

## **RSPO – 2<sup>nd</sup> Annual Surveillance Assessment (ASA2) Public Summary Report**

<p>Company Name <b>Sime Darby Plantation Sdn Bhd Pagoh Oil Mill and Supply Base</b></p>
<p>Certification Unit: <b>Pagoh Palm Oil Mill Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.</b></p>

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## Section 1 Scope of the Annual Surveillance Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0008-04-000-00	<b>Membership Approval Date</b>	Member since 6 September 2004
<b>Parent Company Name</b>	Sime Darby Plantation Sdn Bhd		
<b>Address</b>	Head Office: Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7, 47301 Ara Damansara, Selangor, Malaysia. Certification Unit: Pagoh Palm Oil Mill, Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.		
<b>Subsidiary of (if applicable)</b>	N/A		
<b>Contact Name</b>	Pn. Sabarinah Marzuki (Head Office) Mr. Mohd. Nazir Pazal Karim (Pagoh Palm Oil Mill Manager)		
<b>Website</b>	<a href="http://www.simedarby.com">www.simedarby.com</a>	<b>E-mail</b>	<a href="mailto:kks.pagoh@simedarby.com">kks.pagoh@simedarby.com</a>
<b>Telephone</b>	+607-9471131	<b>Facsimile</b>	+607-9474053

2. Certification Information					
<b>Certificate Number</b>	SPO 600305	<b>Certificate Start Date</b>	28/01/2014	<b>Certificate End Date</b>	27/01/2019
<b>Scope of Certification</b>	Production of Palm Oil and Palm Kernel from Pagoh Palm Oil Mill and Supply Base (Estates: Lanadron Estate; Pengkalan Bukit Estate; Welch Estate; Pagoh Estate)				
Other Certifications					
<b>Certificate Number</b>	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
Pagoh Palm Oil Mill	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	102° 43" 15"	2° 4" 58"
Lanadron Estate	Panchor, 84500 Muar, Johor, Malaysia	102° 44" 00"	2° 11" 00"
Pengkalan Bukit Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 42" 15"	2° 08" 58"

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Welch Estate	Jalan Segamat – Jementah, 85200 Segamat, Johor, Malaysia.	102° 39" 11"	2° 27" 21"
Pagoh Estate	Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.	102° 41" 07"	2° 07" 16"

**4. Description of Certified Supply Base**

Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)	Infrastructure & Other (ha)	Total Hectareage	% of Planted
Lanadron Estate	2,299.43	251.98	2,551.41	299.51	2,850.92	89%
Pengkalan Bukit Estate	2,464.61	519.90	2,984.51	172.37	3,156.88	95%
Welch Estate	576.20	0.00	576.20	871.62	1,447.82	40%
Pagoh Estate	1,394.04	593.98	1,988.02	337.91	2,325.93	85%
Total	6,734.28	1,365.86	8,100.14	1,681.41	9,781.55	77.25%

**5. Plantings & Cycle**

Estate	Age (Years) & Hectare					FFB Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (ASA1)	Actual (Oct 14 – Sept 15)	Forecast (Oct 15 – Sept 16)
Lanadron Estate	251.98	1,057.11	699.01	310.16	233.15	57,699	56,162.48	51,094
Pengkalan Bukit Estate	519.90	660.26	1,309.13	495.22	0	60,970	53,595.22	59,279
Welch Estate	0.00	0.00	576.20	0.00	0.00	12,988	11,482.96	12,000
Pagoh Estate	593.98	426.84	236.39	609.48	121.33	39,565	34,054.03	39,376
Total	1,365.86	2,144.21	2,820.73	1,414.86	354.48	171,222	155,294.69	161,749

**6. Certified Tonnage**

Mill	Estimated (ASA1)			Actual (Oct 14 -Sept 15)			Forecast (Oct 15 – Sept 16)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Pagoh POM	171,222	36,898	8,732	155,294.69	37,661.70	9,357.37	161,749	45,101	10,224
Other certified Group estate (if any)*	-	-	-	21,290.98			38,713		
TOTAL	171,222	36,898	8,732	176,585.67	37,661.70	9,357.37	200,462	45,101	10,224

\* Certificate No. SOU 18 Estate - SPO 591224 valid until 4/10/16, SOU17 Estate - RSPO 005 valid until 19/5/20 and SOU16 Estate - RSPO 928188 valid until 6/7/16

**Section 2 Assessment Process****Certification Body**

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: RSPO-ACC-19)  
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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) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an affiliate office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

**Assessment Methodology, Programme, Site Visits**

The on-site assessment was conducted from 27-29 October 2015. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply bases as a RSPO Certification Unit. Mill was audited together with the sample estates (Pagoh and Pengkalan Bukit Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

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

The minor nonconformity that was assigned during the first annual surveillance audit (ASA1) assessment was followed up to verify effectiveness of corrective action taken. The corrective action was found ineffective, thus the minor NC escalated to major NC as per RSPO certification system requirement. The other previous nonconformities remains closed and re-verified during this assessment. The assessment findings are detailed in Section 3.3.

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

This report was internally reviewed by Mr. A. Senniah (RSPO Scheme Manager) prior to certification decision by BSI.

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

<b>1.Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5 (recertification)</b>
Pagoh Palm Oil Mill	√	√	√	√	√
Pagoh Estate		√		√	
Pengkalan Bukit Estate		√		√	
Lanadron Estate	√		√		√
Welch Estate	√		√		√

**Tentative Date of Next Visit:** October 2016

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

**BSI Assessment Team:**

**Mohamed Hidhir – Lead Assessor**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 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 supply chain elements, legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

**Muhammad Haris B. Abdullah – Team member**

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master’s Degree in Business Administration from the University Utara Malaysia in January 2014. 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 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course 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 environment, Safety and Health, Legal, Social and

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community engagements, 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 and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

**Accompanying Persons:** Ms Eileen Chiang, RSPO Certification Executive, RSPO Secretariat, Malaysia.

## Section 3 Summary of Assessment Findings

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

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

### 3.2 Progress against Time Bound Plan

Sime Darby Time Bound Plan (TBP) is included as Appendix B. Sime Darby has achieved RSPO certification for 34 management units in Malaysia and 24 Management Units in Indonesia. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid. Sime Darby has acquired NBPOL. NBPOL is managed as a separate management unit. NBPOL has its own RSPO membership (1-0016-04-000-00) and have achieved certification for all the certification units.

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

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

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is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress and acknowledge by RSPO and all parties as mutually agreed process. Latest meeting among the community and Sime Darby was held on 16 October 2015. The current status details are provided in the Appendix B. BSI has consider that Sime Darby still comply with the RSPO requirement for partial certification and has justified the revision to TBP.

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan for PT Mitra Austral Sejahtera was justified and appropriate.

BSI has continued involvement with assessments of Sime Darby Management Units during the 2015 period. 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 nonconformities are listed below. The summary of the findings by criteria is listed in Appendix A.

During the annual surveillance assessment there were 3 major and 1 minor nonconformities raised. Pagoh Palm Oil Mill and Supply Base Estates submitted Corrective Action Plans for the nonconformities. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The evidence of implementation for the major nonconformities was verified. The major nonconformities are closed on 6/12/15. Following are the details of the nonconformities:

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152M1	<p><b>Requirements:</b> Indicator 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> <p><b>Evidence of Nonconformity:</b> Confined space entry programme i) Sample of permit to work (PTW) for confined space dated 24/3/15 (boiler furnace cleaning), 24/8/15 (boiler furnace cleaning), 4/8/15 (boiler furnace brickwork repair work, contractor Dynaneca) - No authorized gas tester (AGT) and authorized entrant and standby person</p>	Major



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	<p>(AESP) for the said activity.          - No gas testing results recorded prior to confined space entry.          - No health declaration noted in the PTW for confined space.</p>	
	<p><b>Statement of Nonconformity:</b>          Health and safety plan was not effectively implemented and monitored</p>	
	<p><b>Corrective Action:</b>          i) Formally request for Diamond Jubilee Oil Mill assistant to provide gas tester (AGT) and standby person (AESP) for confined space work/activity.          ii) Formally request for PSQM assistance to provide health declaration for confined space work.          iii) PTW issuance, cancellation and gas testing result will be carried out by AGT/AESP.</p>	
	<p><b>Status:</b>          Example of confined space entry programme was sent as evidence (Boiler furnace cleaning dated 24/11/15).          i) Verified AGT/AESP competent person from other Sime Darby's Mill conducting for the said activity. Permit issuance, gas testing results and permit cancellation was verified by competent person.          ii) Verified health declaration for available for the authorized entrant.          The major NC was closed out on 6/12/15.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152M2	<p><b>Requirements:</b>            Indicator 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Evidence of Nonconformity:</b>            Pagoh estate:            Extended employment contract for the following employee were not available:            i.) Passport Number AS 014147 (Employment contract expired on 4/5/2013)            ii.) Passport Number K 0855695 (Employment contract expired on 25/6/2013)            iii.) Passport Number AS 031811 (Employment contract expired on 9/11/2013)            Pengkalan Bukit estate:            Extended employment contract for the following employee were not available:            iv.) Passport Number AR 604876 (Employment contract expired on 20/9/2013)            v.) Passport Number AR 604738 (Employment contract expired on 20/9/2013)            vi.) Passport Number AS 043471 (Employment contract expired on 18/3/2014)</p> <p><b>Statement of Nonconformity:</b>            Extended employment contract for foreign workers were not available for those extended their employment with the operating units.</p>	Major

	<p><b>Corrective Action:</b></p> <p>i) <u>Pagoh Estate</u>          To get the standard format for contract extension from HR Department and update for all affected workers. Contract will be extended on annual basis.</p> <p>ii) <u>Pengkalan Bukit Estate</u>          -To liaise with Foreign Workers Dept. about the new contract statement for extended workers. Contract will be extended on annual basis.</p>	
	<p><b>Status:</b>          Contract extension was updated and valid for 1 (one) year starting from the signing date for the said workers in Pagoh and Pengkalan Bukit Estate. Documents verified and found to be appropriate to close the nonconformity. The major NC was closed out on 6/12/15.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152M3	<p><b>Requirements:</b>            Indicator 5.3.3 : A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented</p> <p><b>Evidence of Nonconformity:</b>            Pagoh Estate:            i) Online scheduled waste inventory &amp; consignment – updated as of 28/10/2015 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal done on 27/4/2015, consignment # 001302-14 for SW 409, SW 410, SW 305 and SW 306 by Ranama Resource Sdn. Bhd. However record shown that the waste generated since the last disposal date was stored until the date of site visit which has exceed 180 days period. The waste labelling practices were also not complying with EQ (SW) Reg. 2005.</p> <p>ii) Inventory of clinical waste was recorded separately from other scheduled waste category. Latest Clinical Waste (SW 404) disposal was done on 28/9/2015 through Klinik Kesihatan Bukit Pasir and information recorded in Clinical Waste Record log book. However no consignment note available for the disposal of the clinical waste done on this six monthly bases</p> <p><b>Statement of Nonconformity:</b>            Implementation of pollution prevention plan was not effective according to waste management plan for Scheduled Waste handling. This minor NC is escalated to major as per RSPO Certification System due to not fully addressed by the management.</p> <p><b>Corrective Action:</b>            i) On 30th October 2015, Ranama Resources Sdn Bhd already disposed the waste generated.            ii) Prepare the dispose monitoring programme and closely monitor by Assistant and Store Clerk.            iii) To establish labelling specific for all scheduled wastes in the SW store.            iv) To obtain approval letter from DOE to submit to Klinik kerajaan/VMO for Johor Operating Units.</p>	Major

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	<p><b>Status:</b>  i) Verified disposal/consignment note @ 6<sup>th</sup> schedule for SW 409, SW 410, SW 305 and SW 306 by Renama Resouces dated 30/10/15.  ii) Monitoring programme monitored month to month basis.  iii) Sample of labelling standard used, SW305 in accordance with 3<sup>rd</sup> schedule requirements - complies.  iv) Request letter for special management of waste was sent to DOE, Muar dated 15/11/15. Verified acceptance by DOE on the same date. Further implementation and status of approval by DOE will be verified in the next assessment.  Documents verified and found to be appropriate to close the nonconformity.  The major NC was closed out on 6/12/15.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1245152N1	<p><b>Requirements:</b>  Indicator 2.1.4: A system for tracking any changes in the law shall be implemented</p>	Minor
	<p><b>Evidence of Nonconformity:</b>  Legal and other requirements register version July 2015 did not include other applicable laws such as "Enakmen Mengutip Tol 1974, Peraturan-Peraturan Tol 1975".</p>	
	<p><b>Statement of Nonconformity:</b>  System for tracking any changes in the law was not effectively implemented.</p>	
	<p><b>Action:</b>  Operating unit liaise with PSQM Department regarding updated version of the legal register. PSQM will update the new LORR and include the new applicable law.</p>	
	<p><b>Status:</b>  The corrective action plan is accepted and the status will be verified in the next assessment.</p>	

Observation	
OBS #	Description
Nil	

Positive Findings	
PF #	Description
1	New concrete road completed in April 2015 for the easy of transportation for workers and FFB evacuation
2	The palm oil mill has maximized the use of renewable energy by consuming shell and fibre produced internally.
3	KAIZEN projects have been initiated to improve on safety working environment and process efficiency to maximize output and minimize lost time incident on human and machinery.
4	All operating units have maintained good relationship with the local community and other stakeholders. Positive feedback was given to the audit team during interview.

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**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 Pagoh 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.

IS #	Description
1	<p><b>Issues</b>            Foreign workers: No issue regarding pay and condition of work. The representative highlighted any issues in Union meeting if any grievances among workers. Based on interview, they are treated equally with the locals. All foreign workers have access to all facilities similar to local workers.</p> <p><b>Management Responses</b>            The management treat all employees equally and no discrimination.</p> <p><b>Audit Team Findings</b>            No disputes were highlighted by foreign workers interviewed.</p>
2	<p><b>Issues</b>            Local workers: It was highlighted that they are satisfied with the work condition and payment. The workers also highlighted that they are receiving free cooking oil and rice from the management once in two month. They are also member of NUPW and meetings are held with management.</p> <p><b>Management Responses</b>            The management is continued to give attention to the welfare, pay and condition.</p> <p><b>Audit Team Findings</b>            There were no any issues that require further verification was highlighted. Consultation with internal and external stakeholders and document review on NUPW meeting minutes confirms that there were no pending issues.</p>
3	<p><b>Issues</b>            Gender representative: No issues of sexual harassment at their workplace. Based on interview, female workers generally understand issues of sexual harassment in the workplace and the mechanism to report an alleged sexual harassment or violence.</p> <p><b>Management Responses</b>            Management is always monitoring the situation in plantation through Gender committee.</p> <p><b>Audit Team Findings</b>            There were no any issues that require further verification was highlighted.</p>
4	<p><b>Issues</b>            School Headmaster: It was re-confirmed that the management always support school activities. The relationship is good. No other issues.</p> <p><b>Management Responses</b>            Management assist wherever possible.</p>

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	<p><b>Audit Team Findings</b> Positive feedback.</p>
<b>5</b>	<p><b>Issues</b> Village Head: Management always assist whenever requested for assistance. The relationship is good. He also suggested that the management to organize religious talks in the estate "Surau" to encourage male Muslim workers to go for Fridays prayers regularly.</p>
	<p><b>Management Responses</b> Estate management has already organizing regular religious talks and activities at the estate "Surau" and will continuously do more events in the future.</p>
	<p><b>Audit Team Findings</b> Record verification and interview with Muslim workers found regular activities being carried out at the estate "Surau". No other issues.</p>

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1130145N1	<p><b>Requirements:</b> Indicator 5.3.3: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p><b>Evidence of Nonconformity:</b> Lanadron estate: The washing area for tractor did not implement a pollution prevention measure to avoid/control the waste water that contain traces of oil and grease from flowing into the drain. Welch Estate: During the visit to the workshop, it was found that the drainage in front of the latex collection area was broken and oil leakages were sighted at the surrounding area</p> <p><b>Statement of Nonconformity:</b> Pollution prevention plan implementation was not effective.</p> <p><b>Corrective Action:</b> Corrective action has been implemented for both estates: i) Oil interceptor was constructed nearby the washing bay area to prevent pollution. ii) Drain has been repaired and connected to the workshop oil interceptor to contain any leakages from workshop.</p> <p><b>Status:</b> However due lack of monitoring which related to other waste management issues, the minor NC cannot be closed and escalated into Major NC under indicator 5.3.3 as per RSPO Certification System. Subsequently closed on 6/12/2015. See section 3.3 above NC ref: 1245152M3 for details of close out.</p>	Minor

Observation	
OBS #	Description
1	<p>Mill: An accident that occur on the 27/6/14 and investigation has been conducted by the OSH team with action plan has been implemented and complies with the internal procedure. Discussion within the OSH committee members during the quarterly OSH meeting was conducted. There is delay in recording the discussion.</p>

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Status: Verified record of meeting related of OSH matters including accident investigation conducted in every 3 month and ad-hoc basis if there is occurrence of accident.
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**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
935929M0	Major	21/6/2013	Closed on 20/09/2013
935929M1	Major	21/6/2013	Closed on 20/09/2013
935929N3	Minor	21/6/2013	Closed on 25/11/2014
935929N4	Minor	21/6/2013	Closed on 25/11/2014
935929N5	Minor	21/6/2013	Closed on 25/11/2014
1130145N1	Minor	28/11/2014	Upgraded to major NC as per RSPO certification system. NC Ref: 1245152M3.
1245152M1	Major	29/10/2015	Closed on 6/12/2015
1245152M2	Major	29/10/2015	Closed on 6/12/2015
1245152M3	Major	29/10/2015	Closed on 6/12/2015
1245152N1	Minor	29/10/2015	"Open"

**Assessment Conclusion and Recommendation:**

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

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Mr. Mohd. Nazir Pazal Karim	<b>Name:</b> Mohamed Hidhir Bin Zainal Abidin
<b>Company name:</b> Sime Darby Plantation Sdn Bhd	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> Mill Manager	<b>Title:</b> Lead Auditor
<b>Signature:</b> 	<b>Signature:</b>  Date : 21/12/15

**Appendix A: Summary Report of the Assessment**

Criterion / Indicator		Assessment Findings	Compliance
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOSH, DOE visiting log book were attended accordingly.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.	Complied
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			



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



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Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 2: Compliance with applicable laws and regulations</b>		
<b>Criterion 2.1:</b>		
There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.            - Major compliance -</p>	<p>SOU 19 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 19 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed at the time of audit were :</p> <p><b>Pagoh Mill</b>            i) Mill annual inspection was done on 31/3/15, Pemasangan am, JH/12/01/6105            - JH PMT 20185 (Steam Receiver)            - JH PMT 20179 &amp; JH PMT 20180 (Sterilizer)            - JH PMD 1426 (boiler)</p> <p>Electrical Chargeman license, PJ-T-4-3081-1996, A4 chargeman valid until 30/6/16.            vi) Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent CePPOME, Cert# CePPOME/14094            viii) Certified Environmental Professional in Scheduled Waste Management CePSWaM, Cert# CePSWaM/14569</p> <p>Pagoh POM has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were:</p> <p>a) MPOB license: 565809104000 (validity period 1/11/2015 - 31/10/2016) for 180,000MT (renewal of expiring previous license On 31/10/2015)            b) DOE License/<i>Jadual Pematuhan</i> : JPKKS 002366 (validity period 1/7/2015 - 30/6/2016) for 45MT/hr and method of POME discharge is water course            c) River water extraction license: 08/A/Muar/020 (validity period until 31/12/2015) by Director of Water Resources Johor            d) Energy commission license; Installation no.: ST(SJB)647766V/MUAR/0001-P; serial no.: 132916 (validity period 22/7/2015 – 21/7/2016) for 1600 kW installation capacity            e) Fire services act 1988 Fire Cert no. JBPM:JH/7/153/2015 (validity period 2/8/2015 – 1/8/2016)            f) Written approval of 2 units of Fume Hood Scrubber registration no. AKPU/2014/015</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p><b><u>Pagoh Estate</u></b>            Permit # J021371, ref MR/PD/SK-1079 valid until 23/8/2016            Diesel : 18,000 liter            “Enakmen Mengutip Tol 1974, Peraturan-Peraturan Tol 1975” –Reference to letter dated 14/5/15 to Johor State Government.            MPOB licence: 508589902000 valid until 30/4/16            MPOB license for nursery : 597369011000 valid until 30/4/16</p> <p><b><u>Pengkalan Bukit Estate</u></b>            Permit # J021251, ref ref MR/PD/SK-1079 valid until 10/6/16, Diesel : 8,000 liter            MPOB : 518941002000 valid until 29/2/16            Fire Arm License under Arms Act 1960- Section 4(3) FK 050175 : last renewed 10/6/15 valid.</p>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.            - Minor compliance -</p>	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.            - Minor compliance -</p>	Complied
2.1.4	<p>A system for tracking any changes in the law shall be implemented.            - Minor compliance -</p>	Minor Non-Compliance

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Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	<u>Pagoh estate:</u> Sighted land titles to cover the plantation area and mill (GRN No.: 83084, 99675, 82756, 82400, 326144, 83495, 86364, 99678, 99673, 127921, 88303, 82406, 81853, 81880 etc. <u>Pengkalan Bukit estate:</u> Holds 29 free hold titles. Sample checked: (GRN No.: 94929, 82106, 88859, 83268, 98991, 132745, 120079, 82411 etc.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Field visit to P02C noted that boundary between "Kampung Panjang Sari" village is visibly maintained and verified during the visit. Legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Pagoh Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified.	Complied
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			

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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.

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Criterion / Indicator	Assessment Findings	Compliance
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc.
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>Pagoh estate:</u> Replanting was ongoing (land preparation) during the audit at fields No. 2015A, 2015B and 2015C covering 201.93ha. Next replanting will be in 2016/2017 for 108.61ha. <u>Pengkalan Bukit:</u> Replanting plan shows 2015/2016 covers 874.16ha and 2016/2017: 951.81ha followed by 2017/2018: 692.17ha.
<b>Principle 4: Use of appropriate best practices by growers and millers</b>		
<b>Criterion 4.1:</b> Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOU19 had an annual budget for the financial year 2015/2016. The palm oil mill budget includes the projected FFB processed, CPO and PK production which projected for five years.
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. 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. The following are rating given by internal and external for FY2014/2015 at SOU 19:  <b><u>Pagoh Estate</u></b> PA visit : report SOU19/PE/1/14-15 dated 16-17/3/15 PQR visit rating – Mature (74.88%), Immature (84.21%), Manuring (92.19%), crop recovery rating 3/5  <b><u>Pengkalan Bukit Estate</u></b> PA visit : report SOU19/PBE/1/14-15 dated 8-10/9/14 PQR visit rating – Mature (76.34%), Immature (66.50%)

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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 -	MA visited on 14-16/10/2015 (Performance Qualitative Report (PQR) – KKS Pagoh 2015). Report includes monitoring of all activities in the mill. It was noted that the mill achieved PQR rating of 82%. Internal RSPO audit was conducted on 9/10/2015 by the RSPO & Certification Unit, PSQM. For estates; Manuring monitoring visit by R&D: 26/10/2015, Agronomy visit: Pengkalan Bukit estate: 12/10/2015	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 purchased by the mill. Certified FFB from certified Group Estates are traceable to the origin.	Complied
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield.	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	<p><b>Pagoh Estate</b></p> <p>Soil series map (R&amp;D TTAS, Precision Agriculture Unit, NHS) dated November 2012 was available. Soil series available are : Lancang : 35.91%, Renggam : 34.41% Local Alluvium: 1.34%.</p> <p>Agronomist report – 2/6/15 from R&amp;D Centre - Upstream (technology Transfer and Advisory Services). Recommendation for Main Div OP05 : AS (24% N) &amp; MOP (60% K2O) for Feb-Apr 2015.</p> <p><b>Pengkalan Bukit Estate</b></p> <p>Soil series map available. For main division, soil type mainly Renggam, Malacca and Local Alluvium.</p> <p>Agronomist report dated 22/12/2014 and Aug. 2015, for 2015 fertilizer recommendation. Jul-Aug 15 (AC (24% N) &amp; MOP (60% K2O) for each division.</p> <p>The application of fertilizer has been recorded in the application program form. The application of fertilizer for the 1st quarter of 2015/16 FY has been verified and according to the recommendation. Fertilizer applied MOP at rate of 2kg/palm in October 2015 as per recommendation.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<p><b>Pagoh Estate</b>            Soil sampling analysis: Last sampling was done on 28/4/2010. Refer to S119/2010. Review conducted on 2<sup>nd</sup> half of FY 2015.</p> <p>Leaf sampling under agronomist report: nutrient deficiency @ palm nutritional status            Refer to Agronomist report – 25/6/15 from R&amp;D Centre - Upstream (technology Transfer and Advisory Services).</p> <p><b>Pengkalan Bukit Estate</b>            Soil sampling analysis: Last sampling was done on 5/3/10. Latest refer to S57/2015 report.</p> <p>Leaf sampling under R&amp;D: nutrient deficiency @ palm nutritional status (P 418/2014) dated 30/9/14.</p>	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 -	<p><b>Pagoh Estate</b>            EFB application recommendation by PA, 40 mt/ha @ 270 kg per palm. To date application (FY14/15) 13574.5 mt.</p> <p><b>Pengkalan Bukit Estate</b>            EFB application coverage for FY 15/16. Recommendation 40 mt/ha. To date application 7479.56 mt. &gt; 40 mt/ha</p> <p>No compost application at Pengkalan Bukit Estate.</p>	Complied
<p><b>Criterion 4.3:</b>            Practices minimise and control erosion and degradation of soils.</p>		
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. The slope ranging from 0° - 30°. Slope area constructed with terrace and side drainage. Planting terraces had been constructed where slope >10°. Areas more than 25° have been maintained as conservation area. Fields are established with cover crops such as muccuna and soft grasses and ferns.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	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. Mill has constructed concrete road leading to the mill.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied

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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 -	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 -	Complied
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.		
4.4.1	An implemented water management plan shall be in place. - Minor compliance -  Mill: Review for the 2015/2016 conducted on 27/7/2015. Items included are inspection of water leakages, overflow, and water usage for mill cleaning, awareness training on water conservation.  Establishment of water management plan:  Mill Contingency plan during water shortage for financial year 2015/2016: Water shortage/dry spell: - Purchase water from SAJ - Train staff/workers to conserve water - Revise demand and supply conditions - Monitor water supply Severe water pollution: - Purchase water from SAJ - Perform treatment of polluted water - Reusing/recycling/rationing  Pagoh & Pengkalan Bukit Estate Water management plan 2/9/2015: - water shortage/dry spell - severe water pollution/contamination - water saving - rainfall 2014 = 1930.90 mm - rainfall 2015 = 1140.30 mm to date as at 30/9/2015	Complied



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Criterion / Indicator	Assessment Findings	Compliance												
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.                      - Major compliance -</p>	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1" data-bbox="660 477 1299 658"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>&gt; 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>&lt; 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Sampled Pengkalan Bukit buffer zones catchment water monitoring:</p> <ul style="list-style-type: none"> <li>Catchment water monitoring records: Quarterly Industrial Effluent Water Analysis Test Report; Sampled Test Report no. IE693/2015 dated 27/8/2015 by Sime Darby Research Sdn. Bhd. for water sample taken on 4/8/2015; 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 but some parameters were not in compliance to Class I of INWQS for domestic use</li> </ul> <p>Sampled Pengkalan Bukit drinking water monitoring:</p> <ul style="list-style-type: none"> <li>Drinking water monitoring records: Laporan Analisis Kimia Bagi Sampel Air; Laporan Keputusan Pmeriksaan Bakteria dated 1/9/2015 by Jabatan Kimia Malaysia; parameters monitored-: Cl<sub>2</sub>, pH, HU, NTU, TDS, Brackishness, TOC, COD, BOD, NH<sub>3</sub>N, N, MBAS, Fl, Cl, Fe, Mn, Al, Total Coliform and E-Coli. Report shown that water samples from upstream, midstream and downstream were not detected with the pesticide contents.</li> </ul>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	<p>Complied</p>
River width	Buffer zone													
> 40 meters	50 meters													
20 to 40 meters	40 meters													
10 to 20 meters	20 meters													
5 to 10 meters	10 meters													
< 5 meters	5 meters													
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).                      - Minor compliance -</p>	<p>Effluent monitoring records: Monthly Effluent Analysis Test Report no. EP485/2015 dated 11/9/2015 by Sime Darby Research Sdn. Bhd.; parameter monitored-: pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&amp;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 &lt;100mg/L were met as well as all parameters that were within allowable limit.</p>	<p>Complied</p>												
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.                      - Minor compliance -</p>	<p>Water usage was ranging from 1.13 to 1.37m<sup>3</sup>/mt FFB processed. The target set was 1.50m<sup>3</sup>/mt FFB processed. The mill has achieved the target ratio.</p> <p>Pagoh mill monitored the water consumption on monthly basis for both its source of water supply from Syarikat Air Johor (SAJ) (drinking) and raw water (boiler &amp; process). Total water consumed for the period from July 2014 to June 2015 was 1.94m<sup>3</sup>/mt FFB processed.</p>	<p>Complied</p>												
<p><b>Criterion 4.5:</b>                      Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>														

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Criterion / Indicator	Assessment Findings	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	SOU19 continued to implement IPM and as documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures.  <b>Pagoh Estate</b> Progress of IPM implementation as to date PA recommendation : to establish beneficial plant in the ratio (6:2:2) Cassia cobanensis: Turnera subulata, antigonon leptopus (Pagoh Estate)  Ganoderma Disease control: 3.68%of total field stand. Infected palm & vacant points were de-boled 6 month before replanting.  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. Latest census dated 9/8/2015 found 74% occupancy rate.	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 barn owl occupancy census team confirm their understanding of the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on census. Latest IPM training conducted at SOU19 :  IPM training by senior estate assistant on 3/8/15 for staff and workers that involved in IPM - Chersonese Estate  IPM Training – Rat Damage and Control, Sua Betong Training Centre (15/5/15) for assistant managers.	Complied
<b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment		
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the Sime Darby Agriculture Reference Manual Section 15 item 3.4. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate for a minimum of 5 years (2010 to 2015). Verified that records of monitoring were satisfactorily.	Complied

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4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5.  Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	<b>Pagoh Estate</b> Chemical register dated 30/3/15 was sighted. Listed class II, III and IV chemical.  <b>Pengkalan Bukit Estate</b> Chemical register dated 6/2/15 was sighted. Listed class III and IV chemical.  Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.  Complied
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.  Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5  Complied
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at SOU19.  Complied

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4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders at SOU19. 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 -	Medical surveillance carried out once a year for all pesticide handlers. Latest medical surveillance was conducted on 19-23/10/15 by DOSH Registered doctor. No.: HQ/08/DOC/00(695) for Pagoh Estate for total of 35 workers. MRP for pregnant women (store keeper). Refer to letter dated 28/5/15.n All 15 workers were found fit based on the medical results.  <b><u>Pengkalan Bukit Estate</u></b> Medical surveillance – 40 workers (sprayers, WTP operator, workshop etc.) OHD Docor registration: HQ/08/DOC/00/527. All operators fit to work.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There are female workers involve in manual weeding. No pesticide handling. 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
<b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>SOU19 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office. The ESH management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training programme, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. The latest ESH plan FY2014/2015 was made available during this assessment. Sample of Pagoh Palm Oil Mill ESH programme for FY2014/2015 were :</p> <p><b><u>Audiometric Testing</u></b> Last audiometric testing was done on 14 &amp; 23/9/15 by Procoma Environmental (M) Sdn Bhd, OHD number (127/669/1(641)) .Refer to report PRO/SEP/15/(KKSP/57). Total of 57 workers were sent for the annual testing. 15 workers was reported affected with HI and recommended for further check by ENT doctor on 9/10/15. Full report will be verified in the next audit. STS 13 due for retest on 23/12/15</p> <p><b><u>Medical Surveillance Programme</u></b> As per CHRA recommendation dated 2-3/4/13 by (JKKP IH 127/171-(2)317, medical surveillance programme has been planned for those exposed to N-hexane, IPA and manganese. The latest medical surveillance was carried out by registered OHD, (HQ/08/DOC/00(695) for 12 workers from laboratory and process operator. From the results, all workers sent for medical surveillance are fit to work with no detrimental of health.</p> <p><b><u>Personal Chemical Exposure Monitoring (PCEM)</u></b> PCEM was last carried out on 3/2/15 by registered IHT 1, JKKP/HIE/127/171-3/1(20) for Potassium Dichromate. The results was found below (MEL) maximum exposure limit @ permissible exposure limit (PEL) for 8 hours Total Weighted Average (TWA<sub>8</sub>)</p> <p><b><u>Local Exhaust Ventilation (LEV) Testing &amp; Inspection</u></b> The latest LEV inspection was conducted on 6/5/15 by PAC Testing and Consulting, JKKP HIE 127/171-3/2(27` ). Cubic feet meter (CFM) measured for face and transport velocity above the requirement of ACGIH at half and full opening hood cover.</p> <p><b><u>Permit To Work and Contractor's Management</u></b> 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. Thus major NC was issued.</p>	<p>Major Non-Compliance</p>

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<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.                      - Major compliance -</p>	<p>SOU 19 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 revisited CHRA report for Pagoh Palm Oil Mill, (JKKP HIE 127/171-(2)317 dated 2-3/4/13. Recommendation by CHRA assessor :</p> <p>Lab operator – Medical surveillance (N-hexane), LEV inspection.                      Workshop operator – medical surveillance (Manganese)                      Kernel Operator - Medical surveillance</p> <p>CHRA for Pagoh Estate, done on 14/4/15 by registered IHT, JKKP HIE 127/171-2(308)                      Recommendation :                      Medical surveillance for sprayers and chemical mixers.</p> <p>CHRA for Pengkalan Bukit, done on 10/3/15 by registeres IHT, JKKP HIE 127/171-2(223)                      Recommendation                      Medical Surveillance programme for manure, sprayer, workshop operator, WTP etc.</p> <p>HIRARC ergonomic hazard was updated bases on ergonomic assessment report: 20/5/15 by competent person.</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. Noted changes of HIRARC at all visited operating unit as follows :</p> <p><b><u>Pagoh Palm Oil Mill</u></b>                      1 accident in 2015 – revision of HIRARC                      Slip trip and fall : 24/9/15                      Class III ( 5 days and more)                      MC for 21 days                      HIRARC review : 12/10/15</p> <p><b><u>Pagoh estate</u></b>                      FFB harvesting and frond stacking, updated 15/4/15 after accident occurrence under class IV (1-4 days MC)</p> <p><b><u>Pengkalan Bukit Estate</u></b>                      BOB census, climbing BOB, updated 25/8/15, Class III ( &gt;5 days) and loading unloading FFB from MB, updated 1/10/15 under class IV (1-4 days)</p>	<p>Complied</p>

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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Awareness and training 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"> <li>i) Sterilizer and boiler/power operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff</li> <li>ii) Lab operator – Respirator (double cartridge) 3M 6006, Nitrile Glove (chemical resistant), safety boots, Ear plug (NRR = 24 dB)</li> <li>iii) Field workers (sprayer, manurer &amp; harvester) – N95 respirator/3m 9002, anti-mist goggles, wellington boots, apron and sickle cover.</li> </ul>	<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 13/7/15 at Pagoh Palm Oil Mill. All 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>Pagoh Palm Oil Mill</u></p> <p>SHC meeting : #3 - 13/7/15, #2 - 17/4/15, #1 - 19/1/15</p> <p><u>Pagoh Estate</u></p> <p>6/7/15, 11/4/15, 13/1/15</p> <p><u>Pengkalan Bukit Estate</u></p> <p>4#: 27/8/15, 3# : 25/6/15, 2#: 18/3/15.</p>	<p>Complied</p>



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4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	Emergency Response Plan (ERP) has been established and defined in procedure, Level 2, Standard Operation Manual, Sub Section 5.5, Management Responsibility, Appendix 5.5.3.3 Emergency Preparedness and Response Procedure, version:1, issue :1 dated 1/11/2008. Emergency response activities were also included in the ESH plan FY 14/15. The following were Emergency Response Plan were addressed: Fire Outbreak, Accident and incident occurrence, Oil Spillage and etc. Latest fire evacuation drill was done on 16/2/15 involving 68 employees at Pagoh Oil Mill.  Accident and emergency procedures have been communicated to employees, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 & 8 forms.	Complied												
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care is provided to all the employees. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with RHB Insurance Berhad. All workers working in the mill and estates are adequately covered with medical care and accident insurance e.g. via SOCSO and FW149475 Foreign worker Compensation Scheme by RHB that valid from 1/7/15 to 30/6/16. Pagoh estate: Policy No.: FW149473 valid till 30/6/2016. Pengkalan Bukit estate: FW149518 valid till 30/6/16.	Complied												
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics displayed at the operating units through Safety Statistic Billboard and reported to PSQM-ESH department using new online system called SMS-IT. Sample of accident statistic as shown below :  <table border="1" data-bbox="699 1429 1273 1592"> <thead> <tr> <th>Year</th> <th>Pagoh Mill</th> <th>Pagoh Estate</th> <th>Pengkalan Bukit Estate</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>1 (0 LTA)</td> <td>26 (12 LTA)</td> <td>12 (22 LTA)</td> </tr> <tr> <td>2015</td> <td>1 (21 LTA)</td> <td>16 (16 LTA)</td> <td>5 (51 LTA)</td> </tr> </tbody> </table> *LTA is equivalent to lost man days (MC)	Year	Pagoh Mill	Pagoh Estate	Pengkalan Bukit Estate	2014	1 (0 LTA)	26 (12 LTA)	12 (22 LTA)	2015	1 (21 LTA)	16 (16 LTA)	5 (51 LTA)	Complied
Year	Pagoh Mill	Pagoh Estate	Pengkalan Bukit Estate											
2014	1 (0 LTA)	26 (12 LTA)	12 (22 LTA)											
2015	1 (21 LTA)	16 (16 LTA)	5 (51 LTA)											
<b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.														
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied.	Complied												



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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 r estates visited covers all aspect of training and RSPO P&C. Training need and plan dated 17/7/2015 as per Form RM-01/TNP - Estate Quality Management System Subsection 6.1 Appendix 6.2.2 Version 1, Year 2008 Issue 1 (2008).  <u>Mill:</u> 1. Basic Ergonomic & Manual Handling Training dated 27/7/2015 2. Oil Spillage drill conducted by PSQM dated 14/8/2015 3. SOP Refresher Training dated 7/9/2015. 4. Refresher Training for working at Height dated 20/10/2015. 5. ETP Assessment Training by R&D dated 4-5/9/2015. 6. SCCS Training dated 19/10/2015. 7. Chemical handling Training dated 30/6/2015. 8. Safety Refresher Training dated 26/6/2015. 9. First Aid Training dated 21/5/2015. 10. PPE usage Training dated 30/3/2015.  <u>Pengkalan Bukit estate:</u> 1. Mechanical buffalo driving training dated 3/9/15. 2. Barn Owl Box replacement training dated 1/8/15. 3. Spraying technics training dated 14/7/15. 4. Safety & Health Re-fresher training dated 4/3/15. 5. Pruning Training dated 22/1/15. 6. P&D treatment Training dated 25/8/15.	Complied
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>		
<b>Criterion 5.1:</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -	Plans and impact assessments relating to environmental impacts based on documents as following: <ul style="list-style-type: none"> <li>• Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; Register</li> <li>• Appendix 5.4.1c - Environmental Aspect and Impact Identification form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-01/EAI</li> <li>• Appendix 5.4.1d – Environmental Impacts Evaluation form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-02/EIE</li> </ul>	Complied

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<p>5.1.2</p> <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance -</p>	<p>There is no change of current practices required to mitigate negative effects based on identified impacts for both the mill and estates. 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>Pagoh Mill: Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated on 13/7/2015. Neither any change to current operation nor new activity identified by the mill other than normal mill operation including weighbridge operation, process, maintenance, water and waste water treatment.</p> <p>Pagoh Estate– Environment Aspect and Impact Identification for various activities- construction work, compound, dispensary, field, harvesting and collection, main entrance, pest and disease control, petrol and diesel, power station, replanting, road, schedule waste store, workshop. Latest Environment Aspect and Impact Identification review was done on 13/7/2015.</p> <p>Pengkalan Bukit Estate: Environment Aspect and Impact Identification and Evaluation review was done on 1/10/2015. 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>	<p>Complied</p>

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<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>Pagoh mill: Monitoring plan was established based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling.</p> <p>Based on Sustainable Plantation Management System Appendix 10 Procedure for Mill Environmental Performance version 1, year 2008, issue no. 1, dated 1 October 2008. Uses the Mill Environmental Performance Review (Form A) Mill environmental monitoring records available/sighted:</p> <ul style="list-style-type: none"> <li>• Effluent monitoring records: Monthly Effluent Analysis Test Report no. EP485/2015 dated 11/9/2015 by Sime Darby Research Sdn. Bhd.; parameter monitored-: pH, Total Alkalinity, VFA, BOD, COD, TS, SS, VSS, TN, AN, O&amp;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 &lt;100mg/L were met as well as all parameters that were within allowable limit.</li> <li>• Boiler stack sampling records: Air Emission Monitoring for Boiler No. 1 on 22/4/2015 by PAC Testing &amp; Consulting Sdn. Bhd. (Report ref. # PAC-AE-150414; dated 6/5/2015). Result shown the stack emissions are within limit at 0.37 g/Nm<sup>3</sup> for particulates and 0.01 g/Nm<sup>3</sup> for NOx while not detected SOx.</li> <li>• Fume hood stack sampling records: Air Emission Monitoring for Fume Hood (Scrubber) No. 2 &amp; 3 on 7/9/2015 by PAC Testing &amp; Consulting Sdn. Bhd. (Report ref. # PAC-AE-150906; dated 13/10/2015). Result shown the stack emissions for both Fume Hood (Scrubber) No. 2 &amp; 3 are not detected with Solid Particles, Sulphuric Acid Mist, Chlorine Gas &amp; Hydrogen Chloride. The previous monitoring was done on 21/4/2015 also recorded no detection of all emission parameters.</li> <li>• Online scheduled waste inventory &amp; 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.</li> </ul> <p>It was noted that Sime Darby Plantation under its ESH unit are in the midst of revising its ESH monitoring protocols which also related to its sustainable operation of the mill and estates. It is expected that all operation units will be trained and implemented this revised monitoring protocols before the end of 2015.</p>	<p>Complied</p>
<p><b>Criterion 5.2:</b>  The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		

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5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	Complied

**Criterion 5.3:**

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

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<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.                      - Major compliance -</p>	<p>Waste sources have been identified accordingly by both the mill and estates. Documentation was done as a waste management plan which was being reviewed by respective operating units on annual basis.</p> <p>Visits made to Pagoh Mill together with Pagoh and Pengkalan Bukit 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.</p>	<p>Complied</p>
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly.                      - Major compliance -</p>	<p>Based on policy to reduce, reuse and recycle, the management of used chemicals and containers were done in accordance Scheduled Waste regulations.</p> <p>For estates, the empty pesticides container were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container.</p> <p>Stores for scheduled waste were inspected at audited sites in mill and estates and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p>	<p>Complied</p>

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<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.                      - Minor compliance -</p>	<p>Pagoh Mill:</p> <ul style="list-style-type: none"> <li>• Online scheduled waste inventory &amp; 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.</li> </ul> <p>Pagoh Estate:</p> <ul style="list-style-type: none"> <li>• Online scheduled waste inventory &amp; consignment – updated as of 28/10/2015 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal done on 27/4/2015, consignment # 001302-14 for SW 409, SW 410, SW 305 and SW 306 by Ranama Resource Sdn. Bhd. However record shown that the waste generated since the last disposal date was stored until the date of site visit which has exceed 180 days period. The waste labelling practices were also not complying with EQ (SW) Reg. 2005.</li> <li>• Inventory of clinical waste was recorded separately from other scheduled waste category. Latest Clinical Waste (SW 404) disposal was done on 28/9/2015 through Klinik Kesihatan Bukit Pasir and information recorded in Clinical Waste Record log book. However no consignment note available for the disposal of the clinical waste done on this six monthly basis.</li> </ul> <p>Pengkalan Bukit Estate:</p> <p>Online scheduled waste inventory &amp; consignment – updated as of 22/10/2015 where the quantity and storage period were within allowable limit. Latest Scheduled Waste disposal done on 16/10/2015, consignment # 0493 for SW 409, # 0492 (SW 305, SW 396, SW 410 and SW 409) by Ranama Resource Sdn. Bhd.</p> <p>Due to inconsistent implementation of waste management plan, the previous ASA1 minor NC was not effectively closed and escalated to major NC as per RSPO Certification System requirement.</p>	<p>Major Non-Compliance</p>
<p><b>Criterion 5.4:</b>                      Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

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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 national grid Supply (TNB) for electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis respectively. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available as following:            Pagoh Mill Electricity Generated &amp; Consumed (turbine)            = 24.91 kWh/mt FFB (Jul 14 –Jun 15)</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends. Domestic electricity was supplied by TNB while diesel was used for vehicles and machineries. Following diesel consumption was obtained during the site visit:            Pagoh Estate = 1.99liter/mt ffb (Jul 14 – June 15)            Pengkalan Bukit Estate = 2.19liter/mt ffb (Jul 14 – June 15)</p>	Complied
<b>Criterion 5.5:</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	<p>Zero burning within estate area has been implemented in Pagoh Estate and Pengkalan Bukit Estate as part of its pollution prevention plan. This was based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc.</p> <p>Furthermore, the Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in both Pagoh and Pengkalan Bukit estates field showed no evidence of open burning</p>	Complied
5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	<p>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 Pagoh and Pengkalan Bukit 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.</p>	Complied
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		



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Criterion / Indicator	Assessment Findings	Compliance
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Based on the assessment done by Pagoh Mill of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring of dust particulate. 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/Nm <sup>3</sup> for particulates and 0.01 g/Nm <sup>3</sup> for NOx while not detected SOx.	Complied
5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH <sub>4</sub> ) emission through POME treatment. The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond. Project arrangement handled by HQ and the project expected to complete the construction of the biogas plant by 2016.  Other less significant GHG emissions identified including CO <sub>x</sub> , SO <sub>x</sub> and NO <sub>x</sub> from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied
5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring of the GHG quantity was done through its custom GHG calculator where annual quantification of all GHG sources was input into the calculator. Default values of emissions factor Calculation of the GHG emissions were derived from publicly available sources including World Resource Institute and BioGrace. These calculations were done in HQ level where GHG calculations were done separately between the mill and estates. Reporting of the GHG to RSPO ERWG has been implemented since Jan 2015. Sampled of the reporting was as following:  Ref.: Email from Pn. Sabarinah (Head of RSPO & Certification Unit, Sime Darby Plantation Sdn. Bhd.)  Attention: RSPO ERWG; Date: 19/5/2015  Subject: Clarification on the Generic P&C as well as NI requirement – Seek confirmation on the use of Palm GHG while waiting for current method used to be endorsed by RSPO.	Complied

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

**Criterion 6.1:**

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



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Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	The Social Impact Re-Assessment was carried out on May 2015 with the participation of affected parties i.e stakeholders, estate management & staff, field workers, government agencies, neighbouring villagers and being internally reviewed on yearly basis as per recommendation. The Social & Environment Project Unit of PSQM department is responsible to perform the SIA assessment. The social action plan contains a time table with person responsible to manage and monitor each issues raised by stakeholders with timeframe for action.	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 team, 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 on the 5/7/15. 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. The issues such as portable drinking water dispenser at mill has been included in the budget 15/16 and pot holes on the road.	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 plans reviewed in July 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 Pagoh Certification Unit.	Complied
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	Documented consultation and communication procedures "Handling Social Issues" SOP dated 01 Nov 2008 was established and available.	Complied

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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
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	List of stakeholders updated and maintained. Records of meetings were maintained. The records are available in the Social Management Plan files at the respective operating units. Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, and 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
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled "Handling Land Disputes" SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders. Complied

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6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.4.1 above.  Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.  Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
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. Sample contract and payslip of workers (Employee No.: 11519, 114789, 11532, 47410, 88680, 11530 and 11521) found the paid wages were more than the agreed minimum wages and clearly stated the earnings and deductions.  Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Employment contract are available in languages understood by workers. Pay and conditions explained to workers by the operating units. Basic daily pay was verified to be in accordance with the new MAPA/NUPW agreement. Extended employment contract for foreign workers were not available for those extended their employment with the operating unit. <u>Pagoh estate:</u> Extended employment contract for the following employee were not available: i.) Passport Number AS 014147 (Employment contract expired on 4/5/2013) ii.) Passport Number K 0855695 (Employment contract expired on 25/6/2013) iii.) Passport Number AS 031811 (Employment contract expired on 9/11/2013) <u>Pengkalan Bukit estate:</u> Extended employment contract for the following employee were not available: iv.) Passport Number AR 604876 (Employment contract expired on 20/9/2013) v.) Passport Number AR 604738 (Employment contract expired on 20/9/2013) vi.) Passport Number AS 043471 (Employment contract expired on 18/3/2014)  Thus, Major nonconformity was raised.	Major Non-Compliance
6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance -	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. Grocery shop and food stalls are available at the neighbouring village which is located within walking distance.	Complied
<b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated January 2015.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Worker Union (NUPW) was formed by the workers. At mill, meeting with the management was conducted on 10/5/2015 attended by 5 union representatives including foreign workers representative. As for Pagoh estate, latest union meeting was done on 17/9/2015 attended by 13 workers.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.		

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Criterion / Indicator		Assessment Findings	Compliance
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
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
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 policy on equal opportunity available and displayed at the offices along with the other policies.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	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
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	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 -	Social and Humanity Management Policy dated January 2015 covers reproductive rights of all, especially of women was implemented through Gender committee. Latest gender committee meeting was held on 29/9/2015 attended by 6 members. Meeting minutes and interview with gender committee chairwoman found no harassment or violence issue was highlighted.	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

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	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
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	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
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	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
<b>Criterion 6.13:</b> Growers and millers respect human rights.			

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<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
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 -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	The 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. Foreign workers family is staying at their home country.	Complied
<p><b>Principle 7: Responsible development of new plantings</b>  <b>Pagoh Palm Oil Mill</b> Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. The immature area are replanted area.</p>			
<p><b>Principle 8: Commitment to continual improvement in key areas of activity</b></p>			
<p><b>Criterion 8.1:</b>          Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base.</li> </ul> <p>- Major compliance -</p>	<p>Pagoh Palm Oil Mill and supply base estates have carried out annual review of the environmental and social aspects of its operations to identify improvements. The Social Action Plan has continued to work towards improving stakeholder relationship through engagement and dialogue besides further improving the workers housing. Initiative on KAIZEN project at Pagoh Palm Oil Mill showed commitment towards continual improvement to improve plant safety and process performance.</p> <p>Pesticide use is limited to use only when there is outbreak and justified with census prior to application. IPM is continuously implemented as part of efforts to reduce pesticide usage. Paraquat is completely eliminated. Recycling awareness is progressively implemented and evidence of recycling was noted during the assessment.</p>	Complied



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

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

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



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7	Pemantang (PT. Teguh Sempurna)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
8	Alur Dumai (PT Lahan Tani Sakti)	Certified 2011	Rokan Hilir District – Riau
9	Teluk Bakau (PT. Bhumireksa Nusa Sejati)	Certified 2011	Indra Giri Hilir District – Riau
10	Mandah (PT. Bhumireksa Nusa Sejati)	Certified 2014	Indra Giri Hilir District – Riau
11	Angsana Mini (PT Sajang Heulang)	Certified 2011	Tanah Bumbu District – South Kalimantan
12	AngsanaPT Ladangrumpun Suburabadi	Certified 2011	Tanah Bumbu District – South Kalimantan
13	Mustika (PT Sajang Heulang)	Certified 2013	Tanah Bumbu District – South Kalimantan
14	Gunung Aru (PT Bersama Sejahtera Sakti)	Certified 2011	Kotabaru District – South Kalimantan
15	Bebunga (PT. Langgeng)	Certified 2011	Kotabaru District – South Kalimantan
16	Blang Simpo (PT Padang Palma Permai)	Certified 2013	Aceh Tamiang, Nangroe Aceh Darussalam
17	Pondok Labu (PT Paripurna Swakarsa)	Certified 2012	Kotabaru District – South Kalimantan
18	Selabak (PT Swadaya Andhika)	Certified 2012	Kotabaru District – South Kalimantan
19	Rantau (PT Laguna Mandiri)	Certified 2012	Kotabaru District – South Kalimantan
20	Betung (PT Laguna Mandiri)	Certified 2014	Kotabaru District – South Kalimantan
21	Ungkaya (PT Tamaco Graha Krida)	Certified 2012	Morowali District – Sulawesi Tengah
22	Ladang Panjang (PT Bahari Gembira Ria)	Certified 2012	Muaro Jambi District - Jambi
23	Rantau Panjang (PT Guthrie Pecconina Indonesia)	Certified 2012	Musi Banyuasin District – South Sumatera
24	MAS (PT Mitra Austral Sejahtera) The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Regular discussions is ongoing between Sime Darby Plantation and the project affected communities.	2016	<p><b>Sanggau District – West Kalimantan</b></p> <p>RSPO Certification Target Date for PT MAS</p> <ul style="list-style-type: none"> <li>- The target date for certification is by 2016. However, this is subject to the progress of the matter being resolved.</li> </ul> <p><b>Progress Update (As at end Oct 2015)</b></p> <ul style="list-style-type: none"> <li>- Regular discussion is ongoing between Sime Darby Plantation and the project affected communities (PAC) through bi-monthly Tim Kerja Perwakilan Petani (TKPP) meeting since November 2012.</li> <li>- In October 2013, representatives from two of nine villages (Kerunang and Entapang) left TKPP and backed by TuK and OXFAM. They have then requested SDP to enter into Dispute Settlement Facility (DSF) in June 2014.</li> <li>- Hence, there are two groups of PAC: 1) TKPP (7 of 9 villages) and 2) Kerunang &amp; Entapang (2 of 9 villages)</li> </ul> <p><b>Engagement with TKPP:</b></p> <ul style="list-style-type: none"> <li>- The most recent TKPP meeting was held on 16th October 2015. The meeting was on reviews on the current and planned CSR activities for the communities.</li> <li>- Engagement with Kerunang/ Entapang:</li> <li>- SDP visited the communities on 27 August 2014 to listen and have a better understanding on their requests</li> <li>- The subsequent meeting with the communities was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee (TKPP) meetings and will continue to engage directly with SD.</li> </ul> <p><b>Engagement with RSPO:</b></p> <ul style="list-style-type: none"> <li>- RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest report submitted to RSPO</li> </ul>

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

**Appendix C: RSPO Certificate Details**

Sime Darby Plantation Sdn. Bhd.  
 SOU 19 Management Unit (KKS Pagoh)  
 Lot 2159, Ladang Pagoh, Mukim Jalan Bakri,  
 84309 Muar, Johor,  
 MALAYSIA

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

BSI RSPO Certificate No: SPO 600305

Date of Initial Certificate Issued: 28/01/2014

Certificate Expiry Date: 27/01/2019

Applicable Standards: RSPO P&C MYNI 2014; RSPO Certification System June 2007 (revised March 2011); RSPO Supply Chain Certification Standard 21 November 2014 Module D - CPO Mills: Identity Preserved

Sakilan Palm Oil Mill and Supply Base					
Location Address	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia.				
GPS Location	Longitude: 102° 43' 15" E, Latitude: 2° 4' 58" N				
CPO Tonnage Total	45,101 mt				
PK Tonnage Total	10,224 mt				
CPO Claimed for Certification	45,101 mt				
PK Claimed for Certification	10,224 mt				
Own estates FFB Tonnage	161,749 mt				
Scheme Smallholder FFB Tonnage	-				
*Other adjacent estates (certified FFB)	38,713 mt				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Lanadron Estate	2,299.43	251.98	299.51	2,850.92	51,094
Pengkalan Bukit Estate	2,464.61	519.90	172.37	3,156.88	59,279
Welch Estate	576.20	0.00	871.62	1,447.82	12,000
Pagoh Estate	1,394.04	593.98	337.91	2,325.93	39,376
Total	6,734.28	1,365.86	1,681.41	9,781.55	161,749

\* From Group certified estates (SOU 16, 17 & 18)

**Appendix D: Assessment Plan**

PRELIMINARY AGENDA					
Date	Time	Subjects	Hidhir	Hafri	Muhd Haris
Monday 26/10/2015	PM	Audit Team travelling to the site.	√	√	√
Tuesday 27/10/2015  <b>Pagoh Palm Oil Mill</b>	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).</li> </ul>	√	√	√
	09.00 – 12.00	<b>Pagoh Palm Oil Mill</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	<b>Pagoh Palm Oil Mill:</b> Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30-17.00	Interim Closing briefing.	√	√	√
Wednesday 28/10/2015	08.30 – 12.00	<b>Pagoh Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	08.30 – 12.00	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	<b>Pagoh Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Interim Closing Briefing	√	√	√
Thursday 29/10/2015	8.30 – 12.00	<b>Pengkalan Bukit Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√

PRELIMINARY AGENDA					
Date	Time	Subjects	Hidhir	Hafri	Muhd Haris
	13.00 – 16.30	<b>Pengkalan Bukit Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30-17.00	Verify any outstanding issues & Preparation for closing meeting`	√	√	√
Friday 30/10/2015	AM	Travelling back to KL	√	√	√

**Appendix E: Stakeholders Contacted**

<p>Internal Stakeholders  Managers and Assistants  Male Mill Staff/Workers  Foreman  Female Mill Staff/Workers  Weighbridge Clerk  Foreign Worker  Field workers  Male and Female Estate workers  Hospital Assistant  Lab Assistant  Effluent Treatment Plant operator  Union Representatives  Gender Committee Representative  Boiler operators  Engine room operators  Store clerk  Staff and Workers at workshop</p>	<p>External Stakeholders  Contractors  Mosque Committee Paya Panjang  Seri Menanti Village Representative  General Supplier  Head of the Villages</p>
<p>Government Departments  School Headmaster – SJK(C) Kim Kee</p>	<p>Workers Union and Representative (NUPW)  Foreign Workers Representative  AMESU Secretary, Malacca</p>

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

Requirements	Compliance
<b>D.1. Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Pagoh Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>D.3 Documented procedures</b>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>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.</li> </ul>	<p>Latest written documented procedures (RSPO SCCS v.2 Year 2014) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Pagoh Palm Oil Mill. Further revision noted on procedure, SD/SSDP/PSQM/001, rev:0 dated 1/3/15 has yet to be approved for the SCCS procedure to incorporate latest changes internally and externally.</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>Pagoh Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBs.</p>
<b>D.4 Purchasing and goods in</b>	



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<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. Pagoh mill have system to verify at the weighbridge.  Sample of weighbridge ticket :</p> <p><b>SOU 16 (Kempas Estate)</b>  Code : E-024, date:14/6/15, WB ticket# 81411, Field 1992A2, 1995B1 and 1995C2 (A crop)</p> <p><b>SOU 18 (Bukit Asahan Estate)</b>  Code : E-264, date:16/12/14, WB ticket# 75127, Field 2003C &amp; 2006A (A crop)</p> <p><b>SOU 17 (Tangkah Estate)</b>  Code : E-129, date 21/6/15, WB ticket# 81837, Field 06B1(A crop)</p>
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The facilities aware of this procedure and stated in the.</p>
<p><b>D.5 Record keeping</b></p>	
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>All the inventory records are maintained and updated on daily basis and monthly and reported on monthly and 3 monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Pagoh Palm Oil mill. PK is sold to Sime Darby's Kernel Crushing Plant and also other 3<sup>rd</sup> party KCP. CPO sold to Sime Darby's owned refineries (SDP Nuri, SDP Joma) and the other 3<sup>rd</sup> party buyer. Daily records are prepared at the entry point at the weighbridge.</p> <p>Sample of CPO contract and WB ticket:  June 2015 – S/C-PSD/1506/CPO0664 (SDP Nuri)  Date: 2/6/15, Lorry: JKA6771, WB ticket# 006650, weight; 40.62mt.</p> <p>June 2015 – S/C-PS/1506/CPO0707 (SDP JOMA Refinery)  Date: 3/6/15, Lorry: JLQ107, WB ticket# 006657, weight; 41.38mt.</p> <p>Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.</p>
<p><b>D.6 Processing</b></p>	
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing. There is a possibility that the mill will receive Certified FFB from other Sime Darby's Certified Estate which was certified under SOU 18 (SPO 591224 valid until 4/10/16), SOU17 (RSPO 005 valid until 19/5/20) and SOU16 (RSPO 928188 valid until 6/7/16). This will be further verified during next surveillance assessment if such cases occurred and observed. No non-certified FFB received.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>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.</p>

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**Actual Tonnage Certified Palm Production – 01 October 2014 – 30 September 2015 (ASA1)**

Mill	Capacity	CPO	PK
Pagoh Palm Oil Mill	45 mt/hr	37,661.70	9,357.37

**Actual Tonnage Sales of Certified Palm Products - 01 October 2014 – 30 September 2015 (ASA1)**

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Pagoh Palm Oil Mill	23,750	1,024.11	E-trace transaction

**Actual Tonnage Certified FFB Received Monthly - 01 October 2014 – 30 September 2015 (ASA1)**

Month	Lanadron Estate	Pengkalan Bukit Estate	Welch Estate	Pagoh Estate	Other certified estates	Total FFB/month
Oct. 2014	5,268.55	5,108.55	1,398.73	3,041.82	40.51	14,858.16
Nov. 2014	4,065.52	3,950.56	901.01	2,566.82	0	11,483.91
Dec. 2014	3,006.30	2,752.41	626.51	2,062.43	1,925.04	10,372.69
Jan 2015	3,024.01	2,465.64	467.76	1,909.93	0	7,867.34
Feb 2015	4,220.19	3,586.97	635.90	2,682.76	0	11,125.82
Mar 2015	3,623.57	2,876.96	476.26	2,044.50	324.18	9,345.47
Apr 2015	5,556.68	5,454.58	936.83	3,398.33	2,047.54	17,393.96
May 2015	5,741.31	5,767.77	914.10	3,907.08	2,762.61	19,092.87
June 2015	5,964.44	5,511.85	807.25	3,721.17	5046	21,050.71
July 2015	6,213.11	6,079.32	1,179.54	3,618.38	1,742.36	18,832.71
Aug 2015	4,309.85	4,457.95	1,529.89	2,494.01	3,475.90	1,6267.6
Sept 2015	5,168.95	5,582.66	1,609.18	2,606.80	3,926.84	18,894.43
Total	56,162.48	53,595.22	11,482.96	34,054.03	21,290.98	176,585.67

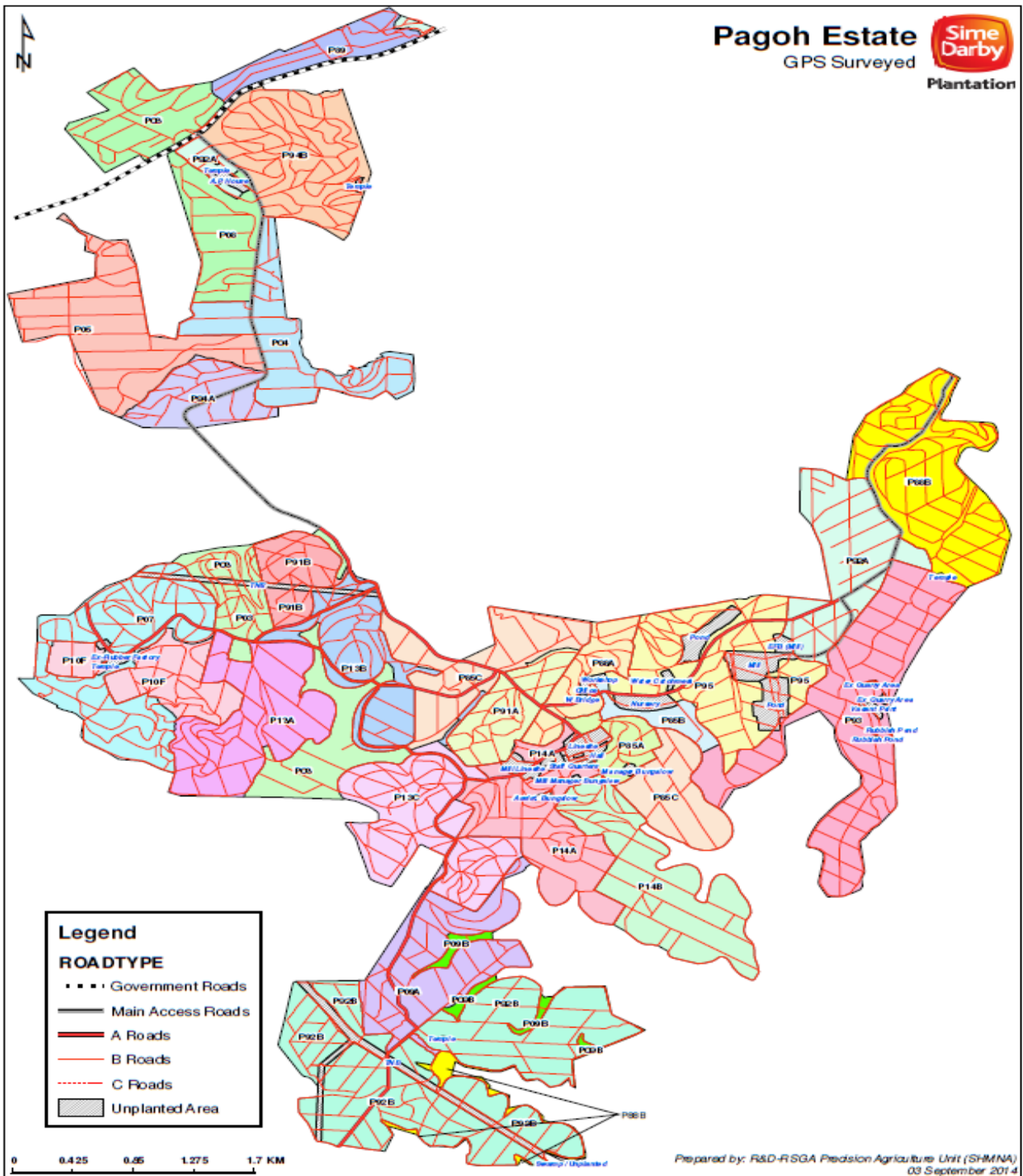
\*Certified FFB received from Group's certified estates/operating units (SOU 16, 17 & 18).

Diamond Jubilee (SOU18 Estate): cert# SPO 591224 Valid until 4/10/2016

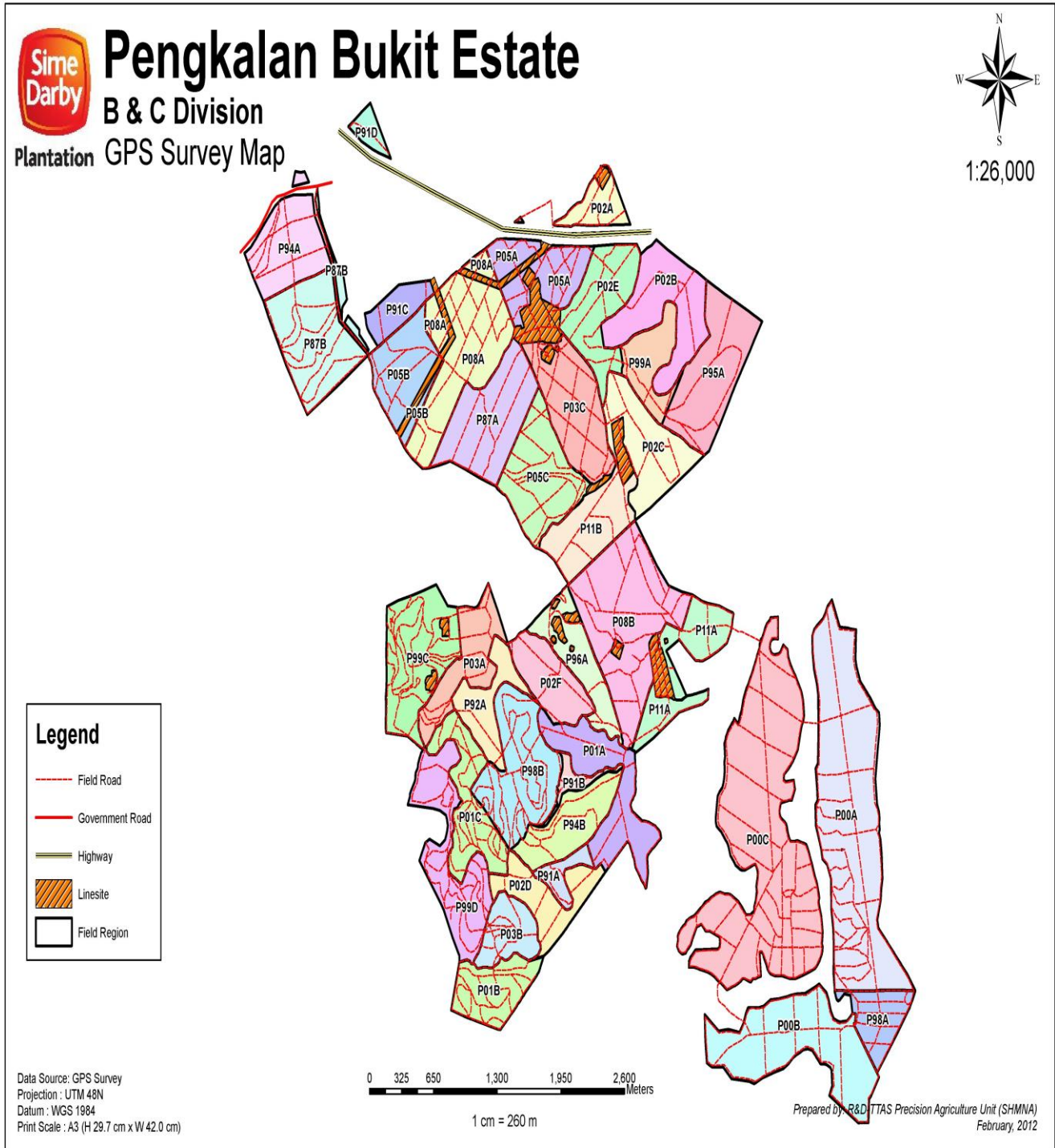
Kempas (SOU17 Estate): cert# RSPO 005 Valid until 19/5/2020

Kok Foh (SOU16 Estate): cert# RSPO 928188 Valid until 6/7/2016

**Appendix G: Pagoh Field Map**



**Appendix H: Pengkalan Bukit Field Map**



**Appendix I: List of Abbreviations Used**

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
PPE	Personal Protective Equipment
RC	Re-Certification
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
SOU19	Pagoh Palm Oil Mill and Supply Base
TNB	Tenaga Nasional Berhad