

RSPO – Recertification Assessment

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: Strategic Operating Unit (SOU 7) – Bukit Kerayong Palm Oil Mill Bukit Kerayong Road, 42200 Kapar, Klang, Selangor, Malaysia.

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Section 1 Scope of the Recertification Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Date	Member since: 6 September 2004
Company Name	Sime Darby Plantation Sdn Bhd		
Address	Head Office: Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia.		
Mill Address	Certification Unit: KKS Bukit Kerayong, Bukit Kerayong Road, 42200 Kapar, Klang, Selangor Darul Ehsan.		
Subsidiary of (if applicable)	N/A		
Contact Name	Mdm. Shylajadevi Vasudevan Nair (Head Office) Mr. Anuar Bin Zakaria (Bukit kerayong Palm Oil Mill Manager)		
Website	www.simedarby.com	E-mail	shylaja.vasudevan@simedarby.com kks.bk.kerayong@simedarby.com
Telephone	+603 – 78484371 (Head Office) +6013-2086959 (Mill)	Facsimile	+603 – 78484363 (Head Office)

2. RSPO Certification Information			
Certificate Number	RSPO 550181	Original Certificate Issued Date	15 April 2011
		Expiry Date	14 April 2016
Scope of Certification	Palm Oil and Palm Kernel Production from Bukit Kerayong Palm Oil Mill and Supply Base: (Bukit Kerayong Estate and Bukit Cheraka Estate)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
Nil	-	-	-

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Bukit Kerayong Palm Oil Mill	KKS Bukit Kerayong, Jalan Bukit Kerayong, 42200, Kapar, Klang, Selangor.	101.37'36.71"	3.18'67.19"
Bukit Cheraka Estate	Bukit Cheraka Estate, P.O Box 202, 45809, Jeram, Kuala Selangor.	101°36'57.91"	3°22'74.19"
Bukit Kerayong Estate	Bukit Kerayong Estate, P.O. Box 204, 42200, Kapar, Selangor.	101°22'36.66"	3°11'24.58"

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4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Infrastructure & Other (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Bukit Kerayong Estate	2,196.15	601.61	315.49	2,797.76	3,113.25	89.87
Bukit Cheraka Estate	2,627.52	772.34	264.92	3,399.86	3,664.78	92.77
Total	4,823.67	1373.95	580.41	6,197.62	6,778.03	91.44

* Note: Total Hectarage has reduced due to Elmina Estate has been excluded from Bukit Kerayong certification scope during this recertification assessment.

4b. Description of Certified FFB Supply from Sime Darby's Adjacent RSPO Certified Estate

Estate	Tonnage / Year			Certificate Number	Expiry Date
	Estimated (2015)	Actual (2015)	Forecast (2016)		
Bukit Lagong	0	1,743	0	} RSPO 0014	} 2/8/2016
Sungai Buloh	0	2,590	0		
Tenamaram	0	176	0		
Bukit Talang	0	233	0		
TOTAL	0	4,742	0		

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Jan - Dec 2015)	Actual (Jan - Dec 2015)	Forecast (Jan - Dec 2016)
Bukit Kerayong Estate	601.61	1830.03	186.01	38.17	141.94	64,348	35,501	62,348
Bkt.Cheraka Estate	772.34	598.88	1,719.17	241.95	67.52	71,999	54,677	35,849
Elmina Estate*	0	0	0	0	0	39,314	8,578	0
TOTAL	1373.95	2428.91	1,905.18	280.12	209.46	175,661	98,756	98,197

* Note: Elmina Estate has been excluded from Bukit Kerayong certification scope during this recertification assessment.

6. Certified Tonnage

Mill	Estimated (Jan 2015 - Dec 2015)			Actual (Jan 2015 - Dec 2015)			Forecast (Jan 2016 - Dec 2016)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Bukit Kerayong Palm Oil Mill	175,661	36,898	8,783	103,498	20,307	4,905	98,197	20,621	5,303

Section 2 Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
B-08-01 (East), Level 8, Block B, PJ8,
No. 23, Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor, Malaysia.
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site recertification assessment was conducted from 19 - 22 January 2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with both estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

Public Stakeholder Notification was made on 12 December 2015, 30 days prior to the recertification assessment. No written negative 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 Bukit Kerayong 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 meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

All the previous nonconformities were followed up to verify the effectiveness of the corrective action. The assessment findings for the recertification 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 Certification Reviewer and externally by independent peer reviewer prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Re-Cert)	Year 2	Year 3	Year 4	Year 5
Bukit Kerayong Palm Oil Mill	√	√	√	√	√
Bukit Kerayong Estate	√	√	√	√	√
Bukit Cheraka Estate	√	√	√	√	√

Tentative Date of Next Visit: 17 January 2017

Total No. of Mandays: 13.5

BSI Assessment Team:

Muhammad Haris B. Abdullah – Lead Assessor

He holds Master in Business Administration from the University Utara Malaysia and Bachelor of Business Administration (Hons) Majored in Human Resource Development from the Open University Malaysia. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001, ISO 9001, OHSAS 18001 Lead Auditor Training Courses and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of Estate Best Practice, environment, Safety and Health, Supply Chain, Legal, Social, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

Hafriazhar Mohd Mokhtar – Team member

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

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Mohamed Hidhir Bin Zainal Abidin – Team member

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

Accompanying Persons:

ASI Assessors conducting "Witness Audit" on BSI's RSPO audit process:

1. James Sandom (ASI Lead Assessor)
2. Kishokumar Jayaraj (Local Expert)
3. Haye Semail (ASI observer)

Observers from BSI:

1. Azrul Azwar Wan Azizan (Compliance & Risk Manager, Malaysia)
2. Chris Cheung (Head of Compliance & Risk, Asia Pacific)

Section 3 Assessment Findings

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

- RSPO P&C MYNI 2014 Summary of the Assessment – Appendix A
- Sime Darby Time Bound Plan – Appendix B
- RSPO Supply Chain Certification Assessment – 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. Sime Darby has acquired NBPOL. NBPOL is managed as a separate management unit. NBPOL has its own RSPO membership (1-0016-04-000-00) and have achieved certification for all the certification units. As for the Plantation in Liberia, Sime Darby has completed the NPP in 2011. However, the plantation sites will be included in TBP upon completion of the mill which is delayed due to Ebola and long drought season.

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

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resolving the community issue. This is also accepted by the CB that assessed PT MAS. Discussion was held with the CB that assessed the PT MAS and Sime Darby.

Due to the present mediation process, PT Mitra Austral Sejahtera TBP was revised to 2016 by Sime Darby pending on the resolution and mediation process which is acknowledged by RSPO. The final decision of issuing the certificate is under the CB that audited the PT MAS. BSI has contacted the CB and consultation was held. The CB that audited PT MAS accepted the revision of the TBP. BSI accepted the feedback from the CB that audited PT MAS as per the RSPO Certification System requirement "Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress and acknowledge by RSPO and all parties as mutually agreed process. Latest meeting among the community and Sime Darby was held on 14 January 2016. The current status details are provided in the Appendix B. BSI has consider that Sime Darby still comply with the RSPO requirement for partial certification and has justified the revision to TBP.

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 report of the assessment by criteria is listed in Appendix A.

During the re-certification assessment there were six Major and three minor nonconformities raised. The Bukit Kerayong Certification unit 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 implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557M1	<p>Requirements</p> <p>4.7.1: A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p>	Major
	<p>Evidence of Nonconformity</p> <p>Bukit Kerayong Mill:</p> <p>1.) Permit to work (PTW) system & Contractor’s Management (Referred PTW for confined space entry dated 16/2/15 (Contractor Solvetech) for boiler cleaning & overhaul work):</p> <ul style="list-style-type: none"> - No gas testing carried out by a competent AGT - No cancellation of PTW after completion of work - No health declaration for those involved in confined space entry for the said date. <p>2.) Annual Personal Chemical Exposure Monitoring (PCEM) for N-hexane and Manganese was not carried out as per CHRA recommendation. Last PCEM was done in 23/3/2013.</p> <p>3.) No Hearing Conservation Programme has been established for the workers who exposed to >85dBA noise as to date.</p> <p>Bukit Cheraka Estate:</p> <p>1.) PPE compliance & monitoring/ Permit to work (PTW) system & Contractor’s Management:</p> <ul style="list-style-type: none"> - Observed during site visit at field P15A, incomplete PPE worn by 4 contractor’s workers (sprayers) which against the SDPSB Pictorial Safety Standard (PSS), for Spraying, 8.1 Personal Protective Equipment, rev:0 dated 17/3/08. 	
	<p>Statement of Nonconformity</p> <p>Health and safety plan was not effectively implemented and monitored.</p>	
	<p>Status:</p> <p>Bukit Kerayong POM has made arrangement with neighbour mill (Tennamaram) to use their competent AGT for gas testing. Competent AGT valid card (Reg. No.: NW-HQ-AGT-R-1203-M) valid till 25/8/2016 was submitted to the audit team. The mill has obtained the latest PTW that includes health declaration from DOSH website. It also engaged external consultant (ENV Consultancy & Monitoring) to conduct the Personal Chemical Exposure Monitoring (PCEM) for N-hexane and Manganese as per CHRA recommendation. Contract No.: 4300318678 dated 17/2/2016 was submitted to the audit team. Hearing Conservation Programme has been established for the workers who exposed to >85dBA noise as to date.</p> <p>As for Bukit Cheraka Estate, the management has issued stop work order dated 21st Jan 2016 to the contractor due to incomplete PPE. Estate management also issued complete PPE to the contractor’s workers and acknowledged by the workers. Permit to work system has been implemented to contractor and estate has conducted PPE awareness training on 11/2/2016 to all contractors’ workers. All the relevant records were submitted to the audit team.</p> <p>The Major nonconformity was closed on 20/3/2016.</p>	

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Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557M2	Requirements 5.3.3: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	Major
	Evidence of Nonconformity Bukit Kerayong Palm Oil Mill: Visit to the mill compound found traces of oil contaminates the water inside perimeter monsoon drain flowing out of mill compound. Bukit Cheraka Estate: 1.) Visit to the general store found that few used empty printer cartridges were stored but not handled as Scheduled Waste as per Waste Management Plan. 2.) Visit to the nursery found that agrochemical containers were used to store water for cleaning which is not following Waste Management Plan. <i>There was a minor nonconformity raised against this indicator during the previous audit (ASA4). Therefore, this nonconformity has been upgraded to Major as per RSPO certification system.</i>	
	Statement of Nonconformity Implementation of pollution avoidance and reduction plan was not effective.	
	Status: Bukit Kerayong POM has identified that the oil traces found are from workshop (leakages from vehicle parked for repair). The management has immediately cleaned the oil contaminated area, constructed an oil trap before final discharge and allocated designated area for vehicle repair. Bukit Cheraka Estate has immediately transferred the empty cartridges to SW store and notifies DOE in eSWIS as SW417 (Ref. No.: 20162171PYXDAK) dated 17/2/2016. The estate also had immediately removed the reused agrochemical containers and replaced with new container for clean water supply. Additionally, PSQM-ESH executive has conducted Schedule waste refresher training for nursery sprayers and contractors sprayers on 11/2/2016. The Major nonconformity was closed on 20/3/2016.	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557M3	Requirements 5.6.2: Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimize them implemented.	Major
	Evidence of Nonconformity Bukit Kerayong Palm Oil Mill: Continuous black smoke emission from the boiler stack sighted during the visit since the start of process in the morning until afternoon.	
	Statement of Nonconformity Plans to reduce or minimise black smoke emission from boiler stack was not effectively implemented.	
	Status: Mill management has identified that inconsistent auto fuel feeding system which	

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	<p>affects mixture of fibre & shell and draft setting contributed to black smoke output to atmosphere was the root cause. As immediate action, the mill has hired PCI Control Sdn Bhd. consultant on 22-23/1/2016 (report No.: MZH-2016/01-02) to calibrate the auto fuel feeding system and draft setting. The result shows observed black smoke has been reduced. As long term measure, the mill has budgeted to change the fire tube in the next financial year. The Major nonconformity was closed on 20/3/2016.</p>	
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Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557M4	<p>Requirements 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Evidence of Nonconformity Bukit Kerayong POM: During the document audit and interview with the workers on 19/1/16, it was found that RM 1.50 has been deducted from each local workers pay (sample checked: Employee No.: 6781, 6790, 67576) and this was reflected in their payslip for the month of November & December 2015. Further verification with the staff and executives found that there was no clear justification for the deduction made neither stated in their employment contract for the amount deducted.</p> <p>Statement of Nonconformity Deduction for electricity bill from workers' pay was not justified.</p> <p>Status: The Mill management has identified that deduction of electricity for local has been made continuously from previous management without proper justification was the root cause. The management has immediately implemented the charge based on usage since all the houses were installed individual meters. Deduction list for the month of February submitted to the audit team found the deduction were made as per the usage (meter reading). The Major nonconformity was closed on 20/3/2016.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557M5	<p>Requirements 4.6.11: Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>Evidence of Nonconformity Bukit Kerayong Estate: Medical surveillance programme was not established for the new trunk injector and sprayer with employee identification number: i)Trunk injector (72137)</p>	Major

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	<p>ii) Sprayer (80800, 83195, 108124) Bukit Cheraka Estate: Medical surveillance programme was not established for the nursery workers and contractor sprayers as per CHRA recommendation and the SDPSB Pictorial Safety Standard (PSS), for Spraying, 8.1 Work Force, rev:0 dated 17/3/08. i) Contractor's workers – sprayers (1 local, 1 Bangladeshi and 2 Indians) ii) Nursery workers (estate payroll workers)</p> <p>Statement of Nonconformity Annual medical surveillance programme was not effectively conducted.</p> <p>Status: Both estate managements have immediately arrange for medical surveillance for all the workers highlighted including the contractor's workers at Clinic Kapar. OHD Doctor's reply letter dated 21/1/2016 stating the workers names examined and pending for the lab report was submitted to the audit team. The Major nonconformity was closed on 20/3/2016.</p>	
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Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557M6	<p>Requirements 4.1.1: Standard Operating Procedures (SOPs) for estates and mills are documented.</p> <p>Evidence of Nonconformity Bukit Cheraka estate: "Blanket Spray" has been carried out by the contractor's workers at field P15A which was under land preparation status for replanting. Further document verification found that the job awarded to the contractor clearly stated "Blanket Spray". However, this activity was not clearly stated / defined in the SOP (ARM and EQMS).</p> <p>Statement of Nonconformity SOP for spraying activity during land preparation was not clearly documented.</p> <p>Status: The estate management has identified that misunderstanding of term used for "blanket spray" in daily communication, which actually referring to pre-emergence spray by the executives and staffs was the root cause of the issue. Definition of "Blanket Spray" by estate is meant for pre-emergence spray. However, it does not give absolute control of weeds. Therefore, for the maintenance of "clean" legume bands, limited manual weeding, use of selective post-emergence herbicide. The action taken implies to ARM Section 17 Leguminous cover crop establishment Sub-Section 7.3. The term stated in contract has been omitted as per standard referring to ARM. The Major nonconformity was closed on 20/3/2016.</p>	Major

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Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557N1	Requirements 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
	Evidence of Nonconformity All operating units: No evident of reporting on progress of monitored GHG emissions to RSPO - ERWG as required by RSPO.	
	Statement of Nonconformity Reporting on progress of monitored GHG emissions was not in place.	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557N2	Requirements 6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and those efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.	Minor
	Evidence of Nonconformity Bukit Kerayong Estate: 1.) Feedbacks received from the head of village adjacent to the estate on the construction of security trenches by estate thought to be the cause of flooding within village during heavy rain. 2.) Records shown limited evident of response has been maintained to requests/input by stakeholders. Feedbacks received from neighbour plantation estate company stated that they have never been consulted and not aware on how to discuss an issue related to blockage of a drain.	
	Statement of Nonconformity 1.) Construction of security trenches were not communicated and/or consulted clearly to ensure local communities and other interested parties understand the purpose. 2.) The list of stakeholders as well as communication and consultation mechanisms established does not effectively ensure engagement and/or collaboration with local communities and other affected or interested parties. 3.) Records of communication, including confirmation of receipt as well as response to requests were not fully maintained.	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1288557N3	<p>Requirements 4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Evidence of Nonconformity Bukit Cheraka estate: 1.) Spraying operation (field P15A) – Assigned trained first aider (mandore) was not present and first aid equipment was not made available at worksite. (contractor’s work) 2.) Spraying operation (field P13B)– Incomplete content in the first aid box (only 10 items inside). One of the first aid items, eye drop was expired on Sept 2015.</p> <p>Statement of Nonconformity Assigned trained first aider was not present on site and the first aid equipment was not effectively inspected and monitored.</p>	Minor

Observation	
OBS #	Description
-	Nil

Positive Findings	
PF #	Description
1	Safety signs are continuously maintained well and clearly marked with walkways.
2	The palm oil mill has maximised the use of renewable energy by consuming shell and fibre produced internally.

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 Bukit Kerayong Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.

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.

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IS #	Description
1	<p>Issues: Head of Village – Bukit Kerayong:</p> <ul style="list-style-type: none"> - The construction of security trenches by estate thought to be the cause of flooding within village during heavy downpour - No invitation to attend stakeholder meeting before <p>Management Responses:</p> <ul style="list-style-type: none"> - The construction of security trenches mainly to avoid overflow of water from DID drainage during heavy downpour. DID drainage was not properly maintained by the authority - Invitation to attend stakeholder meeting made either by letter or verbal depending on locality <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - Decisions that the estate was planning were not communicated and/or consulted effectively to ensure local communities understand the purpose of the communication and/or consultation. - Records of communication, including confirmation of receipt as well as response to requests not effectively maintained. <p>Minor NC was raised. Refer to NC # 1288557N2.</p>
2	<p>Issues: SKJT Bukit Kerayong Teacher:</p> <ul style="list-style-type: none"> - Thanks for contribution by company in various school programs. - Wish the estate always allow use of estate facilities mainly football field when needed. <p>Management Responses:</p> <ul style="list-style-type: none"> - Estate always allows use of estate facilities mainly football field by school provided with prior application. <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - No further issue
3	<p>Issues: SKJT Teacher– Bukit Kerayong Jalan Acob Division:</p> <ul style="list-style-type: none"> - Thanks for contribution by company in various school programs. - Thanks for allowing use of football field but must properly maintain grass cutting – risk of poisonous animal i.e. snake <p>Management Responses:</p> <ul style="list-style-type: none"> - Estate has periodical grass cutting program for compound including football field as evidence. <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - Grass cutting programme and contactor payment records were verified. No further issue
4	<p>Issues: Assistant Managers – Neighbouring plantation company:</p> <ul style="list-style-type: none"> - They have never been consulted and not aware on how to discuss an issue related to blockage of a drain. <p>Management Responses:</p> <ul style="list-style-type: none"> - Invitation to attend stakeholder meeting made either by letter or verbal depending on locality <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - Records of communication, including confirmation of receipt as well as response to requests not effectively maintained. <p>Minor NC was raised. Refer to NC # 1288557N2.</p>
5	<p>Issues: Union Representative:</p> <ul style="list-style-type: none"> - No road light for road access to an Indian temple within estate compound. <p>Management Responses:</p> <ul style="list-style-type: none"> - Road light installation has been in progress as evidence. <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - Record verification and site visit confirmed the installation. No further issue
6	<p>Issues: Labour Department & Immigration Department (Contacted by phone):</p> <ul style="list-style-type: none"> - Clarified the contradicting laws on foreign labours union membership. It was explained that Immigration Act is a General rule that applies for all foreigners entering into Malaysia which does not allow them to form / join any union. However, Labour law and Trade Union Act are a specific law for specific group (labours) which allows the labours to join union. <p>Management Responses:</p> <ul style="list-style-type: none"> - Management always practice the freedom of association policy. <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - No further issue
7	<p>Issues: Foreign workers representative:</p> <ul style="list-style-type: none"> - No issue regarding pay and condition of work. - The representative highlighted that they are treated equally. - All foreign workers have access to all facilities similar to local workers.

	<p>Management Responses</p> <ul style="list-style-type: none"> - The management treat all employees equally and no discrimination.
	<p>Audit Team Findings</p> <ul style="list-style-type: none"> - No disputes were highlighted by foreign workers interviewed during field visit.
8	<p>Issues: Contractors:</p> <ul style="list-style-type: none"> - Contractors confirm payment is prompt as per agreed contract.
	<p>Management Responses</p> <ul style="list-style-type: none"> - Payment is made as per the agreed terms.
	<p>Audit Team Findings:</p> <ul style="list-style-type: none"> - No further issue

3.3.1 Status of Nonconformities Previously Identified and Observations

All the previous Major nonconformities are remains closed. Both Minor nonconformities raised during ASA4 were followed up. The details are as follows.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1147372N1	<p>Requirements</p> <p>6.5.3: Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p>	Minor
	<p>Evidence of Nonconformity</p> <p>Bukit Kerayong estate: During the audit visit, 8 new Nepalese workers has been placed in community hall as the temporary housing facilities for more than a month where was not suitable as a housing facility and was not meeting the minimum national standard.</p> <p>Elmina estate: The 2 catchment pond which was used as water source for drinking water treatment plant was found not in satisfactory condition and this was also commented by Ministry of health department officer during the visit on 24/4/14 and 3/12/14 that requested the 2 ponds to be clean.</p>	
	<p>Statement of Nonconformity</p> <p>Bukit Kerayong estate: The housing provided was not according to the national standard.</p> <p>Elmina estate: The condition of the water catchment pond that used as water source for drinking water treatment plant was not in satisfactory condition.</p>	
	<p>Status:</p> <p>Bukit Kerayong estate: As per the corrective action plan submitted during the ASA4, all the 8 workers have been transferred to the vacant houses which the previous workers have been repatriated in February 2015. Interview with the foreign workers during this visit confirms that all of them were provided appropriate housing as other workers.</p> <p>Elmina estate: Elmina estate has been excluded from the Bukit Kerayong Certification scope during the recertification audit. Therefore, the issue raised could not be verified during this recertification audit. However, the implementation of the corrective action was verified at both sampled estates and found conformity.</p> <p>The Minor NC was closed on 20/1/2016.</p>	

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Non-Conformity		
NCR #	Description	Category (Major/Minor)
1147372N2	Requirements 5.3.3: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	Minor
	Evidence of Nonconformity Bukit Kerayong estate (Sg. Kapar Div): Visit to the agrochemical mixing area and empty agrochemical container triple rinsing area found that the waste water was directly drained into the nearest monsoon drain without any sump.	
	Statement of Nonconformity Pollution prevention plan implementation was not effective.	
	Status: Bukit Kerayong estate has constructed bund and chemical sump at premix area as per the corrective action plan submitted during the ASA4. Photo evidences were submitted to the audit team. The audit team reviewed and accepted the evidences submitted. However, similar issue was found during this recertification audit at Bukit Kerayong Palm Oil Mill. <i>As per RSPO certification system, the minor NC has been upgraded to Major NC.</i> Refer to NC number 1288557M2.	

Observation	
OBS #	Description
-Nil -	-Nil -

3.3.2 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
CR01	Major: 1.2.5	IAV: 31/07/2009	Closed on 20/09//2010
CR02	Major: 2.1.1	IAV: 31/07/2009	Closed on 03/01/2011
CR03	Major: 4.7.1	IAV: 31/07/2009	Closed on 03/01/2011
CR04	Major: 5.5.1	IAV: 31/07/2009	Closed 20/09/2010
CR05	Minor: 2.1.3	IAV: 31/07/2009	Closed on 20/09/2010
CR06	Minor: 4.4.6	IAV: 31/07/2009	Closed on 20/09/2010
CR07	Minor: 4.4.7	IAV: 31/07/2009	Closed on 20/09/2010
CR08	Minor: 4.5.4	IAV: 31/07/2009	Closed on 20/0/2010
CR09	Minor: 5.3.2	IAV: 31/07/2009	Closed on 20/09/2010
CR10	Minor: 5.4.2	IAV: 31/07/2009	Closed on 20/09/2010
CR11	Minor: 5.5.3	IAV: 31/07/2009	Closed on 14/04/2010
CR12	Major: 4.6.3	ASA1: 14/04/2012	Closed on 31/05/2012
CR13	Minor: 5.2.3	ASA1: 14/04/2012	Closed on 22/02/2013
CR14	Minor: 6.1.3	ASA1: 14/04/2012	Closed on 22/02/2012
A848470/1 (465344-1M)	Major: 4.6.5	ASA2: 22/02/2013	Closed on 05/04/2013
A848470/2 (465344-2M)	Major: 4.7.1	ASA2: 22/02/2013	Closed on 05/04/2013

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A848470/3 (465344-3M)	Major: 4.8.1	ASA2: 22/02/2013	Closed on 05/04/2013
A848470/4 (465344-4M)	Major SCCS D.6	ASA2: 22/02/2013	Closed on 05/04/2013
A848470/1 (465344-1)	Minor: 5.3.2	ASA2: 22/02/2013	Closed on 19/02/2014
A848470/2 (465344-2)	Minor: 6.5.2	ASA2: 22/02/2013	Closed on 19/02/2014
1021303N3	Minor: 6.2.3	ASA3: 21/02/2014	Closed on 20/1/2015
1147372M1	Major: 2.1.1	ASA4 : 23/1/2014	Closed on 22/3/2015
1147372N1	Minor: 6.5.3	ASA4: 23/1/2014	Closed on 20/1/2016
1147372N2	Minor: 5.3.3	ASA4: 23/1/2014	Upgraded to Major on 22/1/2016
1288557M1	Major: 4.7.1	RAV: 22/1/2016	Closed on 20/3/2016
1288557M2	Major: 5.3.3	RAV: 22/1/2016	Closed on 20/3/2016
1288557M3	Major: 5.6.2	RAV: 22/1/2016	Closed on 20/3/2016
1288557M4	Major: 6.5.2	RAV: 22/1/2016	Closed on 20/3/2016
1288557M5	Major: 4.6.11	RAV: 22/1/2016	Closed on 20/3/2016
1288557M6	Major: 4.1.1	RAV: 22/1/2016	Closed on 20/3/2016
1288557N1	Minor: 5.6.3	RAV: 22/1/2016	"Open"
1288557N2	Minor: 6.2.3	RAV: 22/1/2016	"Open"
1288557N3	Minor: 4.7.5	RAV: 22/1/2016	"Open"

Assessment Conclusion and Recommendation:

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

Acknowledgement of Assessment Findings	Report Prepared by
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Company name: Sime Darby Plantation Sdn Bhd Bukit Kerayong Palm Oil Mill	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Mill Manager	Title: Lead Auditor
Signature:  SIME DARBY PLANTATION SDN BHD KILANG KELAPA SAWIT BUKIT KERAYONG (647766-V) ANUAR BIN ZAKARIA MILL MANAGER	Signature: 
Date : 30/3/2016	Date : 24/3/2016

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOE quarterly reports were attended and no noncompliance or complaints were noted. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. 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	Records of request for information maintained in individual files by the chief clerk. Records of stakeholder requesting information recorded in the visitor's book.	Complied
Criterion 1.2:			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There was no restriction noted as to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. Sime Darby Plantation Sdn Bhd continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Procedure for complaints and grievances were available through Sime Darby Plantation Sdn Bhd website: http://www.simedarbyplantation.com/Sustainability.aspx Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Good Agricultural Practices • Social Enhancement • Sustainability Management Programmes • Complaint and Grievances procedure. • Environmental Conservation <p>These documents highlight current Sime Darby Plantation Sdn Bhd practices and their continual improvement plans. Besides the above document Sime Darby Plantation Sdn Bhd policy on the followings are also available at the same website:</p> <ol style="list-style-type: none"> 1) Social 2) Quality 3) Food Safety 4) Occupational Safety & Health 5) Environment & Biodiversity 6) Slope Protection and Buffer Zone 7) Lean Six Sigma 8) Gender <p>In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	<p>Complied</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
<p>1.3.1</p>	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Committing to a code of ethical conduct and integrity in all operations and transactions documented and communicated to all levels of the workforce and operations. The code of business conduct available since December 2011 includes elements of human right as well.</p> <p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU 7 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 7 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were : <u>Bukit Kerayong Palm Oil Mill:</u></p> <ul style="list-style-type: none"> a) DOE Licence/ <i>Jadual Pemuatan</i> : JPKKS/15/003124 (validity period 1/7/15 - 30/6/2016) for 30 MT/hr and method of POME discharge on land application for 5000 mg/l BOD limit b) Licenses for Steam Boiler (SB) (PMD1628 & PMD-SL 13488), unfired pressure vessel (UPV) (sterilizers PMT 71453, PMT 71454, crane PMA 88910, PMA 3075, steam separator, air receiver and found to be valid until 22/5/16. Last DOSH mill/UPV & SB inspection was conducted on 23/2/15. c) License for electricity generation from Electrical Commission (00132733) validity period (23/5/15 to 22/5/16) d) Confined space competence person license – AESP (NW-HQ-AE-R-4338-L) valid until 3/11/16 e) MPOB license: 562906004000, Capacity: 180,000Mt/year valid until 31/7/16. <p><u>Bukit Kerayong and Bukit Cheraka Estate:</u> Acephate (class III chemical) - Latest: SEL/2015/ACP/007(GL), quantity: 150 kg, date of approval: 28/10/15. Affected area: 1,500 kg. Methamidaphos (class IA) - Latest permit: SG/METHA (GL)/15/029, quantity: 1,000 litres dated 9/6/15.</p>	<p>Complied</p>
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p>	<p>All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p>	<p>Complied</p>
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>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 (GCAD). Latest evaluation of compliance was done on 3/7/2015.</p>	<p>Complied</p>
<p>2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA seculars.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
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 -	<u>Bukit Kerayong Estate:</u> Holds 21 freehold land titles. Sampled : Title# GRN 2415, GRN 52712, GM 4553. No restriction on land use term. <u>Bukit Cheraka Estate:</u> Holds 105 freehold land titles. Sampled : Title# GRN 208275, GRN 49452, GRN 51652. No restriction on land use term.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Legal boundaries are clearly demarcated and visibly maintained throughout the estate. Field visit to P13A noted that boundary with smallholder, P01A boundary with government road reserve and village is visibly maintained and verified during the visit. Mill is located inside the Bukit Kerayong Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
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.			

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Criterion / Indicator	Assessment Findings	Compliance
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	Complied
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Complied
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 -	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	Annual replanting programme projected for a minimum of five years and yearly review conducted at the head office level and participated by the Regional GM and Estate managers. Replanting and immature checklist form R1.20 used for evaluating the replanting area. Review based on the replanting information form R1.10. <u>Bukit Kerayong Estate:</u> Replanting of 273.55ha was ongoing during the visit. Next replanting will be in FY 2016/17. The long range replanting programme is available till 2019/20 FY. <u>Bukit Cheraka Estate:</u> Replanting of 204.22ha was ongoing during the visit. Next replanting will be in FY 17/18 for 128.22 ha.	Complied
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Sime Darby SOP for estates (Estate Quality Management System – EQMS) issued 2/1/2008 and (Agricultural reference Manual - ARM) covers land preparation, planting material, upkeep, harvesting, transport etc. During the visit at Bukit Cheraka estate, it was found that "Blanket Spray" has been carried out by the contractor's workers at field P15A which was under land preparation status for replanting. Further document verification found that the job awarded to the contractor clearly stated "Blanket Spray". However, this activity was not clearly stated / defined in the SOP (ARM and EQMS). Thus, Major nonconformity was raised.	Major nonconformity
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	External Mill Advisor and a Planting Advisor inspect and report on the operations on annual basis. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators. There were other audits by PSQM and GCAD to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements. Mill advisory visit - Report ref: SOU7/BKM/01/15-16 Date of visit: 27/7/15. Rating given: PQR-72.5 %, Safety: 60%	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	The records of monitoring and the actions taken maintained for more than 12 months. Records were verified during the document review found compliance. Internal RSPO audit was conducted on 18/11/2015 by the RSPO & Certification Unit, PSQM. <u>Bukit Kerayong Estate:</u> PA visit: 24-26/8/2015 report No.: SOU7/BKE/15-16 Agronomist: 19 - 20 May 2015 <u>Bukit Cheraka Estate:</u> PA visit: 12-15/1/2016 Agronomist visited on 12-13 October 2015.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	No third party FFB received. All the FFB are from own certificate scope and adjacent Sime Darby certified estates.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	The application of fertilizer has been recorded in the application program form. The application of fertilizer for the Month of November 2015 has been verified and according to the recommendation. Fertilizer applied AC at rate of 1.75kg/palm at field P96A as per agronomist recommendation.	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Sime Darby Seeds and Agriculture Services Sdn Bhd prepare the annual fertilizer recommendation. Leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. Leaf sampling carried out on March 2015 by Sime Darby R&D Department personnel. Periodic soil sampling is carried out at 5 years interval. Last was done in January 2015.	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 -	EFB application only applied to selected fields at the estates. Average about 45mt/ha EFB applied. Palm Oil Mill Effluent (POME) is applied to palms in furrows at Bukit Kerayong estate. Inspection of the area confirmed a well-managed system with two full-time operators in attendance continue to be employed.	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 -	Slope map available. Slope area constructed with terrace and side drainage. Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as mucuna and soft grasses and ferns.	Complied

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4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates visited have implemented annual Road Maintenance Programme. Roads inspected during field audit are generally in a good condition due to the lateritic soil. Road maintenance carried out internally with grader and compactor. Road maintenance includes road grading, laterite re-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.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil.	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 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 -	Sighted an implemented plan established as Identification and Management of Waste Water FY 2015/2016 – SOU (7) Bukit Kerayong Oil Mill included the normal water usage mainly for process, cleaning & etc. Mitigation plan identified: 1) Abnormal situation: drought usage • Mill Reserved Water Tank • Water treatment plant • Rain-harvesting tank • Buy from JBA 2) Abnormal situation: flood situation • Desilting drain regularly • Deepening and widening drains • Evacuate to higher ground 3) Water reduction plan: • Large containers at strategic locations to harvest rainwater • Condensate water recycle • Mill washing on weekend Bukit Kerayong & Bukit Cheraka Estate Water management plan 2015/2016 covered for: • water shortage/dry spell • severe water pollution/contamination • water saving campaign • rainfall (Bukit Cheraka): Jul 15 – Dec 15 = range from 204.98mm to 314.00mm	Complied

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<p>4.4.2</p> <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1" data-bbox="667 477 1299 658"> <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 based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 1/11/2008. The water sampling exercise for river samples as well as water for domestic usage requirements need to be carried out on quarterly basis (January, April, July and October) as following:</p> <ul style="list-style-type: none"> Bukit Kerayong Mill monsoon drain water monitoring before & after records: Report no. IE/438/2015 dated 5/6/2015 by Sime Darby Research Sdn. Bhd. Bukit Kerayong Estate river water monitoring records: Quarterly Pesticide in Water Analysis Test Report; Sampled Test Report no. PL232/2015 dated 21/5/2015 by Sime Darby Research Sdn. Bhd.; parameters monitored-: Aldrin, Dieldrin, t-DDT, Heptachlor, Heptachlor Epoxide, Chlordane, Lindane and Endosulfan. Report shown that water samples from upstream, midstream and downstream were not detected with the pesticide contents. <p>Bukit Cheraka River water monitoring records: Quarterly Industrial Effluent Water Analysis Test Report; Sampled Test Report no. IE409/2015 dated 29/5/2015 by Sime Darby Research Sdn. Bhd.; parameters monitored-: pH, BOD, COD, SS, AN and P. Samples were taken from each point of monsoon drains in the mill. Report shown that water samples from all points were within allowable limit of Class IIA/IIB of INWQS.</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	<p>Complied</p>
River width	Buffer zone													
> 40 meters	50 meters													
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10 to 20 meters	20 meters													
5 to 10 meters	10 meters													
< 5 meters	5 meters													
<p>4.4.3</p> <p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD allowed by DOE was 5000mg/l through land application. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point on monthly basis and water at the upstream, midstream and downstream of the river on quarterly basis.</p> <p>Sampled effluent monitoring records: Monthly Effluent Analysis Test Report no. EP658/2015 dated 27/11/2015 by Sime Darby Research Sdn. Bhd.; parameter monitored-: pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Samples were taken from each point of treatment in the system consist of raw pond, acid ponds, digester tanks and final pond before field application. BOD limit for final discharge <5000mg/L were met as well as all parameters that were within allowable limit.</p>	<p>Complied</p>												

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4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Recorded in File no. 5. Mill water use per tonne of FFB monitoring done accordingly as following: Water used: Jul 15 – Dec 15 = 1.23m ³ /FFB processed	Complied
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Similar to last assessment, the 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. Barn owls <i>Tyto alba</i> has been introduced for biological control of rats. Barn owl boxes are constructed at the rate of 1 box to 10ha. Plantation advisor report and Census records show that there is outbreak of leaf eating pest i.e bagworm. Chemical treatment being carried out with the approval from Agriculture Department. As biological control, beneficial plants are continuously being established along roadsides to attract natural predators with the ration of 2dm/ha. The estates have planted beneficial plants such as <i>Cassia cobanensis</i> and <i>Turnera subulata</i> and <i>Antigonon leptopus</i> . It was noted that the census interval for barn owl occupancy was as per Sime Darby SOP in Agricultural Reference Manual v.1 Section 15.	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the bagworm census team confirm their understanding of the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on census. IPM training covers bagworm and barn owl census, planting of beneficial plants etc. training provided by the R&D department on 18/3/2015, Attended by 13 personnel including managers, assistants, staff and workers.	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 • <i>Stenochlaena palustris</i> : 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

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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 and number of applications) were maintained.
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. At the time of assessment, Class 1a chemical was used at Bukit Kerayong Estate for Bagworm treatment. Alternative class IA chemical, Acephate was used at Bukit Cheraka Estate. Permit to buy highly toxic pesticides regulations/ controlled pesticides. Acephate (class III chemical) Latest: SEL/2015/ACP/007(GL), quantity: 150 kg, date of approval: 28/10/15. Affected area: 1,500 kg. Methamidaphos (class IA) Latest permit: SG/METHA (GL)/15/029, quantity: 1,000 liters dated 9/6/15.
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5.
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at SOU7.

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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 SOU7. 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 -	<u>Bukit Kerayong Estate:</u> Medical surveillance programme was not established as per for the new trunk injector and sprayer with employee identification number: i)Trunk injector (72137) ii)Sprayer (80800, 83195, 108124) <u>Bukit Cheraka Estate:</u> Medical surveillance programme was not established for the nursery workers and contractor sprayers as per CHRA recommendation and against the SDPSB Pictorial Safety Standard (PSS), for Spraying, 8.1 Work Force, rev:0 dated 17/3/08. i) Contractor’s workers – sprayers (2 local and 2 Bangladeshi) ii) Nursery workers (estate payroll workers) Thus, a major non-conformance was raised based on the above issues.	Major nonconformity
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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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>SOU7 estates 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/safety coordinator at all operating unit. The latest ESH plan FY2015/2016 was made available during this assessment. Among the ESH programmes for FY2015/2016 were :</p> <p><u>LEV inspection and testing</u> LEV inspection and testing was conducted on 6/2/15 by JKPP HIE 127/171-3/2(60) and found comply with ACGIH requirements.</p> <p><u>Medical Surveillance Programme</u> As per new revisited CHRA recommendation dated May 2015 by (JKPP IH 127/171-166), medical surveillance programme has been planned for those exposed to N-hexane, Benzene and welding fumes (manganese etc). The latest medical surveillance was carried out by registered OHD, (HQ/08/DOC/00(329) under Klinik Kapar for 5 workers from laboratory and workshop personnel. From the results, all workers sent for medical surveillance are fit to work with no detrimental of health.</p> <p><u>Contractors Management</u> <u>Bukit Kerayong Palm Oil Mill</u> Permit to Work (PTW) has been implemented for internal and external works involving confined space, hot work, working at height, LOTO and etc. Monitoring of PTW for confined space entry has yet to be improved as there were some lapses found on the competency of personnel, health declaration and permit issuance and cancellation.</p> <p><u>Bukit Cheraka Estate</u> Observed during site visit at field P15A, incomplete PPE worn by 4 contractor's workers (sprayers) which against the SDPSB Pictorial Safety Standard (PSS), for Spraying, 8.1 Personal Protective Equipment, rev:0 dated 17/3/08.</p> <p><u>Personel Chemical Exposure Monitoring (PCEM)</u> PCEM was last conducted in 2013 for n-Hexane and manganese exposure. Based on the latest CHRA recommendation, PCEM shall be conducted on annual basis.</p> <p><u>Audiometric Testing</u> Last audiometric testing was conducted on 17/3/15 by Specialist Mobile Safety Supplies. Total of 53 employees were sent for testing. Noted that 8 hearing impairment cases recorded and scheduled for the next test. There was no Standard Threshold Shift (STS) and Noise Induced Hearing Loss (NIHL) case recorded. As to date there was no record to show that hearing conservation programme has been conducted.</p> <p>Thus major NC raised on the above non-compliances.</p>	<p>Major Nonconformity</p>

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<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>SOU 7 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 new revisited CHRA by (JKKP IH 127/171-166) dated May 2015.</p> <p>At the estates, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. For mill operations, all key activities identified and risk assessed with respect to FFB grading and sorting, FFB sterilization, kernel and oil extraction, oil clarification, maintenance activities at the workshop, working in confined space, working at height and hot work activities. Appropriate control measure has been determined and revised in the HIRARC register.</p>	<p>Complied</p>
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</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) 3M 6006, Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB) iii) Field workers (sprayer, manurer & harvester) – N95 respirator/3m 9002, anti-mist goggles, Wellington boots, apron and sickle cover. 	<p>Complied</p>
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Assistant manager at each of the operating units are appointed as OSH Coordinators and Estate Hospital Assistant as Safety and Health Committee Secretary. OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc. The last meeting was conducted on the 4/12/15 at Bukit Kerayong Palm Oil Mill. All SHE appointed members has attended the meeting with discussion on the accident review, safety improvement plan, issues from workers has been discussed and action to be taken. There was no major issue.</p> <p><u>Bukit Kerayong Estate:</u></p> <p>Date of SHC meeting carried out</p> <ul style="list-style-type: none"> - 1/14 : 26/3/15 - 2/14 : 19/6/15 - 3/14 : 18/9/15 - 4/14 : 21/12/15 	<p>Complied</p>

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<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>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 15/16. The following were Emergency Response Plan was addressed: Fire Outbreak, Accident and incident occurrence, Oil Spillage and etc. Latest fire evacuation drill was done on 27/11/15 at Bukit Kerayong Mill.</p> <p><u>Bukit Cheraka Estate:</u></p> <p>i) Spraying operation (field P15A) – Assigned trained first aider (mandore) was not present and first aid equipment was not made available at worksite. (contractor’s work)</p> <p>ii) Spraying operation (field P13B)– Incomplete content in the first aid box (only 6 items inside) and not following the 4th schedule of SHW Regulation 1970. One of the first aid items, eye drop was expired on Sept 2015.</p> <p>Therefore, minor NC was raised against the indicator.</p> <p>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>Minor Nonconformity</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>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme.</p> <p><u>Bukit Kerayong Palm Oil Mill</u></p> <p>RHB Insurance Berhad Policy No. : FW144910 valid till 30/6/2016.</p> <p>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. Sampled on insurance policy sighted:</p> <p><u>Bukit Cheraka Estate:</u></p> <p>RHB Insurance Berhad Policy No. : FW144909 valid till 30/6/2016 covering 196 workers.</p>	<p>Complied</p>												
<p>4.7.7</p> <p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics</p> <p>- Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard and reported to PSQM-ESH department using new online system called SMS-IT. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="667 1653 1299 1854"> <thead> <tr> <th>Year</th> <th>Bukit Kerayong Mill</th> <th>Bukit Kerayong Estate</th> <th>Bukit Cheraka Estate</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1 (56 LTA)</td> <td>49 (63 LTA)</td> <td>24 (71 LTA)</td> </tr> <tr> <td>2016</td> <td>0</td> <td>0</td> <td>2 (5 LTA)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p>	Year	Bukit Kerayong Mill	Bukit Kerayong Estate	Bukit Cheraka Estate	2015	1 (56 LTA)	49 (63 LTA)	24 (71 LTA)	2016	0	0	2 (5 LTA)	<p>Complied</p>
Year	Bukit Kerayong Mill	Bukit Kerayong Estate	Bukit Cheraka Estate											
2015	1 (56 LTA)	49 (63 LTA)	24 (71 LTA)											
2016	0	0	2 (5 LTA)											
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>														

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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 principle and Criteria has been established and implemented. The training need analysis and program was made available for verification at all visited sites.	Complied
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained. Records verified on a sampling basis at the Mill and estates visited covers all aspect of training and RSPO P&C. Samples of training conducted for FY14/15 and FY15/16 as follows: <ul style="list-style-type: none"> • Payslip briefing (3/11/15) • Induction for new workers (22/5/15) • SOP refresher Training (22/4/15) • RSPO SCCS Training (5/5/15) • First Aid Training (16/1/16) • Fire Drill Training (16/1/16) • Spraying Training (28/7/15) • IPM training (5/5/15) • Chemical Handling (22/7/15) PSQM-ESH • Trunk Injector Training Using Acephate Impact 75 (23/12/15) 	Complied
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>			
<p>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.</p>			
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

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5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	<p>There is no change of current practices required to mitigate negative effects based on identified impacts for both the mill and estates. However the mill and estates have conducted periodical review on the aspects and impacts identified and evaluated as registered. However, the mill and estates have continuously implemented annual programs that were established as part of its individual Pollution Prevention Plan. Managers and assistant managers of mill and estates were identified as person-in-charge of the programs which were established upon review of the aspect and impact register. Review of aspect and impact register were done as following:</p> <p><u>Bukit Kerayong Palm Oil Mill:</u> Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on January 2016. Neither any change to current operation nor new activity identified by the mill other than normal mill operation including weighbridge operation, process, maintenance, water and waste water treatment.</p> <p><u>Bukit Kerayong Estate:</u> Environment Aspect and Impact Identification for various activities- construction work, compound, dispensary, field, harvesting and collection, main entrance, pest and disease control, petrol and diesel, power station, replanting, road, schedule waste store, workshop. Latest Environment Aspect and Impact Identification review was done on January 2016.</p> <p><u>Bukit Cheraka Estate:</u> Environment Aspect and Impact Identification and Evaluation review was done on January 2016. No any changes identified to the environmental aspects and impacts.</p> <p>It was observed that the reviewing and updating on the registers were done annually if there's no any new activity within respective sites.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p><u>Bukit Kerayong Palm Oil Mill:</u> Monitoring plan was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. Based on Sustainable Plantation Management System Appendix 10 Procedure for Mill Environmental Performance version 1, year 2008, issue no. 1, dated 1 October 2008. Uses the Mill Environmental Performance Review (Form A) Mill environmental monitoring records available/sighted:</p> <ul style="list-style-type: none"> • Effluent monitoring records: Monthly Effluent Analysis Test Report no. EP658/2015 dated 27/11/2015 by Sime Darby Research Sdn. Bhd.; parameter monitored:- pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&G. Samples were taken from each point of treatment in the system consist of raw pond, acid ponds, digester tanks and final pond before field application. BOD limit for final discharge <5000mg/L were met as well as all parameters that were within allowable limit. • Boiler stack sampling records: Air Emission Monitoring for Boiler No. 1 on 22/4/2015 by PAC Testing & Consulting Sdn. Bhd. (Report ref. # PAC-AE-150414; dated 6/5/2015). Result shown the stack emissions are within limit at 0.37 g/Nm³ for particulates and 0.01 g/Nm³ for NOx while not detected SOx. • Online scheduled waste inventory & consignment – updated as of 31/7/2015 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal done on 24/6/2015, consignment # 0064692 for SW 322, # 0070232 (SW 410), # 0064691 (SW 409), # 0070233 (SW 110), # 0070234 (SW 305) and # 0064693 (SW 324) by Kualiti Alam Sdn. Bhd. 	<p>Complied</p>
<p>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.</p>		
<p>5.2.1</p> <p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>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. Re-assessment of Biodiversity has been conducted on December 2015 by Social & Environment Projects Units (PSQM). There was an appropriate consultation process for identification, management and monitoring of HCVs. Conservation area is maintained mainly water-log and steep area. At Bukit Cheraka Estate, slope area of 55.52 ha which is more than 25 degree has been maintained as Biodiversity area (HCV 4).</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		

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Criterion / Indicator	Assessment Findings	Compliance
5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>Waste sources have been identified accordingly by both the mill and estates. Documentation was done as a waste management plan which was being reviewed by respective operating units on annual basis.</p> <p>Visits made to Bukit Kerayong Mill together with Bukit Kerayong and Bukit Cheraka estates showed that all waste products and sources of pollution were identified and documented. The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill. The aspect identifications were tabulated in SB/5.2/EAI and impacts evaluations were tabulated in SB/5.2/EIE.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers / drums (SW 409), used filters SW 410) and used batteries (SW 102).</p> <p>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained accordingly. Sampled record verified at Bukit Cheraka Estate:</p> <p>Scheduled waste inventory & consignment – updated as of 14/1/2016 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal also done on 14/1/2016, consignment # TC16-00342 for SW 410 and TC16-00343 for SW 409 by Tex Cycle Sdn. Bhd. Disposal of SW 305 was done on 8/1/2015 by Malik Family Resources (consignment # 51347).</p>	Complied
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	<p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>For estates, the empty pesticides container were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container.</p> <p>Stores for scheduled waste were inspected at audited sites in mill and estates and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p><u>Bukit Kerayong Palm Oil Mill:</u> Visit to the mill compound found traces of oil contaminates the water inside perimeter monsoon drain flowing out of mill compound.</p> <p><u>Bukit Cheraka Estate:</u> 1.) Visit to the general store found that few used empty printer cartridges were stored but not handled as Scheduled Waste as per Waste Management Plan. 2.) Visit to the nursery found that agrochemical containers were used to store water for cleaning which is not following Waste Management Plan. There was a minor nonconformity raised against this indicator during the previous audit (ASA4). Therefore, this nonconformity has been upgraded to Major as per RSPO certification system.</p>	Major nonconformity
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
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 -	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Apart from use of grid electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available. At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends. Sampled monitored diesel usage as following: Bukit Cheraka Estate: Jul 15 – Dec 15 = 2.11Liter/mt FFB produced.</p>	Complied
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	<p>Based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc.</p> <p>Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in Bukit Kerayong and Bukit Cheraka estates field showed no evidence of open burning.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	The operating units have adhered to the zero burning policy for replanting at the estates. During the audit, there were no replanting activities carried out in the Bukit Kerayong and Bukit Cheraka estates. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment in line with Sime Darby Plantation Carbon Policy – to reduce carbon emissions by 40% from 2009 levels by year 2020 signed by Managing Director on January 2015)	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH ₄) emission through POME treatment as well as boiler stack from the mill. Other less significant GHG emissions identified including CO _x , SO _x and NO _x from various sources including fossil fuel, chemical and fertilizer consumptions mainly from estates activities. <u>Bukit Kerayong Palm Oil Mill:</u> Continuous black smoke emission from the boiler stack sighted during the visit since the start of process in the morning until afternoon. Thus, major nonconformity was raised.	Major nonconformity
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring of the GHG quantity was done through its licensed GHG calculator, "SD-Global Plantation Carbon Inventory Calculation Methodology 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 IPCC. These calculations were reported to RSPO-ERWG for confirmation of acceptance of calculation method. The GHG calculations were done separately between the mill and estates. However there was no evident of regular reporting on progress of monitored GHG emissions to RSPO ERWG. Thus, minor nonconformity was raised.	Minor nonconformity
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers			
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			

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Criterion / Indicator		Assessment Findings	Compliance
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Re-assessment of social impact (SIA) was conducted by Sustainability Department (Social & Environment Projects Unit) from 6 - 9 June 2015 for Bukit Kerayong palm Oil Mill and Estates attended representatives from local government agencies, local communities, service providers, and neighbouring estates. The review mechanism had appropriately involved stakeholders. Based on the meeting feedback each estate prepared their specific Mitigation Plan with dates and person in-charges clearly stated. Bukit Kerayong Estate: SIA plan: 2015/2016 <ul style="list-style-type: none"> • FFB scattered on the road – resolved matter with transporter – continuous • Replanting affect safety of students • Repair of bridge to accommodate for school entrance 	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Assessment also covered social amenities, environment, road users, employee changes, safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers.	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 -	Based on the SIA findings and recommendation from the PSQM executives, a timetable with responsibilities for mitigation and monitoring of the social impacts were developed and reviewed as necessary. The assistant manager is responsible for the social issues and communication with the stakeholders. Social action plan FY 15/16 has been prepared. The issues from the external and internal stakeholder such as government agency, contractor, village representative, Worker representative has been included in the plan and with the action plan.	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Annual SIA improvement plan last reviewed in September 2015. The assessment was through meeting with the effected parties and stakeholders.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder schemes at Bukit Kerayong Certification Unit.	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 -	Documented consultation and communication procedures "Handling Social Issues" SOP dated 01 Nov 2008 was established and available.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The responsibility to ensure effective implementation of the SOP is the respective Mill and Estate Managers assisted by social officers. The Social Officer of the respective operating unit handles social issues of the mill and estates.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and those 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 -	All operating units have updated stakeholders list and stakeholder meeting and communication records. However, at Bukit Kerayong Estate, 1.) Feedbacks received from the head of village adjacent to the estate on the construction of security trenches by estate thought to be the cause of flooding within village during heavy rain. 2.) Records shown limited evident of response has been maintained to requests/input by stakeholders. 3.) Feedbacks received from neighbour plantation estate company stated that they have never been consulted and not aware on how to discuss an issue related to blockage of a drain. Thus, minor nonconformity was raised.	Minor nonconformity
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.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied
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.	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.	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. The contract follows MAPA/NUPW agreements. Basic daily pay was verified to be in accordance with the Minimum Wage Order 2012. However, at Bukit Kerayong Mill, during the document audit and interview with the workers on 19/1/16, it was found that RM 1.50 has been deducted from each local workers pay (sample checked: Employee No.: 6781, 6790, 67576) and this was reflected in their payslip for the month of November & December 2015. Further verification with the staff and executives found that there was no clear justification for the deduction made neither stated in their employment contract for the amount deducted. Thus, Major nonconformity was raised.	Major nonconformity
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.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	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 -	Local and foreign workers are represented in the NUPW. Latest meeting at mill was conducted on 4/12/2015 attended by 17 workers representatives. The objective of the meeting was to discuss the holidays in 2016. As for Bukit Kerayong estate, last meeting was done on 29/12/15.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	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 -	A Social policy which covers the equal opportunity dated January 2015 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 -	Migrant workers are recruited with 3 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on protection against Sexual Harassment and other forms of harassment available and implemented. There is no any reported case of harassment in the operating units.	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. Gender committee has been formed at each operating units and responsible for the women's welfare and grievances. The committee meet on quarterly basis to discuss any issues. Latest meeting was done on 28/10/15 attended by 8 members found no issues.	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.			

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Criterion / Indicator		Assessment Findings	Compliance
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	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 -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	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.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	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.	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 necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
<p>Principle 7: Responsible development of new plantings Bukit Kerayong Certification unit and supply base did not carry out any new plantings after Nov 2005. The immature areas are replanted area. Therefore, the requirement of Principle 7 is not applicable during this recertification assessment.</p>			
<p>Principle 8: Commitment to continual improvement in key areas of activity</p>			
<p>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.</p>			
<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>Similar to last assessment all estates are not using paraquat. This is one of the major commitments by all the operating units to stop using paraquat. Environmental impacts of the operations were identified. Environmental Impact Management details the impact mitigation measures and actions required to improve environmental performance for the identified significant impacts. Yield is optimised.</p> <p>The used of Acephate (class III) chemical as substitution/ alternatives for Class IA chemical for trunk injector. Less hazardous chemical compared to organophosphorus chemical (Methamidaphos).</p>	<p>Complied</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 – Recertification ongoing	Perak
6	Selaba	Certified 2011 – Recertification ongoing	Perak
7	Tennamaram	Certified 2011- Recertification Completed.	Selangor
8	Bkt Kerayong	Certified 2011 – Recertification ongoing	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- Recertification Completed.	Sabah
28	Binuang	Certified 2009 - Recertification completed.	Sabah
29	Giram	Certified 2009 - Recertification completed.	Sabah
30	Merotai	Certified 2009 - Recertification completed.	Sabah
31	Lavang	Certified 2011	Sarawak
32	Rajawali	Certified 2011	Sarawak
33	Derawan	Certified 2011	Sarawak
34	Pekaka	Certified 2011	Sarawak

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

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6	Sukamandang (PT. Kridatama Lancar)	Certified 2011	Seruyan and East Kotawaringin District – Central
7	Pematang (PT. Teguh Sempurna)	Certified 2011	Seruyan and East Kotawaringin District – Central
8	Alur Dumai (PT Lahan Tani Sakti)	Certified 2012	Rokan Hilir District – Riau
9	Teluk Bakau (PT. Bhumireksa Nusa Sejati)	Certified 2011	Indra Giri Hilir District – Riau
10	Mandah (PT. Bhumireksa Nusa Sejati)	Certified 2014	Indra Giri Hilir District – Riau
11	Angsana Mini (PT Sajang Heulang)	Certified 2011	Tanah Bumbu District – South Kalimantan
12	AngsanaPT Ladangrumpun Suburabadi	Certified 2011	Tanah Bumbu District – South Kalimantan
13	Mustika (PT Sajang Heulang)	Certified 2013	Tanah Bumbu District – South Kalimantan
14	Gunung Aru (PT Bersama Sejahtea Sakti)	Certified 2011	Kotabaru District – South Kalimantan
15	Bebunga (PT. Langgeng)	Certified 2012	Kotabaru District – South Kalimantan
16	Blang Simpo (PT Padang Palma Permai)	Certified 2013	Aceh Tamiang, Nangroe Aceh Darussalam
17	Pondok Labu (PT Paripurna Swakarsa)	Certified 2012	Kotabaru District – South Kalimantan
18	Selabak (PT Swadaya Andhika)	Certified 2012	Kotabaru District – South Kalimantan
19	Rantau (PT Laguna Mandiri)	Certified 2012	Kotabaru District – South Kalimantan
20	Betung (PT Laguna Mandiri)	Certified 2014	Kotabaru District – South Kalimantan
21	Ungkaya (PT Tamaco Graha Krida)	Certified 2012	Morowali District – Sulawesi Tengah
22	Ladang Panjang (PT Bahari Gembira Ria)	Certified 2012	Muaro Jambi District - Jambi
23	Rantau Panjang (PT Guthrie Pecconina Indonesia)	Certified 2012	Musi Banyuasin District – South Sumatera

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24	<p>MAS (PT Mitra Austral Sejahtera) The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Regular discussions is ongoing between Sime Darby Plantation and the project affected communities.</p>	2016	<p><u>Sanggau District – West Kalimantan</u> RSPO Certification Target Date for PT MAS</p> <ul style="list-style-type: none"> - The target date for certification is by 2016. However the progress of the matter being resolved. <p><u>Progress Update (As at end Oct 2015)</u></p> <ul style="list-style-type: none"> - Regular discussion is ongoing between Sime Darby Plantation and the project affected communities (PAC) through bi-monthly Tim Kerja Perwakilan Petani (TKPP) meeting since November 2012. - In October 2013, representatives from two of nine villages (Kerunang and Entapang) left TKPP and backed by TuK and OXFAM. They have then requested SDP to enter into Dispute Settlement Facility (DSF) in June 2014. - Hence, there are two groups of PAC: 1) TKPP (7 of 9 villages) and 2) Kerunang & Entapang (2 of 9 villages) <p><u>Engagement with TKPP:</u></p> <ul style="list-style-type: none"> - The most recent TKPP meeting was held on 16th October 2015. The meeting was on reviews on the current and planned CSR activities for the communities. - Engagement with Kerunang/ Entapang: - SDP visited the communities on 27 August 2014 to listen and have a better understanding on their requests - The subsequent meeting with the communities was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee (TKPP) meetings and will continue to engage directly with SD. <p><u>Engagement with RSPO:</u></p> <ul style="list-style-type: none"> - RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest report submitted to RSPO dated 7th August 2015. <p><u>Engagement with TuK-Indonesia:</u> In May 2015, TuK submitted a proposal (in the form of concept note). SDP has requested for a presentation from TuK for better understanding, before signing of agreement.</p> <ul style="list-style-type: none"> - To-date, 12 out of 14 demands have been resolved whilst, another two remaining demands are related to land matters. SDP is in engagement with TuK-Indonesia to resolve the remaining issues involving land matters. - Latest meeting with community was held on 14 Jan 2016 and pending for the outcome. <p>SDP continues to work on direct engagement with PAC – working towards a consensus with the PAC to withdraw their complaint.</p>
25	Lembiru (PT Sandika Nata Palma)	Certified 2014	Ketapang District – West Kalimantan

**Appendix C: Sime Darby Plantation Sdn Bhd – Bukit Kerayong Certification Unit
 RSPO Certificate Details**

Sime Darby Plantation Sdn. Bhd.
 SOU 7 Management Unit, (Bukit Kerayong Palm Oil Mill)
 Ladang Bukit Cheraka,
 45800 Jeram
 Selangor Darul Ehsan,
 MALAYSIA

BSI RSPO Certificate No: RSPO 550181
 Date of Initial Certificate Issued: 15 April 2011
 Date of Expiry: 14 April 2016 (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); Annex 4: Procedures for Annual Surveillance; RSPO Supply Chain Certification Standard November 2014 Module D - CPO Mills: Identity Preserved

Bukit Kerayong Palm Oil Mill and Supply Base					
Location Address	SOU 7 Management Unit (KKS Bukit Kerayong), Ladang Bukit Cheraka, 45800 Jeram, Selangor Darul Ehsan, MALAYSIA.				
GPS Location	102° 22' 36.66" E; 3° 11' 24.58"N				
CPO Tonnage Total	20,621 mt				
PK Tonnage Total	5,303 mt				
CPO Claimed for Certification	20,621 mt				
PK Claimed for Certification	5,303 mt				
Own estates FFB Tonnage	98,197 mt				
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)			
Bukit Kerayong Estate	2,196.15	601.61	315.49	3,113.25	62,348
Bukit Cheraka Estate	2,627.52	772.34	264.92	3,664.78	35,849
TOTAL	4,823.67	1373.95	580.41	6,778.03	98,197

Appendix D: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Muhd Haris	Mohd Hidhir	Hafri
Monday 18/1/2016	AM	Audit Team travelling to the site.	√	√	√
	PM	- Meeting External stakeholders - BSI Team – ASI Team Meeting	√	√	√
Tuesday 19/1/2016	08.30 – 09.00	Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).	√	√	√
	09.00 – 12.30	Bukit Kerayong 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.	√	√	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Bukit Kerayong Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, SCCS, 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.	√	√	√
Wednesday 20/1/2016	08.30 – 12.30	Bukit Kerayong 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.	√	√	-
	09.00 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Bukit Kerayong 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	√	√	√
Thursday 21/1/2016	8.30 – 12.30	Bukit Cheraka 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.	√	√	√
	12.30 – 13.30	Lunch	√	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	Muhd Haris	Mohd Hidhir	Hafri
	13.30 – 16.30	Bukit Cheraka 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	√	√	√
Friday 22/1/2015	8.30 - 11.00	Verify any outstanding issues. Verify time bound plan & issue relevant to partial certification. Prepare for closing meeting.	√	√	√
	11.00 – 12.00	Closing Meeting	√	√	√
	12.00 – 12.30	Exit meeting: ASI – BSI	√	√	√
	PM	Audit Team travelling back to KL.	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Bukit Kerayong Certification Unit Management team and Staff Representatives from Sustainability Department On site compliance executives Mill Manager and Assistants Estate Managers and Assistants Facility Administrators Gender Committee Representatives Hospital Assistant Male and Female workers Kindergarten Teacher Workers Union Representatives Onsite NUPW secretary AMESU Representative</p>	<p>Local Communities</p> <p>Kampung Bukit Kerayong</p>
<p>Government Departments</p> <p>Police Department Government School Headmistress Department of Safety and Health Department of Environment Department of Drainage and Irrigation Immigration Department Labour Department</p>	<p>Contractors</p> <p>Construction contractor General Supplier FFB Transport contractor Engineering work contractor</p> <p>External Stakeholders</p> <p>GreenPalm Social NGO's AMESU NUPW UTZ</p>

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Appendix F: Bukit Kerayong Palm Oil Mill Supply Chain Assessment (Module D – CPO Mills: Identity Preserved)

Requirements	Compliance
D.1. Definition	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The Bukit Kerayong mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>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>
D.3 Documented procedures	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard. 	<p>Latest written documented procedures (RSPO SCCS v.2 Year 2014) dated 1 March 2015 for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non certified FFB under Appendix 15. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Chaah Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Bukit Kerayong Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
D.4 Purchasing and goods in	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Chaah mill have</p>

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	system to verify at the weighbridge.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure and stated in the.
D.5 Record keeping	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Chaah Palm Oil mill. PK is sold to Sime Darby Futures Trading. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.
D.6 Processing	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

Actual Certified Palm Production – January 2015 – December 2015 (ASA4)

MILL	CAPACITY & Supply Chain Model	CPO	PK
Bukit Kerayong Palm Oil Mill	30Mt/hr Identity Preserved (IP)	20,307	4,905

Actual Sales of Certified Palm Products – January 2015 – December 2015 (ASA4)

MILL	Certified CPO Sales	Certified PK Sales	Remarks
Bukit Kerayong Palm Oil Mill	26,106.11 Mt	1,079.86 Mt (Physical sales)	Physical sales: 7,306.11 Mt (CPO) Certificates allocated: 18,800 Mt (CPO) (Confirmed sales through Etrace)

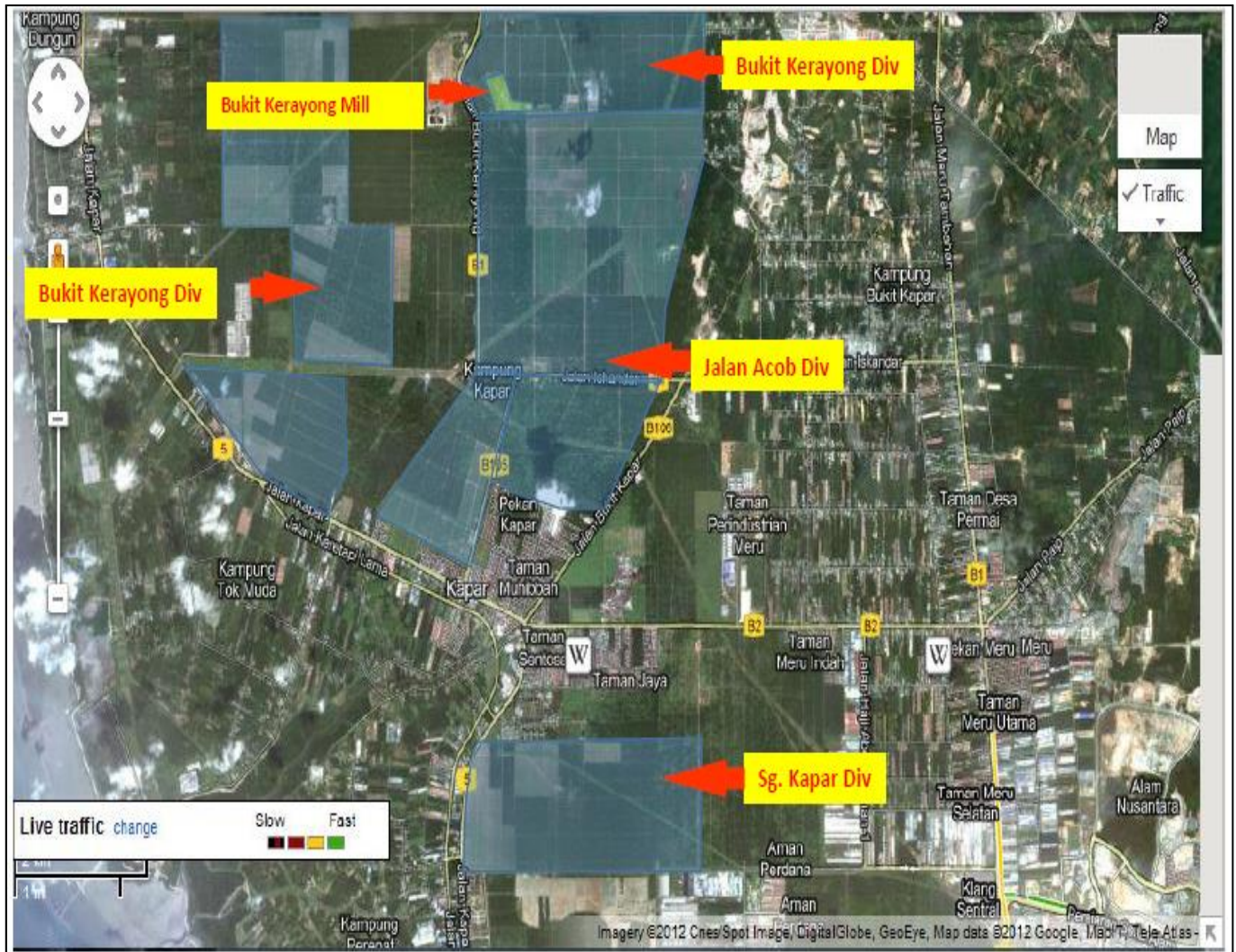
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Actual Certified FFB Received Monthly – January 2015 – December 2015 (ASA4)

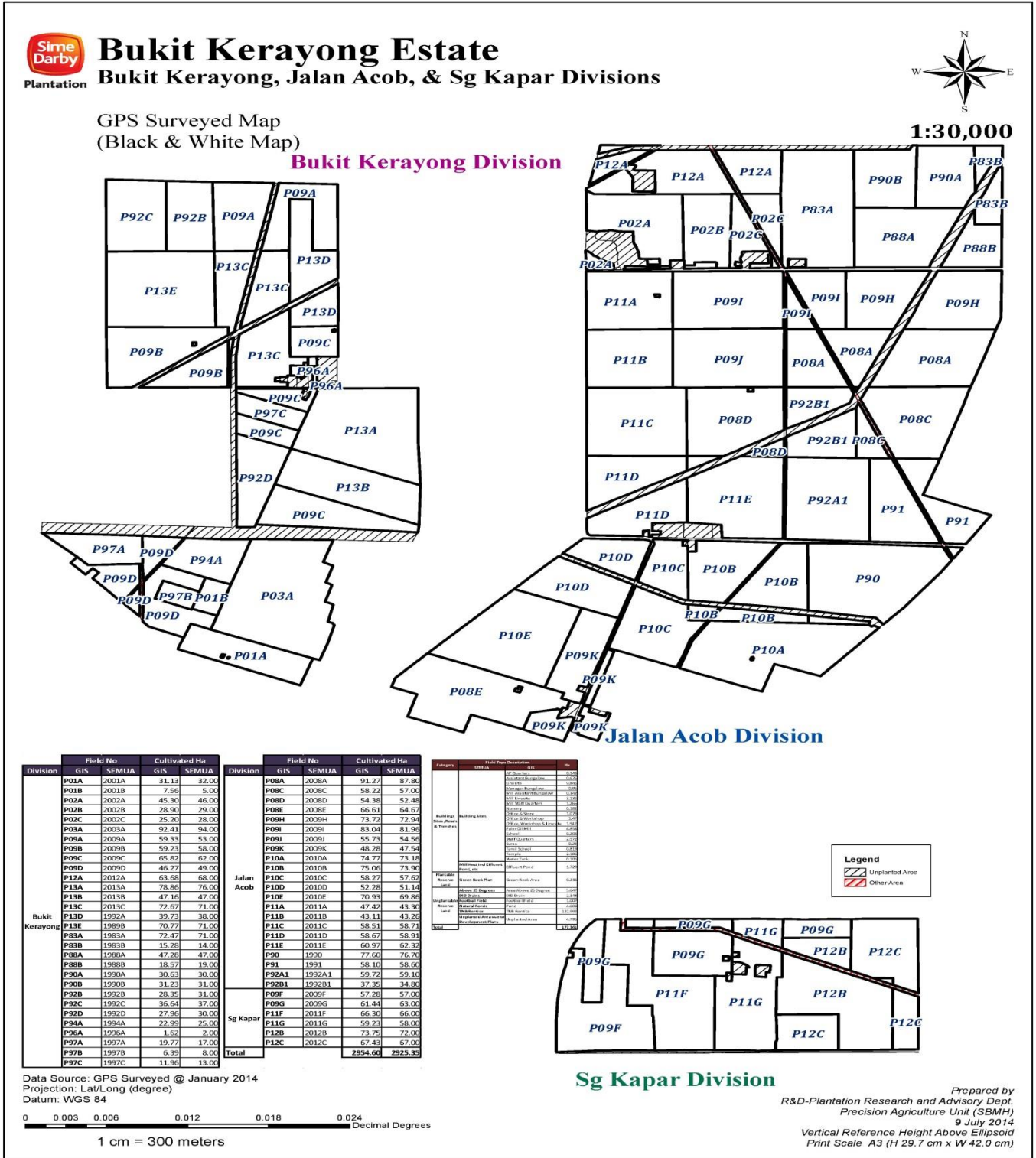
Month	Bukit Kerayong	Bukit Cheraka	Elmina	Bukit Lagong	Sungai Buloh	Bukit Talang	Tennamaram	Total FFB/Month
Jan-15	3,388	3,256	0	0	0	0	0	6,644
Feb-15	128	268	0	0	0	0	0	396
Mar-15*	0	0	0	0	0	0	0	0
Apr-15	3,276	5,344	718	133	535	233	176	10,415
May-15	2,752	5,566	1,111	187	0	0	0	9,617
Jun-15	2,844	6,191	2,590	509	1,060	0	0	13,193
July-15	4,071	6,368	2,340	532	353	0	0	13,664
Aug-15	4,646	6,463	1,818	381	642	0	0	13,951
Sept-15	4,156	6,003	0	0	0	0	0	10,159
Oct-15	4,148	6,823	0	0	0	0	0	10,971
Nov-15	2,942	4,198	0	0	0	0	0	7,139
Dec-15	3,152	4,197	0	0	0	0	0	7,349
Total	35,501	54,677	8,578	1,743	2,590	233	176	103,498

*Note: Due to BKPO major break down on March 2015, FFB from supply base estates have been diverted to SOU 6 POM.

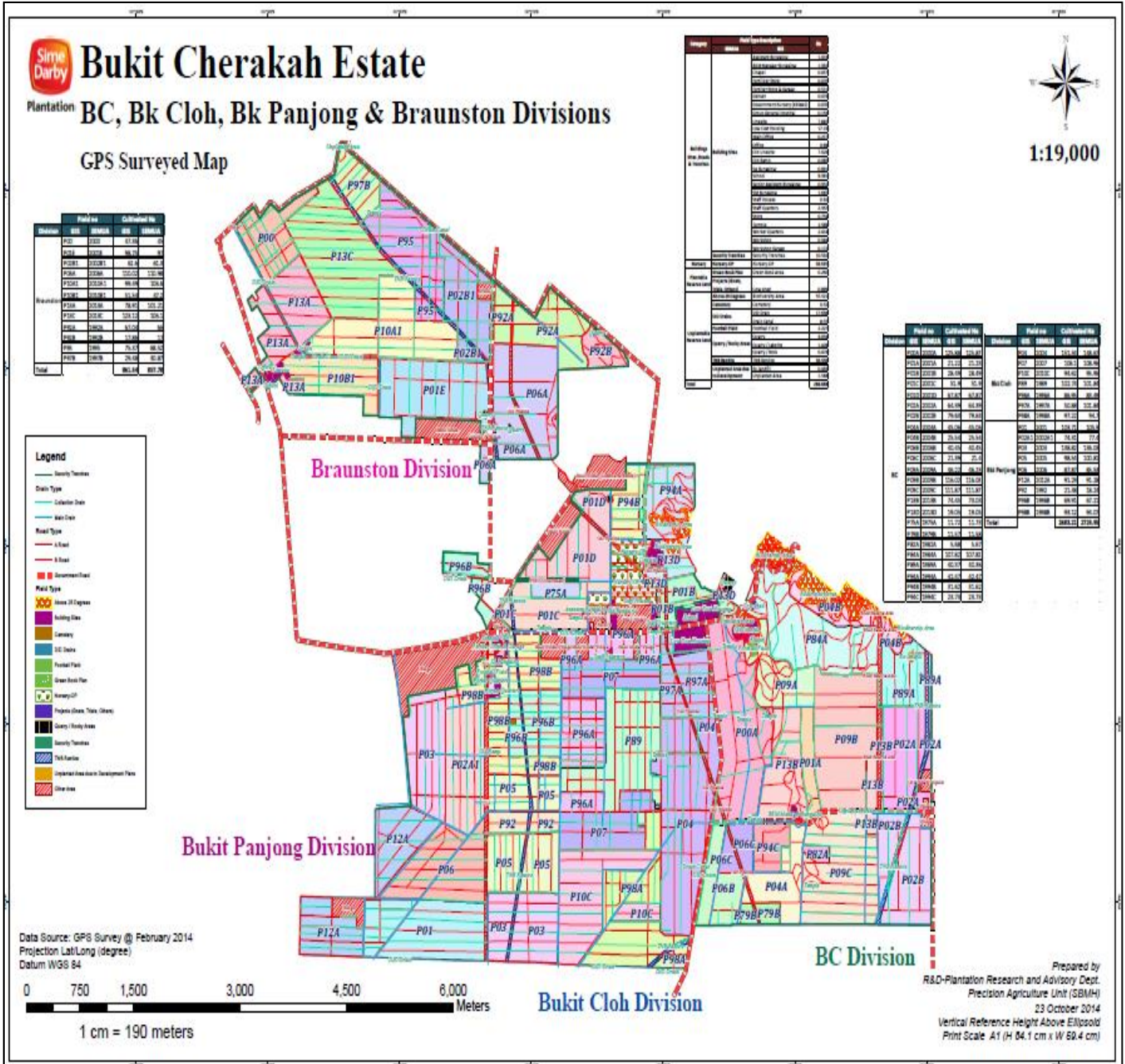
Appendix G: Location Map of Bukit Kerayong Certification Units



Appendix H: Bukit Kerayong Estate Field Map



Appendix I: Bukit Cheraka Estate Field Map



Appendix J: List of Abbreviations Used

AMESU	All Malaysian Estate Staff Union
AN	Ammoniacal Nitrogen
ASA	Annual Surveillance Assessment
BCE	Bukit Cheraka Estate
BKE	Bukit Kerayong Estate
BKPOM	Bukit Kerayong Palm Oil Mill
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
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RAV	Re-Certification Assessment Visit
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids