 2007 (revised March 2011); RSPO P&C MY-NIWG 2010; RSPO Supply Chain Certification Standard November 2014 Module E - CPO Mills: Mass Balance

Melalap Palm Oil Mill and Supply Base					
Location Address	Melalap Palm Oil Mill, 14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.				
GPS Location	116° 00' 00" E 5° 15' 40" N				
CPO Tonnage Total	17,402mt				
PK Tonnage Total	4,034mt				
CPO Claimed for Certification	17,402mt				
PK Claimed for Certification	4,034mt				
Own estates FFB Tonnage	79,101mt				
Scheme Smallholder FFB Tonnage	-				
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Melalap	1,353	0	892	2,245	30,634
Sapong	2,333	0	1,119	3,452	48,467
TOTAL	3,686	0	2,011	5,697	79,101

Appendix D: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Hidhir	Senniah	Kelvin
Monday 19/10/2015	PM	Check in at Kota Kinabalu hotel	√	√	√
Tuesday 20/10/2015 Kota Kinabalu	0830 - 1700	External stakeholder meeting and travelling to site.	√	√	√
Wednesday 21/10/2015 Melalap Palm Oil Mill	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). 	√	√	√
	09.00 – 12.00	Melalap Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Melalap Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Thursday 22/10/2015 Melalap Estate	08.30 – 12.00	Melalap Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	10.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Melalap Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Interim Closing Briefing	√	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	Hidhir	Senniah	Kelvin
Friday 23/10/2015 Sapong Estate	8.30 – 12.00	Sapong Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc and document audit.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Sapong Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Preparation for closing meeting.	√	√	√
	17.00 – 17.30	Closing meeting and travelling back to Kota Kinabalu	√	√	√
Saturday 24/10/2015	AM	Audit Team travelling to KL.	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders Managers and Assistants Male Mill Staff/Workers Foreman Female Mill Staff/Workers Weighbridge Clerk Foreign Worker Field workers Male and Female Estate workers Hospital Assistant Lab Assistant Union Representatives Gender Committee Representative Boiler operators Engine room operators Store clerk Staff and Workers at workshop</p>	<p>External Stakeholders Contractors Mosque Committee Makaniton Village Representative Sapong Village Representative General Supplier Head of the Villages</p>
<p>Government Departments Labour Department, Tenom Sabah Water Department, Tenom Forest Department Representative Police Representative, Tenom Sapong Government Clinic Representative School Teacher – SK Ladang Sapong DOSH, Kota Kinabalu, Sabah. Department of Environment, Kota Kinabalu, Sabah. Department of Wildlife and National Park</p>	<p>Workers Union and Representative Foreign Workers Representative Sabah Plantation Industry Employees Union Representative, Tenom Sapong Estate, Melalap Estate and Melalap Mill Union Representative</p>

Appendix F: Melalap Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

Requirements	Compliance
E.1. Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>The Melalap Palm Oil Mill receives and process certified and non- certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During this recertification assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and sales volume of RSPO certified palm products through RSPO IT System.</p>
E.2. Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. Actual production recorded in Section 1.</p>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
E.3. Documented Procedure	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard</p>	<p>Latest written documented procedures (No. SD/SDP/PSQM/001 Rev.0 Dated 01/03/15) for the chain of custody is with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. This developed based on the RSPO SCCS 21 November 2014. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified and non-certified FFB is received and processed at Melalap 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>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs</p>	<p>Melalap Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received</p>
E.4. Purchasing and Goods In	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The facilities aware of this procedure.</p>

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

Actual Certified Palm Production – October 14 – Sept. 15 (ASA4)

Mill	Processing Capacity	CPO	PK
Melalap Palm Oil Mill	25 mt/hr	12,675	2,629

Actual Sales of Certified Palm Products – October 14 – Sept. 15 (ASA4)

Mill	CPO (Certified)	Remarks	PK (Certified)	Remarks
Melalap Palm Oil Mill	0	No physical sales	0	No physical sales

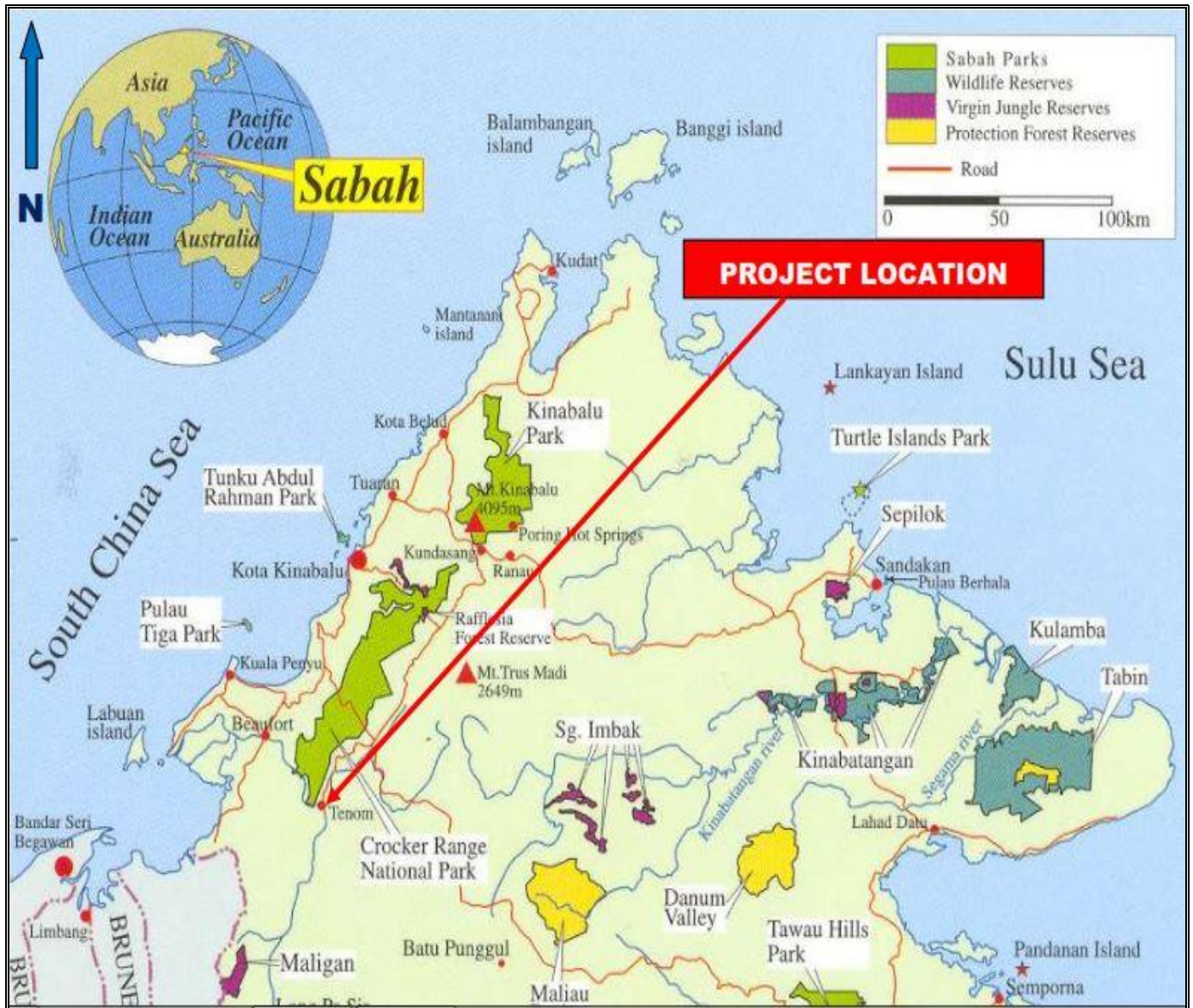
Actual Certified FFB Received Monthly – October 14 – Sept. 15 (ASA4)

Month	Melalap Estate	Sapong Estate	Total FFB/Month
October 2014	2,152	3,231	5,383
November 2014	2,036	2,795	4,831
December 2014	2,271	2,643	4,914
January 2015	1,593	2,038	3,631
February 2015	0	0	0
March 2015	1,220	1,585	2,805
April 2015	2,396	2,978	5,374
May 2015	2,754	3,410	6,164
June 2015	2,807	3,507	6,314
July 2015	2,079	3,311	5,390
August 2015	2,870	3,879	6,749
September 2015	2,689	3,381	6,070
Total	24,867	32,758	57,625

Note: Melalap mill was breakdown in February 2015. Melalap estate delivered 1,266mt FFB to Sook Mill in Feb. 2015, Sapong estate delivered 2,449mt FFB to Sook Mill and 111mt FFB to Kenigau mill.

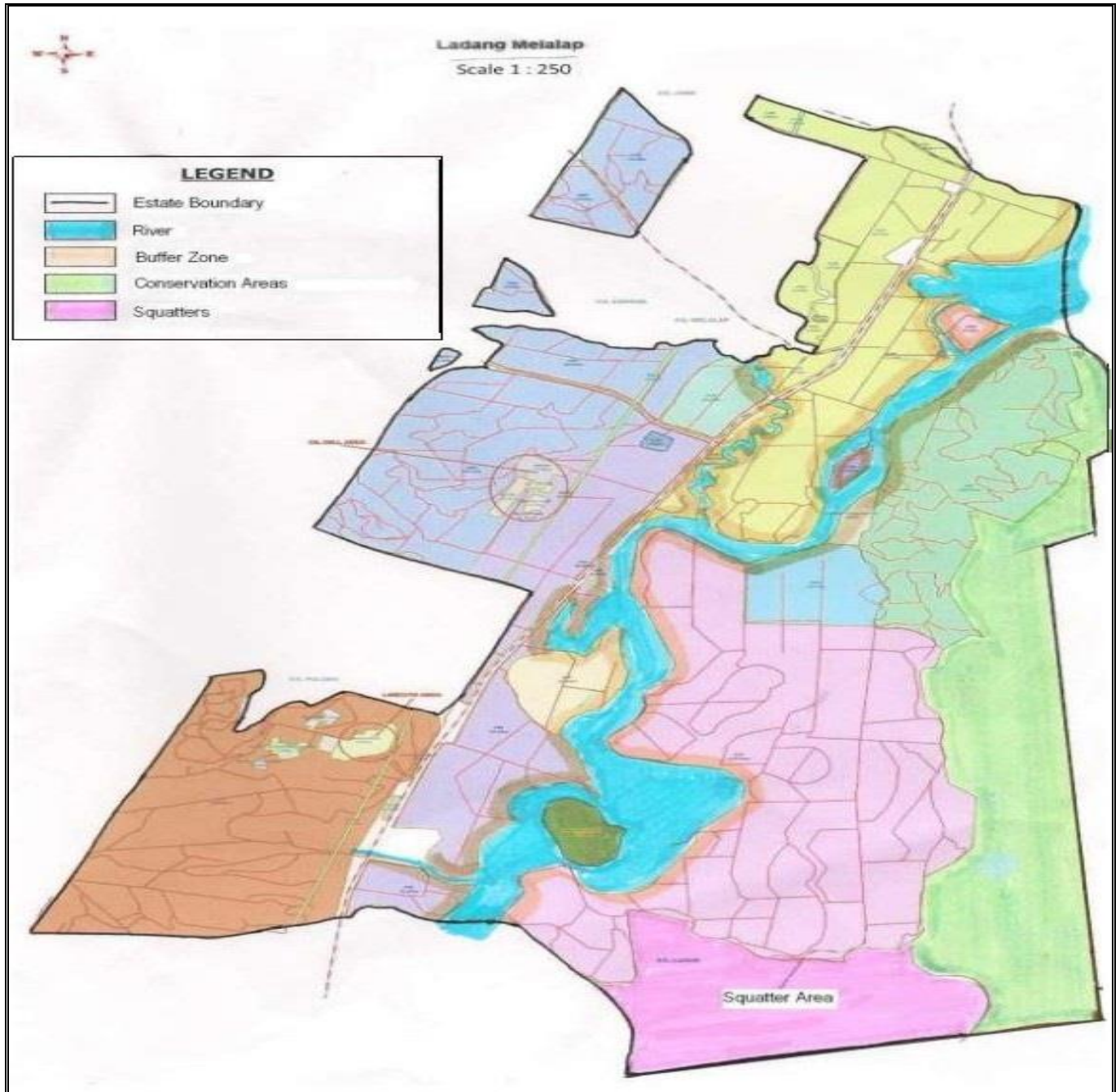
Appendix G

Map shows location of the Melalap Palm Oil Mill and Supply Base in Sabah, Malaysia



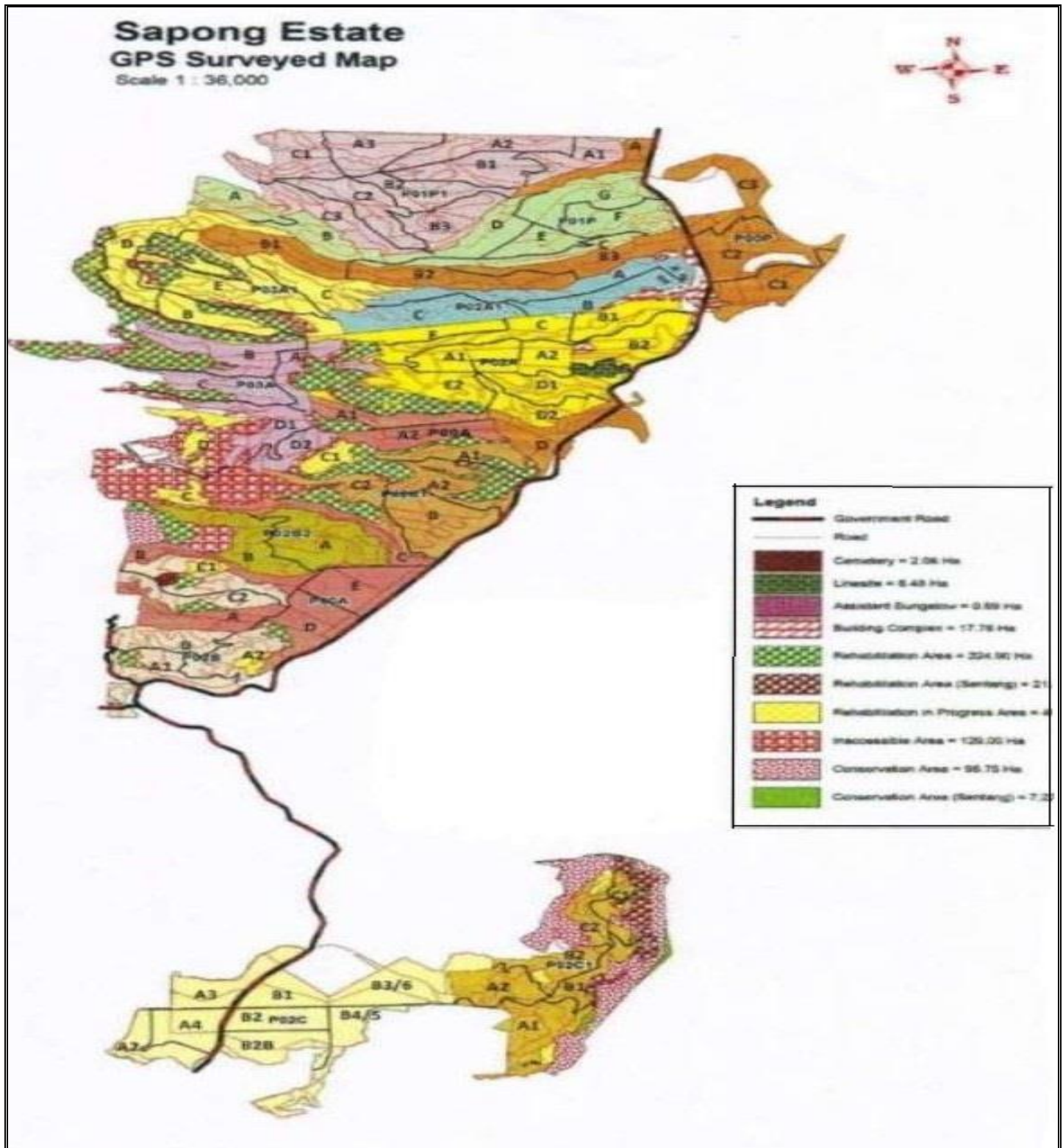
Appendix H

Melalap Estate field map



Appendix I

Sapong Estate Field Map



Appendix J

List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
IPM	Integrated Pest Management
MPOM	Melalap Palm Oil Mill
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit