

SIME DARBY PLANTATION SDN BHD

RSPO Membership No: 1-0008-04-000-00

PLANTATION MANAGEMENT UNIT

SOU 21 Gunung Mas Grouping

Kluang, Paloh & Yong Peng, Johor, Malaysia



Valued Quality. Delivered.

Assessment Report

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INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R2018/09-8 Sime Darby Plantation Sdn Bhd, SOU 21 Gunung Mas Grouping
Verification cum Surveillance Assessment (ASA-02)

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**VERIFICATION CUM SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

SIME DARBY PLANTATION SDN BHD

RSPO Membership No: 1-0008-04-000-00

PLANTATION MANAGEMENT UNIT
SOU 21 Gunung Mas Grouping
Kluang, Paloh & Yong Peng, Johor, Malaysia

Certificate No:

Original Issue Date:

New Issue date:

Expiry date:

RSPO 901888

19 May 2010

19 May 2017

18 May 2020

Assessment Type

Re-Certification

Annual Surveillance Assessment (ASA-01)

Verification cum Annual Surveillance

Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Assessment Dates

20 - 24 Apr 2015

22 - 25 Feb 2016

20 - 23 Feb 2017

Intertek Certification International Sdn Bhd

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Verification cum Surveillance Assessment (ASA-02) was conducted on the Plantation Management Unit (PMU) Gunung Mas Grouping of Sime Darby Plantation Sdn Bhd (hereafter abbreviated as SDPSB), from 20-23 Feb 2017, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.

The Verification Assessment was conducted together with the Annual Surveillance Assessment due to the findings raised by ASI during the Compliance Audit on 17-21 Oct 2016. This combined Assessment was conducted against the full set of RSPO Requirements and Standards. Details of the outcomes of the verification on ASI Compliance Audit are included in Appendix F of this report.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned and/or managed by SDPSB.

1.2 Location (address, GPS and map) of palm oil mill and estates

Gunung Mas Grouping consists of 1 palm oil mill, namely Gunung Mas Palm Oil Mill and 4 estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in **Appendix C**.

Table 1: Address of Palm Oil Mill, Estates and GPS Location

Name	Address	GPS Reference	
		Latitude	Longitude
Gunung Mas Palm Oil Mill (POM capacity: 60 MT/hr.)	KKS Gunung Mas, K/B No. 524, 86009 Kluang, Johor, West Malaysia.	2.344° N	103.138° E
Gunung Mas Estate	Ladang Gunung Mas, K/B No. 512, 86009 Kluang, Johor, West Malaysia.	2.248° N	103.149° E
Kempas Klebang Estate	Ladang Kempas Klebang, K/B No 105, 86009 Paloh, Johor, West Malaysia.	2.218° N	103.172° E
Bukit Paloh Estate	Ladang Bukit Paloh, K/B No 107, 86009 Paloh, Johor, West Malaysia.	2.140° N	103.175° E
Yong Peng Estate	Ladang Yong Peng, 83700 Yong Peng, Johor, West Malaysia.	2.085° N	103.143° E

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1.3 Description of supply base (fruit sources)

The supply base, i.e. FFB sources to the POM at Gunung Mas Grouping PMU, are from the abovementioned 4 estates and other certified estates of SDPSB. Verification done on site during the Assessment confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said PMU.

Details of the planted hectareage for the FFB supply to the PMU are as shown in Table 2 below.

Table 2: Estate Area Summary

Estate	Area Summary (ha) – FY2015 / 2016		Area Summary (ha) – FY2016 / 2017	
	Certified (Titled) Area	Planted Area	Certified (Titled) Area	Planted Area
Gunung Mas Estate	3,472.70	2,981.88	3,472.70	2,981.88
Kempas Klebang Estate	2,473.50	2,263.43	2,473.50	2,263.43
Bukit Paloh Estate	3,082.83	2,750.34	3,082.83	2,750.69
Yong Peng Estate	3,381.23	3,154.59	3,381.23	2,423.81
Total:	12,410.26	11,150.24	12,410.26	10,419.81

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including HCV areas marked out at the estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

1.4 Summary of plantings and cycle

The 4 estates been developed beginning from 1987 and the latest being from 2012 (re-planting) and are all currently in the 1st and 2nd cycle of planting for the Oil Palms. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm FY 2016 / 2017

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
Gunung Mas Estate	2009 – 2015 1987 - 2008	2 nd cycle 1 st cycle	2,177.27	804.61
Kempas Klebang Estate	2014- 2016 1991-2005	2 nd cycle 1 st cycle	1,938.79	324.64
Bukit Paloh Estate	2009 – 2016 1987 - 2008	2 nd cycle 1 st cycle	2,345.11	405.58
Yong Peng Estate	1993-2011	2 nd cycle	2,423.81	-
		Total	8,884.98	1,534.83

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1.5 Summary of Land Use - Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in the PMU during this assessment is as shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	FY2015 / 2016 (ASA-01) Hectarage – Ha	FY2016 / 2017 (ASA-02) Hectarage – Ha
1	Planted Area (ha) – Oil Palm		
	• Mature	10,247.69	8,884.98
	• Immature	902.55	1,534.83
2	Conservation Area (ha)		
	• comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	58.66	58.66
3	HCV Area (ha)		
	• comprising buffer zones near forest reserves, rivers, water catchments, burial & religious sites	70.45	70.45

1.6 Other certifications held and Use of RSPO Trademarks

Presently the POM holds valid OHSAS 18001 and 5 S certifications for the Palm Oil Mill. The RSPO's trademarks and logo are not being used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

1.7 Organizational information / Contact Person

At Head Office:

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Head, Sustainability Unit
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At SOU 21 Gunung Mas Grouping:

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1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Gunung Mas Grouping based on the reporting period for FY 2015 / 2016 are as shown in Table 5 below:

Table 5: Tonnages Verified for Certification (Reporting period 01 Jul 2015 until 30 Jun 2016)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Mill	Certified By
1.	Gunung Mas Estate	44,217.86	Gunung Mas POM	Intertek
2.	Kempas Klebang Estate	44,835.46	Gunung Mas POM	Intertek
3.	Bukit Paloh Estate	51,604.42	Gunung Mas POM	Intertek
4.	Yong Peng Estate	48,372.84	Gunung Mas POM	Intertek
	Sub-total from SOU 21 Gunung Mas PMU own estates	189,030.58		
5.	CEP Niyor	8,231.15	Bukit Benut POM	CUC
6.	CEP Rengam	380.00	Hadapan POM	CUC
7.	Chaah Estate	1,541.23	Chaah POM	BSI
8.	Sg. Gemas	34.20	Kok Foh POM	TUV
9.	Lambak/Elaeis	580.21	Bukit Benut POM	CUC
10.	North Labis	9,225.13	Chaah POM	BSI
11.	Muar River	69.490	Kok Foh POM	TUV
12.	Spg. Kiri	739.710	Chaah POM	BSI
	Sub-total from other certified SDPSB PMUs estates	20,801.12		
	Grand total	209,831.70		

1.8.2 Total annual tonnages of FFB supplied from the supply base to Gunung Mas Grouping POM during the previous period, current assessment and projected period are as shown in Table 6 below:

Table 6: FFB Processed by POM for 3-Years Reporting Period

Estate / Supplier	FFB Processed in (Jul 2015 – Jun 2016) - Actual		FFB Processed for (Jul 2016 – Jun 2017) - Actual & Projected		FFB Processed in (Jul 2017 – Jun 2018) - Projected	
	MT	%	MT	%	MT	%
SOU 21 Gunung Mas grouping	189,030.58	90.09	193,215.08	82.59	184,824.08	100.00
Other certified SDPSB PMUs estates	20,801.12	9.91	40,732.90	17.41	0	0
Total	209,831.70	100.00	233,947.98	100.00	184,824.08	100.00
SCCS Model for POM	IP		IP		IP	

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1.8.3 The annual certified tonnages of CPO and PK production by the PMU from the supply base/suppliers as assessed and verified during the current assessment are detailed as shown in Table 7 below:

Table 7: Total Certified Tonnages of CPO and PK for 3-Years Reporting Period

POM	FY2015/2016 – Actual		FY2016/2017 – Actual & Projected		FY2017/2018 - Projected	
Total certified FFB Processed (MT)	209,831.70		233,947.98		184,824.08	
Total certified CPO Production (MT)	45,702.974	OER: 21.78	49,596.97	OER: 21.2	39,737.18	OER: 21.50
Total certified PK Production (MT)	12,052.981	KER: 5.74	12,867.14	KER: 5.50	10,165.32	KER: 5.50

Note: The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill and was verified to be adopting the **'Identity Preserved – IP'** module in accordance with the RSPO Supply Chain Certification Standard (Nov 2014) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section.3.1.1**. The POM meets all the requirements for the IP Module.

1.9 Time Bound Plan

SDPSB Group operates 34 and 25 palm oil mills in Malaysia and Indonesia respectively with 200 oil palm estates. The organization is a member of RSPO since 08 Sep 2004 and has been taking an active role in the RSPO certification.

SDPSB had reviewed their Time Bound Plan (TBP) from time to time and had submitted a positive assurance statement to assure its commitment to continued compliance with RSPO requirements for all its certified and non-certified units.

Reference source:

- 1) RSPO: Annual Communication of Progress (ACOP) – 2015 by SDPSB
http://www.rspo.org/members/acop/search?name=Sime+Darby&member_type=Ordinary&member_category2=opg&acopyear=20142
<http://www.rspo.org/file/acop2014b/submissions/sime%20darby%20plantation%20sdn%20bhd-ACOP2015.pdf>
- 2) RSPO Complaints and Case Tracking
<http://www.rspo.org/members/status-of-complaints?keywords=sime+darby&country=&category=>
<http://www.rspo.org/members/complaints/status-of-complaints/view/29>
<http://www.rspo.org/members/complaints/status-of-complaints/view/46>

Based on Intertek's review on the progress made to-date, SDPSB is considered to have maintained its commitment under the 4.2.4 Partial certification requirements to ensure that there were no significant land conflicts, no replacement of primary forest or any area containing HCVs since Nov 2005, no labour disputes that are not being resolved through an agreed process, no evidence of non-compliance with law in any of the non-certified units.

SDPSB had also updated its declaration on the one (1) plantation unit in Indonesia which has social and land dispute issues and the progress of resolution is still ongoing. These have been reviewed and updated in the Time Bound Plan as submitted by SDPSB.

Details of the present status of the Time Bound Plan as submitted by SDPSB are in **Appendix E**.

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1.10 Abbreviations Used

CB	Certification Body	LTA	Lost Time Accidents
CHRA	Chemical Health & Risk Assessment	Intertek	Intertek Certification International Sdn Bhd
CPO	Crude Palm Oil	MSDS	Material Safety Data Sheets
CSDS	Chemical Safety Data Sheets	MTCS	Malaysia Timber Certification Scheme
CSPO	Certified Sustainable Palm Oil	NCR	Non-Conformance Report
CSPK	Certified Sustainable Palm Kernel	NGO	Non-Government Organization
EFB	Empty Fruit Bunch	OER	Oil Extraction Rate
EHS	Environmental Health & Safety	OHS	Occupational Health & Safety
EIA	Environmental Impact Assessment	PEFC	Programme for the Endorsement of Forest Certification
ETP	Effluent Treatment Plant	PK	Palm Kernel
FFB	Fresh Fruit Bunch	PMU	Plantation Management Unit
GAP	Good Agriculture Practice	POM	Palm Oil Mill
HCV	High Conservation Values	POME	Palm Oil Mill Effluent
IPM	Integrated Pest Management	PPE	Personal Protective Equipment
ISCC	International Sustainability & Carbon Certification	SCCS	Supply Chain Certification Standard
IUCN	International Union for Conservation of Nature	SDPSB	Sime Darby Plantation Sdn Bhd
KER	Kernel Extraction Rate	SOP	Standard Operating Procedures

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 14 Jan 2017, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on Gunung Mas Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 20-23 Feb 2017, the Assessment Team conducted the assessment in which 2 out of the 4 estates of Gunung Mas Grouping namely the Gunung Mas Estate and Bukit Paloh Estate, as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Gunung Mas Grouping POM was also assessed against the requirements of RSPO Supply Chain Certification Standard (Nov 2014) for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for the 'Identity Preserved' - IP Module requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel prior to the approval of this report and decision on continued certification by Intertek.

2.2 Date of next scheduled visit

The next scheduled visit will be the next Annual Surveillance Assessment which will be carried out within a 12-month period of the certificate anniversary date.

2.3 Qualifications of the Lead Assessor and Assessment Team

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

2.4 Certification Body

Intertek Certification International Sdn Bhd [formerly known as Moody International Certification (Malaysia) Sdn Bhd] is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of-Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

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2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO, SDPSB and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies, NGOs, suppliers and contractors.

Details on stakeholders' feedback, PMU response and Intertek verification / comments are provided in **section 3.3**.

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

1. Department of Lands And Mines (Kuala Lumpur)
2. Department of Environment (Kuala Lumpur)
3. Department of Forestry Peninsular Malaysia (Kuala Lumpur)
4. Department of Immigration (Kuala Lumpur)
5. Department of Irrigation & Drainage (Kuala Lumpur)
6. Department of Labour (Kuala Lumpur)
7. Department of Occupational Safety & Health (Kuala Lumpur)
8. Department of Orang Asli Affairs (Kuala Lumpur)
9. Department of Wildlife & National Parks (Kuala Lumpur)
10. Department of Environment Johor
11. Department of Forestry Johor
12. Department of Immigration Johor
13. Department of Irrigation & Drainage Johor
14. Department of Labour Johor
15. Department of Occupational Safety & Health Johor
16. Department of Wildlife & National Parks Johor
17. Land and Mines Office Johor
18. Pertubuhan Keselamatan Sosial (PERKESO-SOCOSO)
19. Pejabat Tenaga Kerja (PTK), Johor

Statutory Bodies (by emails)

20. Malaysian Palm Oil Board (MPOB) - HQ
21. Malaysian Palm Oil Board (MPOB) - Northern Region
22. Malaysian Palm Oil Board (MPOB) - Central Region
23. Malaysian Palm Oil Board (MPOB) - Southern Region
24. Malaysian Palm Oil Board (MPOB) - Eastern Region
25. Malaysian Palm Oil Board (MPOB) - Sarawak Region
26. Malaysian Palm Oil Board (MPOB) - Sabah Region
27. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
28. National Union of Plantation Workers (NUPW)
29. Malayan Agricultural Producers Association (MAPA) – HQ
30. Malayan Agricultural Producers Association (MAPA) – Southern Region
31. UNION – AMESU

NGOs and others (by emails)

32. All Women's Action Society (AWAM)
33. BCSDM - Business Council for Sustainable Development in Malaysia
34. Borneo Child Aid Society (Humana)
35. Borneo Resources Institute Malaysia (BRIMAS)
36. Borneo Rhino Alliance (BORA)
37. Center for Orang Asli Concerns COAC
38. Centre for Environment, Technology and Development, Malaysia – CETDEM
39. EcoKnights
40. ENO Asia Environment
41. Environmental Protection Society Malaysia (EPSM)

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42. Friends of the Earth, Malaysia
43. Global Environment Centre
44. HUTAN - Kinabatangan Orang-utan Conservation Programme
45. JUST - International Movement for a Just World
46. Malaysian CropLife & Public Health Association (MCPA)
47. Malaysian Environmental NGOs – MENGO
48. Malaysian National Animal Welfare Foundation – MNAWF
49. Malaysian Plant Protection Society (MAPPS)
50. National Council of Welfare & Social Development Malaysia – NCWSDM
51. Partners of Community Organisations (PACOS)
52. Pesticide Action Network Asia and the Pacific (PAN AP)
53. Proforest - South East Asia Regional Office
54. R.E.A.C.H. – Regional Environmental Awareness Cameron Highlands
55. Sabah Wetlands Conservation Society (SWCS)
56. SEPA – Sabah Environmental Protection Association
57. SUARAM – Suara Rakyat Malaysia
58. SUHAKAM – National Human rights Society – Persatuan Kebangsaan Hak Asasi Manusia
59. Tenaganita Sdn Bhd
60. TRAFFIC – the wildlife trade monitoring network
61. Transparency International – Malaysian Chapter
62. Treat Every Environment Special Sdn Bhd (TrEES)
63. United Nations Development Programme – UNDP Malaysia
64. Wetlands International (Malaysia)
65. Wild Asia Sdn Bhd
66. World Wide Fund (WWF) - HQ

Local community (On-site interviews)

67. Consultative Committee & Gender representatives
68. Workers & Workers representatives
69. Village Heads & representatives
70. Suppliers & Contractors representatives

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance	The PMU had established and implemented the following documented procedures for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making: (1) Standard Operating Procedure (SOP) Appendix 5 “Handling Social Issues” (2) Standard Operation Manual (SOM) Appendix 5.5.3.2 “Procedure for External Communication” The mill and estate management have responded effectively and constructively to queries/requests from their stakeholders. This was evident from records of meetings and correspondences with stakeholders (such as local authorities, union committees and local community leaders) maintained for FY Jul 2016-Jun 2017. Date of public notification of this assessment of the PMU was made on 14 Jan 2017.	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	The PMU had established and maintained an updated list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, neighbouring estates, etc. The POM and estates have conducted their annual stakeholders’ consultations between 11 Jan and 13 Feb 2017. Records of feedback, requests and responses have been suitably maintained. No negative remarks or complaints/grievances were found.	Complied
Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance	SDPSB’s policies were effectively displayed on notice boards and at accessible locations at the mill and estates offices. Policies are available in English and Bahasa Malaysia. Management documents that are available to the public includes: <ul style="list-style-type: none"> - land titles/user rights, - occupational health and safety plan, - assessments relating to environment and social impacts, - pollution prevention plans, - details of complaints & grievances, - negotiation procedures - continuous improvement plans - Public summary of certification assessment report 	Complied

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	<p>These publicly available documents include key indicators of performance like environmental pollution and waste management, corporate social responsibility action plans for the mill and estates. Continual Improvement Action Plans include targets for yield improvement, oil extraction rate and waste reduction.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Land titles/user rights have been maintained adequately. No outstanding issues have arisen since the previous audit.</p> <p>Copies of all land titles were available and have been maintained at the mill and respective estates. Original copies are maintained at the HQ.</p>	Complied
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Policy and HIRAC documented for the mill and estates. The HIRAC was also reviewed for the mill and estates.</p> <p>Environment, Safety and Health (ESH) Plan have been established and progressively implemented for FY 2016/2017. The OSH Plan is part of the ESH Plan.</p> <p>The ESH Plan includes the establishment and implementation of CHRA, medical surveillance, Fire Drill training, First Aid training, Audiometric test, PPE training, etc.</p> <p>POM has conducted the Emergency Preparedness (ERP).</p> <p>Safety Committee meetings held quarterly for year 2016.</p> <p>Programmes for protecting workers' health and safety were reviewed and satisfactorily implemented.</p>	Complied
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental Aspect and Impact Assessment conducted for the POM and estates and significant aspects identified.</p> <p>Social Impact Assessment carried out for the POM and estates. Positive and negative impacts documented.</p> <p>Management plans for social and environmental impacts assessment have been reviewed, continually implemented and monitored for FY 2016/2017.</p>	Complied
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>The HCV Identification and Assessment was originally conducted in Jan 2009 and documented as the Biodiversity Baseline Assessment Report.</p> <p>The HCV Re-Assessment for SOU 21 had been conducted by the PSQM Department of SDPSB and Final Report (version II) dated Apr 2015.</p> <p>It was verified that the Management Action Plans for HCV and Conservation areas were being reviewed (including changes where needed), implemented and monitored at the respective estates.</p>	Complied
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Plans established for FY 2016/2017 include measures for pollution control (smoke emission, effluent discharge), schedule wastes (used lubricants, empty pesticides containers, used batteries, tires), clinical waste and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron) and pesticides reduction.</p>	Complied
<ul style="list-style-type: none"> • Details of complaints and grievances (Criterion 6.3); 	<p>Details of complaints and grievances for FY 2016/2017 have been addressed in the stakeholders meetings.</p> <p>Records of complaints/enquiries from internal and external stakeholders were maintained. Actions found to be appropriately implemented and recorded.</p> <p>As to date, the PMU did not receive any complaints from any external stakeholders.</p>	Complied

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	Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.	
• Negotiation procedures (Criterion 6.4);	Negotiation SOP – App 3 of Sime Darby Plantation Quality Management System Manual had been documented. Current document in the SDP MS Manual is dated 01 Nov 2008.	Complied
• Continual improvement plans (Criterion 8.1);	Continual Improvements Plans have been established for social, safety & health, environmental impacts, pollution prevention in the mill and estate operations for FY 2016/2017.	Complied
• Public summary of certification assessment report;	Public summary of certification assessment reports and their status are made publicly available as per usual RSPO procedure.	Complied
• Human Rights Policy (Criterion 6.13).	The Human Rights Policy has been documented and communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates.	Complied
Criterion 1.3		
Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	The Policy of commitment to a Code of Ethical Conduct and Integrity has been documented and signed by the President and Group CEO of SDPSB and communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates. There is a booklet containing details of the Code of Ethics for employees of SDPSB Group of Companies.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	The PMU has a Legal Register containing the applicable local and international laws and regulations. Compliance to each law and regulation is monitored by the PMU. The relevant legislations identified and listed cover safety and health, environment, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities. Based on the site observations, interviews and records checking at the field and mill, there was evidence of compliance with the relevant laws, regulations, local and international laws at the PMU. There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities filed and up to date. Licenses and permits were monitored for their expiry dates and found to be renewed. Examples verified were: License for Foreign Workers Employment, Workers Wages Deduction Permit, License for Controlled	Complied

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	<p>Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, Insurance for foreign workers in estates.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester (ACT), authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994: Safety and health meetings conducted at quarterly intervals. Noise Monitoring Report is available.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The PMU has established and implemented a documented system for identifying, determining, reviewing and updating applicable legal and other requirements. It included the listing of laws and regulations that were being monitored for changes and reference.</p>	<p>Complied</p>
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</p>	<p>Evaluation of legal requirements and the PMU compliance status to each legal requirement is monitored continuously. Latest evaluation was conducted on 03/01/2017.</p> <p>No licenses or permits found to be invalid or expired during the audit.</p>	<p>Complied</p>
<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>The Sustainability Team from SDPSB supports the PMU to ensure all applicable laws including international and ratified conventions applicable in Malaysia to their operations are listed and updated in their Legal Register. The PMU also track the changes in legal requirements.</p>	<p>Complied</p>
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance</p>	<p>Copies of the land titles of the respective estates were maintained and found to be in proper order. The original copies are maintained by the Corporate Head Office.</p> <p>Land titles were verified including payment of land tax during the audit. Land ownership or lease found to be in order. There is no change in the land ownership since the last assessment.</p> <p>The legal use of the land was confirmed for the cultivation of oil palms and agricultural use.</p>	<p>Complied</p>

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<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance</p>	<p>Locations of several boundary stones and pole markers were visited and verified to be within the boundary parameters of the estates. Demarcation was also evidenced by the dug up trenches and drains which were adjacent to neighboring estates.</p>	<p>Complied</p>
<p>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</p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not applied.</p>	<p>Not applicable</p>
<p>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</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and there is no land conflict.</p>	<p>Complied</p>
<p>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 and relevant authorities where applicable). Minor Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and there is no land conflict. Therefore participatory mapping is not required.</p>	<p>Not applicable</p>
<p>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</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area. No conflict or dispute over the lands in the PMU. No incident of violence being instigated in their current and planned operations.</p>	<p>Complied</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>

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<p>2.3.1 Maps of an appropriate scale showing the extent of recognised 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).</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area.</p> <p>The existing estates are not encumbered by any customary land rights and there is no land conflict. Therefore participatory mapping is not required.</p>	<p style="text-align: center;">Complied</p>
<p>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:</p> <p>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;</p> <p>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;</p> <p>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.</p> <p>Minor Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area.</p> <p>No conflict or dispute over the lands in the PMU.</p> <p>There is no infringement of any legal rights that require free, prior and informed consent (FPIC).</p>	<p style="text-align: center;">Complied</p>
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area.</p> <p>No conflict or dispute over the lands in the PMU. As such, this process is not available for verification.</p>	<p style="text-align: center;">Not applicable</p>

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<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by SDPSB and no other users were identified in the land area. No conflict or dispute over the lands in the PMU. As such, this process is not available for verification.</p>	<p>Not applicable</p>
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Principle 3: Commitment to long-term Economic & Financial Viability

Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.														
Indicators	Findings and Objective Evidence	Compliance												
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Palm Oil Mill had documented Business / Management Plan for the current FY 2016/2017 and the next three (3) years with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Capital Expenditure, Cost of labour & services, cost of supplies and equipment, depreciation costs, salary costs, management costs, cost of materials, etc. <p>The estates have Business / Management Plan for the current FY 2016/2017 and the next four (4) years with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Replanting program (planting materials DxP seedling); (2) Crop projection = FFB yield/ha trends; (3) Cost of Production = Cost/MT FFB trends; (4) Forecast prices; (5) Financial indicators = Capital Expenditure, Cost of labour, cost of facilities, cost of materials, etc. <p>Crop and operation budget cover weeding, manuring, harvesting, collection and transporting, pruning, drains and roads.</p> <p>The budgets also include provisions for sustainability efforts and improvement programmes (environmental aspects on road maintenance, domestic waste collection, maintenance of buffer zones).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc).</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the HQ.</p>	<p>Complied</p>												
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the</p>	<p>Annual replanting programme for the estates projected to 2019/20 were verified as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Ha in</th> <th style="text-align: center;"><u>2015/16</u></th> <th style="text-align: center;"><u>2016/17</u></th> <th style="text-align: center;"><u>2017/18</u></th> <th style="text-align: center;"><u>2018/19</u></th> <th style="text-align: center;"><u>2019/2020</u></th> </tr> </thead> <tbody> <tr> <td>Bukit Paloh</td> <td style="text-align: center;">186.08</td> <td style="text-align: center;">264.34</td> <td style="text-align: center;">240.49</td> <td style="text-align: center;">184.80</td> <td style="text-align: center;">150.30</td> </tr> </tbody> </table>	Ha in	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/2020</u>	Bukit Paloh	186.08	264.34	240.49	184.80	150.30	<p>Complied</p>
Ha in	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/2020</u>									
Bukit Paloh	186.08	264.34	240.49	184.80	150.30									

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management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	Gunung Mas 255.22 222.71 139.59 122.59 116.20	
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Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	POM has documented SOPs for the following : 1. Standard Operation Manual (SOM) for Palm Oil Mill dated 01/11/2008 issue 1 ver. 1:2008. 2. Mill Quality Management System (MQMS)/SOM/08 3. Occupational Safety & Health (OSH) Manual dated 20/08/2008 Issue 1 ver1:2008 4. Laboratory Process Control Manual dated 01/11/2008 issue 1 ver. 1:2008. 5. Guideline on Plantation Security Upstream dated 11/10/2007 issue 1. 6. SOP for Sustainability Supply Chain and Traceability SD/SDP/PSQM/001 dated 21/03/2015. The estates have the following SOPs: 1. Sime Darby Agricultural Reference Manual Issue 1 Year 2011 ver. 3. The manual describes operational procedure of nursery practices, land preparation, planting practices, ground cover maintenance, roads, immature stage, harvesting, collection of bunches, manuring, pesticide application, pests & diseases control. 2. Guidelines on River Reserve Management dated Aug 2014. Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.	Complied
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	There is a mechanism to check the implementation of the SOPs: - Internal audit by Group Corporate Assurance Dept. done in Sept 2016 - Field inspection by Agronomist; - Plantation Advisory Report of July 2016 - Audit by Plantation Sustainability Quality Management (PSQM) Team. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit. Noncompliance finding: At POM and Estates, common FFB Transport Contractor (SKH) was engaged for the FFB transportation. Gunung Mas Estate was also engaging contractor for Spraying activities. The monitoring process implemented on Contractors was not able to adequately ensure that the conditions of the agreement such as contractor workers are paid in accordance with the law.	NC: AL-01 (Minor)
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate.	Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory. Daily Muster chits were available at estates.	Complied

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Minor Compliance	During field visits, daily spraying records were available.	
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	The mill did not source any FFB from third-party. The entire crop was supplied by the estates within the PMU grouping and other certified SDPSB estates as verified from the records that indicate the source origin of FFB.	Complied
Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Indicators	Findings and Objective Evidence	Compliance
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	Annual fertilizer inputs had been monitored through fertilizer recommendations made by SDPSB Research Station. Recommendations had been viewed and verified. GAP for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per the recommendation provided by the Agronomist. These had been verified through the records for fertilizer application and observation during field visit. Evidences provided were verified as following good agricultural practices. Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels. Noted that proper herbicide spraying had also been done.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Records of fertilizer application in accordance with agronomist's recommendations had been verified to be available and maintained.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency. Records of the sampling and analysis had been verified to be satisfactory.	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. Minor Compliance	There was EFB mulching carried out at Gunung Mas and Bukit Paloh Estates. No EFB mulching done at Yong Pend and Kempas Klebang estates. No POME application.	Complied
Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance	Based on the estate soil map and field visits, there was no fragile/marginal soil in the Gunung Mas estate. At Bukit Paloh Estate, 190 ha of land is with peat soil. Proper water level management was verified to be maintained for that area.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.	The PMU has a SOP (Best Management Practice) for erosion control during replanting or any activities involving earth disturbances. Steps taken are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering water ways. Most of the areas in the estates are flat. Planting terraces constructed in areas within the 12° to 20° slope (< 0.5% of the planted hectare) and leguminous cover crop was sighted. There is no area with > 25° slope.	Complied

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Minor Compliance	No soil erosion noted during field visit.	
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Estate roads are in satisfactory status. The road maintenance programme FY 2016/2017 established at the estates verified to be satisfactorily implemented.	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. Major Compliance	The only estate in the PMU with peat soil is Bukit Paloh Estate (190 ha of peat soil). The water and ground cover management program was annually reviewed and noted to be satisfactorily implemented.	Complied
4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	The area involved at Bukit Paloh was considered to be small and thus no drainability assessment had been conducted.	Not Applicable
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils noted.	Not Applicable
Criteria 4.4 Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
4.4.1 An implemented water management plan shall be in place. Minor Compliance	Documented water management plan verified to be in place for the palm oil mill and estates. Water samples were taken at monthly interval at the final discharge point of the palm oil mill effluent pond and at upstream and downstream of waterways. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammonia Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. The water supply for domestic use to staff and workers' housing is piped water from the water treatment plant operated by the water utility company, Syarikat Air Johor. It is a requirement for the water utility company to ensure that tests are carried out on parameters to meet the Ministry of Health Specification for Drinking Water Quality. Water supply for the mill goes through the Mill Water Treatment Plant. Verified that rainfall data was also monitored as part of the water management plan.	Complied
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	Riparian buffer zones of 5m and 20m had been sighted on both sides of river tributaries/streams found within the estates e.g. Sg. Bekok (which passes through Gunung Mas estate) Appropriate signages were placed and workers are aware of the non-usage of chemicals within the buffer zones. There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.	Complied

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<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>The water at the final discharge point of the palm oil mill effluent pond was analyzed at monthly intervals for pH, BOD, COD, Total Solids, Suspended Solids, oil & grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. BOD level had been in the range of 195 to 485 ppm for the period from Jan – Dec 2016. Approved BOD level by DOE was 500 ppm maximum.</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 in the mill from Jul 2016 till Jan 2017 ranged from 0.78 to 1.25 m³/tonne FFB with an average of 0.96 m³/tonne FFB (industrial norm is 1.2 to 1.5 m³/tonne FFB).</p>	<p>Complied</p>
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p>	<p>Estates IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as <i>Euphorbia Heterophylla</i>, <i>Turnera subulata</i>, <i>Cassia cobanensis</i>, and <i>Antigonon leptopus</i> are grown and maintained in the estates. The estates have maintained the ratio of beneficial plants grown in accordance to recommendations and programme. Noted that <i>Euphorbia Heterophylla</i> is very effective for attracting predators for bagworms. Rat baiting was carried out twice annually. Each campaign of 2 to 5 rounds at interval of 4 days with placement of one bait per tree. No other pests noted.</p>	<p>Complied</p>
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training was conducted by for all those involved in IPM implementation. Training records for staff and workers for July 2016 to Jan 2017 were satisfactorily maintained and updated.</p>	<p>Complied</p>
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable. Current, types of pesticides used include: 1) Glyphosate 2) Metsulphuron 3) Glufosinate 4) Cypermethrin 5) Acephate</p>	<p>Complied</p>
<p>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</p>	<p>Records of pesticides used are maintained and made available at the estates. The records had indicated clearly the area treated, amount of active ingredients applied per ha and number of applications. Thus previous OBS#OCL-01 (2016) was satisfactorily addressed and closed.</p>	<p>Complied</p>

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<p>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 industry's Best Practice. Major Compliance</p>	<p>The policy of the estates was to minimize the use of pesticides in accordance with IPM plan was implemented.</p> <p>The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a decline in pesticide usage per hectare on a year to year basis.</p> <p>No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p style="text-align: center;">Complied</p>
<p>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 industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>Use of paraquat has ceased since Dec 2008 for SDPSB Group Estates. Verified that there were no usage of any Class 1A or 1B pesticides.</p> <p>First Aid kits found to be available during pesticide spraying and was viewed and checked to be adequately maintained during on-site field inspections.</p> <p>Portable signboards noted to be displayed at areas where spraying activities were being carried out.</p>	<p style="text-align: center;">Complied</p>
<p>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</p>	<p>All pesticide operators including new workers had attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974.</p> <p>Appropriate safety and application equipment (such as safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves) have been provided and found to be used by the pesticides operators.</p> <p>All precautions attached to the pesticides (MSDS) both in English and Malay, have been observed, applied and understood by the workers.</p> <p>Programme and training records verified to be satisfactory.</p> <p>The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p> <p>The estates have adequate facilities for mixing of pesticides and cleaning up after work. Suitable storage areas for PPE were available.</p>	<p style="text-align: center;">Complied</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.</p> <p>Emergency shower and eye wash are available near the pesticides store in case of any emergency situations.</p>	<p style="text-align: center;">Complied</p>

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<p>and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Malay, are generally understood by the workers.</p> <p>Used chemical containers were either reused as containers for spraying solution or disposed of by approved collecting contractors. Verified that prior disposal, the empty pesticide containers are triple rinsed and pierced at the bottom to prevent re-use.</p>	
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Spraying activities and training records verified to be satisfactorily maintained.</p>	Complied
<p>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</p>	<p>The Group company policy is not to carry out any aerial application of pesticides. This policy has been adhered by the PMU.</p>	Complied
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling.</p> <p>Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Complied
<p>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</p>	<p>Scheduled waste had been disposed of through licensed contractors who are approved by DOE. Records of scheduled waste verified to be in order.</p>	Complied
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>Annual medical surveillance for all pesticide operators was maintained. Last medical surveillance carried out for pesticide operators was in Dec 2016 at Gunung Mas estate (47 workers) and Bukit Paloh estate (36 workers).</p> <p>Verified that the CHRA recommendations has been satisfactorily followed.</p> <p>Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical doctor. The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition is deemed unfit for work with pesticides and will be assigned to other field work. As at audit period, there were no records of such cases.</p>	Complied

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	Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.	
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.	Complied
Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
The occupational health and safety plan shall cover the following: 4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Occupational Safety and Health (OSH) Plan in compliance with OSH Act and Factory Machinery Act was documented and implemented. OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health. The HIRAC was reviewed for the mill and estates annually The Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved. Records on training had been verified on the Palm Oil Mill and the Estates. Analysis on the understanding of training by the workers on the PMU had been verified. Noncompliance finding: Monitoring of appropriate PPE to be worn by field workers: DOSH recommendations and Pictorial PPE wear for Sprayers had indicated that Long trousers has to be placed outside of the Rubber boots which was seen to be practiced at Bukit Paloh estate. However, at Gunung Mas estate, the sprayers were seen to be wearing their long pants tucked inside the boots. Thus, the PPE wearing was not consistent with the DOSH recommendations.	NC: AL-02 (Major)
4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards. There was an assessment of noise levels in the POM and Consultant Report is pending. There was an assessment of noise levels in the POM conducted by a consultant on 12/11/2009. The report identified the work areas with high noise levels, viz., boiler station, engine room and sterilization unit where noise level exceeded 85 db. Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear muffers. Annual audiometric tests were conducted for all mill staff and workers. The latest audiogram was carried out in July 2016 and Dec 2016. The audiometric reports of two employees indicated as having hearing impairment and recommended to wear hearing protector. Baseline audiogram and occupational and medical history records of workers maintained. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.	Complied

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	<p>“Permit to work” system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers (with valid use dates) and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKKP8 regulations was submitted to JKKP on time, i.e. in Jan of each year. The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p>	
<p>4.7.3 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>Major Compliance</p>	<p>Training programme for year FY 2016/2017 includes training for all categories of workers.</p> <p>Mill: Training done for workers exposed to machinery and high noise level and confined to space. Fire drill exercises were conducted in Nov 2016.</p> <p>Estates: Training for harvesters, pesticide operators, manuring activities on safety measures were conducted on annual basis. Last carried out was on 11 Feb 2017. Records were noted to be maintained and updated.</p>	<p style="text-align: center;">Complied</p>
<p>4.7.4 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>The responsible person (usually the Mandore or Headman) is identified. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p>	<p style="text-align: center;">Complied</p>

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<p>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</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, 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 had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH)</p>	Complied
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	<p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whilst foreign workers are covered by Foreign Workers Compensation Scheme with RHB Insurance Berhad. Insurance Policy covered are valid.</p>	Complied
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics are monthly monitored with data compiled annually which is verified to be satisfactorily maintained.</p>	Complied
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance</p>	<p>The formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented.</p> <p>Training for various categories of operators, including all field and mill staff, with regards to their duties and training needs had been reviewed and found acceptable.</p>	Complied
<p>4.8.2 Records of training for each employee shall be maintained. Minor Compliance</p>	<p>Records of training both existing and new workers are verified to be satisfactorily maintained at the Mill and Estates.</p>	Complied

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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

<p>Criterion 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance</p>	<p>Environmental aspect and impact assessment (EAIA) had been conducted for the POM and estates and significant aspects identified. The EAIA for the mill and estates were reviewed for the financial year 2016/2017. The review process had included stakeholders' consultation with regards to environmental aspects, impacts, and pollution control, and ERT, HCV and land usage issues.</p>	Complied
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. Minor Compliance</p>	<p>Management plans / action plans for mitigation of impacts, timeframe for action and responsible persons were identified and had been implemented and monitored for FY Jul 2016-Jun 2017. The Mill and respective Estate Managers have been identified as persons responsible for their respective management plans. There were no major changes to the identified impacts since the establishment of the above documents.</p>	Complied
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance</p>	<p>The Management Plan / Action Plan incorporated the monitoring of the effectiveness of the mitigation measures and were reviewed on an annual basis. The plans include mitigation measures for pollution prevention, disposal of schedule waste, domestic waste and clinical waste, waste recycling; storage and application of pesticides, planting of beneficial plants, maintenance of riparian buffer zones and conservation activities (including the proper monitoring and maintenance of markings and signages), training, awareness and briefings related to environmental awareness activities. Previous OBS# SH-01 (2016) was confirmed to be satisfactorily addressed during the current audit.</p>	Complied
<p>Criterion 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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</p>	<p>The HCV Identification and Assessment was originally conducted in Jan 2009 and documented as the Biodiversity Baseline Assessment Report. The HCV Re-Assessment for SOU 21 had been conducted by the PSQM Department of SDPSB and Final Report (version II) dated Mar 2015. An additional HCV re-assessment was conducted and documented on April 2016.</p>	

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<p>considerations (such as wildlife corridors). Major Compliance</p>	<p>It was verified that the Management Action Plans for HCV and Conservation areas were implemented and monitored at the respective estates.</p> <p>The report had covered the overall landscape of the PMU region, has considered the potential HCV areas which are bordering with any forest reserve and had incorporated feedbacks provided by villagers and various governmental agencies such as Department of Forestry and Wildlife Department. The PMU estates (Gunung Mas and Bukit Paloh estate) are surrounded by other plantation estates except for Gunung Mas Estate with certain areas bordering the Labis Tengah Forest Reserve and Bekok Forest Reserve.</p> <p>The HCV Re-Assessment reported a small HCV area inside the PMU comprising of buffer zones near forest reserve, ponds, burial and religious sites.</p> <p>The areas bordering the forest reserves and stretches of riparian buffer zones along the Sungai Bekok that passes through the Gunung Mas Estate has been identified as conservation/environmentally sensitive areas.</p> <p>However, Landscape mapping and identification on the map is not exactly accurate.</p> <p>1) At Gunung Mas estate, the terminology used on the map does not accurately represent the situation on the ground such as the ‘Bird sanctuary’, ‘Elephant intrusion’ and ‘Water catchment’.</p> <p>2) At Bukit Paloh, the existence of Mosque and Temple was shown on the map but not the Muslim and Hindu cemeteries.</p>	<p style="text-align: center;">OBS: SH-01</p>
<p>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 an action plan. Major Compliance</p>	<p>Latest re-assessment of HCV by SDPSB Sustainability Department indicates only HCV 4, 5 & 6 areas within the PMU and no presence of RTE species.</p> <p>Management Plan / Action Plan documented in all the estates with specific actions to be taken by the Estate Manager / Assistant Manager for the identified HCV areas. The plan includes the following:</p> <ul style="list-style-type: none"> (a) Monthly upkeep and inspection of the religious worship sites and graveyard. (b) Boundary with forest reserves marked by trenches and signages to prohibit hunting or collecting activities. (c) Maintenance and monitoring of conservation/buffer zones and ponds. Placement of appropriate signages to prohibit fishing, swimming and water polluting activities. (d) Regular patrols to monitor and record sightings of wildlife: e.g. monitor lizards (“biawak air”), heron (“burung bangau”) and snakes (“ular”). Noted that wildlife sighted are species which are not under the RTE list. (e) Water sampling analysis of stream and final discharge of effluent pond. (f) No planting at steep slopes > 25°C. (g) Legume cover crop and IPM. <p>The conservation/environmentally sensitive areas were inspected on site and found to be maintained satisfactory.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce</p>	<p>The training programme to regularly educate the workforce and community about the status of RTE species was established with</p>	<p style="text-align: center;">Complied</p>

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<p>about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>ongoing consultation with the Wildlife Department. The workforce and local communities have been made aware to report the sighting of various types of wildlife.</p> <p>Record of the training was also made available during the audit.</p>	
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • 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 action plan. <p>Minor Compliance</p>	<p>Management plans were established and monitoring outcomes were reviewed by the estate managers. Ongoing monitoring of the management plan on the status of RTE species and HCV was noted. There was monitoring done by the Auxiliary Police (Polis Bantuan) at the estates which include the status of the forest boundary which was to be fed back to the respective Estate management for actions if needed.</p> <p>However, there was no proper record on the monitoring of HCV and RTE done at the Gunung Mas estate. In addition there was no appropriate signages place at strategic locations to discourage encroachment and hunting activities. Thus a noncompliance was issued.</p>	<p>NC: SH-01 (Minor)</p>
<p>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.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at this PMU. Thus negotiated agreement of such nature is not applicable.</p>	<p>Not applicable</p>
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Waste products and sources of pollution have been identified and documented at the PMU: scheduled waste, clinical waste, domestic waste, recyclable wastes (metal, plastic, paper, glass) and mill wastes (EFB, fibre, boiler ash, POME).</p> <p>Scheduled Waste identified included spent lubricant oil (SW 305), spent hydraulic oil (SW 306), used chemical containers/drums (SW 409) and used filters (SW 410).</p> <p>Clinical waste identified included cotton, glove, vial, ampoule, and syringe needles (SW 404).</p> <p>Visits made to POM and estates (Gunung Mas and Bukit Paloh Estates) showed that all waste products and sources of pollution were identified and documented. It was verified on-site that the records and related documentation has been satisfactorily maintained at the Mill and estates respectively.</p>	<p>Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p>	<p>The mill and estates have a proper and secured Scheduled Waste Store for storing scheduled waste until time of disposal. Disposal of scheduled waste by a DOE licensed waste disposal contractor, Kualiti Alam Sdn</p>	<p>Complied</p>

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<p>Major Compliance</p>	<p>Bhd. The disposal of used chemicals and containers and waste were carried out according to the schedule on waste management as planned. Chemicals and empty containers were appropriately segregated and stored prior to disposal. Fertilizer bags are recycled.</p> <p>All scheduled wastes have been disposed by licensed contractors within 180 days as stated. Disposal of scheduled wastes verified to be in compliance with EQ (Scheduled Waste) Regulation 2005.</p> <p>The scheduled waste disposal was done with proper documentation submitted by the DOE licensed SW contractor, which is adequately filed and available at site.</p>	
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>The mill and estates have documented and implemented waste management and disposal plans to avoid or reduce pollution. These operational plans covered the waste products and sources of pollution identified in the mill and estates. The plan was reviewed for financial year 2016/2017.</p> <p>Segregation of wastes, i.e. scheduled wastes and general wastes was verified. The mill and estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Kualiti Alam Sdn Bhd). Proper storage areas were identified for the storage of the recyclable wastes at the mill and estates. Latest disposal was carried out on 17 October 2016.</p> <p>Recycling bins of three different colour codes for specific recyclable wastes were available in the mill and estates and were used for solid waste segregation and recycling.</p> <p>Recycling of crop residues / biomass and mill wastes (POME, EFB, fibre, boiler ash) had been implemented. The composting plant recycles wastes such as the POME and EFB from the mill. The composting plant is located adjacent to the mill and Asia Green Resources Sdn Bhd had been appointed by Sime Darby Plantation, HQ to operate the composting plant. The compost is used for land application at Gunung Mas Estate.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p>Stack emissions and boiler ashes were monitored and controlled at the PMU.</p> <p>It was verified on-site that the records and related documentation has been satisfactorily maintained at the mill and also at the respective estates.</p> <p>Solid waste management and disposal by means landfill was available at the estates. The designated landfill area at both Gunung Mas and Bukit Paloh estates, used for household waste were verified to be at least more than 500 m away from any streams / water sources /residential area - thus minimizing the risk of contamination of water sources.</p> <p>However, landfill management lacks the following details:</p> <ol style="list-style-type: none"> 1) Signages showing directions and locations of landfills at both estates (Gunung Mas Estate & Bukit Paloh Estate) are not visible on-site. 2) Marking details of the ‘Opening’ and ‘Closing’ of the plots of landfills used were not available. 3) At Bukit Paloh estate, the management of existing landfill for domestic wastes was not proper as there was evidence of waste material scattered all over the landfill. 	<p style="text-align: right;">NC: SH-02 (Minor)</p>

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Criterion 5.4		
Efficiency of fossil fuel use and the use of renewable energy is optimised.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>The mill production output records and the two boilers operational records were monitored monthly and included monitoring of the renewable energy usage.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product were made available for audit.</p> <p>At both the estates visited, monitoring of pesticide and diesel usage per FFB production for financial year 2016/2017 was conducted on a monthly basis and recorded. The record was made available during the audit.</p>	Complied
Criterion 5.5		
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.</p> <p>Major Compliance</p>	<p>Zero open burning policy in accordance with SOP Section B2 "Felling/Land Clearing & Land Preparation" dated 01/11/2008. The PMU management is strictly complying with the Malaysian environmental law –EQA and Regulations 1974.</p> <p>Field inspections made showed no physical evidence of open burning.</p>	Complied
<p>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.</p> <p>Minor Compliance</p>	<p>The PMU has adhered to the 'zero burning 'policy for replanting at the estates.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the landfills of the estates during on site field assessment. Landfills are located far away from the villages and water sources.</p>	Complied
Criterion 5.6		
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>The PMU had carried out an environmental aspect and impact assessment (EAIA) and identified the potential polluting activities at the POM and estates.</p> <p>The PMU had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land for financial year 2016/2017.</p> <p>POME is sent to the composting plant adjacent to the mill and processed together with EFB and fertilizer to produce the compost for land application at Gunung Mas Estate.</p>	Complied

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	<p>Mill gas emissions as monitored online by DOE using the Continuous Emissions Monitoring System (CEMS) verified to be within permissible limits of DOE. Average opacity and duration exceeding permissible limits found to comply with DOE regulation. No violations and/or compounds have been received from DOE as to date.</p> <p>Monitoring of noise levels at the mill has been carried out. Noise levels at the boiler station and the sterilization unit were identified to be above 85 dB.</p> <p>Ear mufflers have been issued and seen to be worn by workers at those locations. As documented in the HIRAC table, PPE use and audiometric examination used as control measures to prevent hearing loss of mill workers.</p>	
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at the PMU. GHG emissions have been monitored for year FY 2016/2017 by the SDPSB Sustainability Department from HQ.</p> <p>Calculations based on the latest version PalmGHG v3.0.1 was also used. The PMU intends to review the plans to further reduce or minimize their GHG emissions.</p>	Complied
<p>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.</p> <p>Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Assessment and reporting of GHG emission calculation is available at the plantation level using UNFCCC GHG Protocol. However, the endorsement of SDP GHG calculation is still pending and still awaiting for technical advice by RSPO Emission Reduction Working Group.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal were adhering to DOE requirements. It was verified that the POME is treated using aerobic, anaerobic ponds.</p> <p>Water is being used for both domestic and mill operation. Water samples were taken every month at the final discharge point of the palm oil mill effluent pond. Water samples also taken at quarterly intervals at upstream and downstream of waterways. The water samples were tested and test reports analyzed to ensure compliance to DOE requirements. Results verified to have met the permissible regulatory limits for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen.</p> <p>The discharged water is 100% used for land application into Gunung Mas Estate.</p> <p>Records and regular reporting to DOE, quarterly reporting, were noted to be maintained and verified on-site.</p>	Complied

Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

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.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>Social impacts in Sime Darby SOU 21 group were assessed through a mixture of consultations, meetings, feedback forms and personal interviews. The assessment methods were based on a manual developed by Federal Dept. of Town and Country Peninsular Malaysia and Malaysian Society of Impact Assessment.</p> <p>Social Impact Assessment [SIA] in Sime Darby SOU 21 group is conducted once in every 5 years with the latest being in July 2014 as reported during ASA-01. The review mechanism had appropriately involved stakeholders such as the Social & Environment Projects Unit, PSQM Department, workers, gender committee, workers union, head of villages, government department, school, contractors, suppliers and etc. These process was well documented.</p> <p>Each year after the SIA process, each operating unit in Sime Darby SOU21 group conducted a stakeholder consultation. During this consultation, issues that were raised in previous years were reviewed and new issues, if any, will be recorded. For example stakeholder consultation for Gunung Mas POM, the stakeholder consultation was conducted on 15 Feb 2017, attended by 10 external stakeholders. In Bukit Paloh Estate, the stakeholder consultation was on 11 Jan 2017 and in Gunung Mas Estate was on 13 Feb 2017.</p> <p>In the SIA report as well the annual stakeholder consultations it was verified that all potential impacts were sufficiently covered including access and use rights to individual passports and travelling documents, sufficient and on time monthly pay, schools and health clinics, etc.</p>	Complied
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>Each consultation and meeting conducted was verified to have involved relevant stakeholders affected by the operations of the group. Participants in the SIA process and in stakeholder consultations were already mentioned above [6.1.1]. Participants in meeting such as National Union for Plantation Workers include workers representatives from different categories of workers such as general workers, sprayers, manurers, harvesters, drivers (both locals and foreign workers). Participants in Gender Committee meeting were mainly women workers but attended and overseen by the mill or estate managers. Meeting minutes for all the above are sighted.</p> <p>Previously during ASA-01, an observation was raised regarding, the POM and estates having conducted the stakeholders' consultation but the number of stakeholders present were very few although a significant number had been invited. Verified that the combined number of external stakeholders attending stakeholder consultations at the entire Sime Darby SOU21 group, is sufficient to represent external stakeholders affected by the operations of the group.</p> <p>Previous OBS# MNM-01 (2016) was confirmed to be satisfactorily addressed during the current audit.</p> <p>During SIA process and stakeholder consultation respond forms were distributed for written inputs and verbal inputs were also recorded in the meeting minutes. Meeting minutes were also maintained for other meetings mentioned above, i.e. NUPW and Gender Committee meetings.</p>	Complied

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	Attendance lists and photos for stakeholder consultations and meetings conducted were also verified.	
<p>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.</p> <p>Major Compliance</p>	<p>Based on the inputs received from the consultation, meetings, personal interviews, etc. Sime Darby SOU 21 group developed social action plans which also stated the time frame and responsible person in all operating units audited. Status of issues raised in the previous years were also clearly stated whether the issues are already closed or it is actually an ongoing process.</p>	Complied
<p>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.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The plans are reviewed annually together with affected parties as mentioned above. The workers especially are regularly consulted through the NUPW meetings, safety meeting, daily morning muster and individual reports made in the Grievance Books.</p> <p>Actions taken to address the concerns raised by the stakeholders were verified during the audit and these actions are updated as necessary in the social action plan</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>No smallholders in Sime Darby SOU 21 group, thus this criteria is not applicable.</p>	Not applicable
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>Documented policies and procedures are available for internal and external communication and consultation.</p> <p>The group has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the SIA process and the annual stakeholders' consultation.</p> <p>At Sime Darby SOU 21 group level, any grievance from public can be submitted to the group through online form at existing <i>Whistleblowing Channels</i> [https://online.qas.simedarby.com/sites/GHO/Whistleblowing/solutionpages/default.aspx]</p> <p>At estate and mill level, the workers are provided with various other channels to raised their concerns, e.g. grievance book, NUPW meetings, gender committee meetings, safety and health meetings, muster calls, etc.</p>	Complied

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<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>In most cases, nominated person responsible as social liaison officers are the Managers or Assistant Managers of the operating units. Social liaison officers are responsible in handling relevant social related issued either raised by local communities, workers, government agencies or other interested parties.</p> <p>For example in Gunung Mas POM, appointed social liaison officer is the Sr. Assistant Manager, Mr. Khairul Nahar Omar with appointment letter dated 1 Jul 2016 signed by Mr. Amran Sa'ri (Sr. Mill Manager). Similarly, in Gunung Mas Estate, Mr. Fuadi Manaf, Estate Manager was appointed as social liaison officer by Mr. Abdul Halim Abdul Awang (Regional General Manager) in a letter dated 1 Jul 2016.</p> <p>Names of these nominated officers are made public to the workers through grievance procedures available in the public notice boards as well as through announcements made during meetings and morning musters. Interviewed conducted with workers during the audit verified that the workers especially have easy access to these social liaison officers.</p>	<p>Complied</p>
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Minor Compliance</p>	<p>All units audited within Sime Darby SOU 21 group are verified to have maintained lists of local communities as well as affected and interested parties.</p> <p>Records of the stakeholder consultations, meeting minutes and communications and responses made by the PMU were verified to be satisfactorily maintained.</p> <p>Previous OBS# MNM-02 (2016) was confirmed to be satisfactorily addressed during the current audit.</p>	<p>Complied</p>
<p>Criterion 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>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.</p> <p>Major Compliance</p>	<p>It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and well implemented in Sime Darby SOU 21 group. Among others, the affected parties have several options to register their complaints and grievances, e.g. Grievance Book, annual stakeholder consultation, morning muster, SIA process, workers union meetings, gender committee meetings.</p> <p>Main person responsible in handling the complaints and grievances received from stakeholders in each operating unit is the appointed social officers who in most cases are at the managerial level. This way, the workers are ensured that they are heard if they have complaints against their immediate supervisors.</p> <p>The system in place is verified to be effective in ensuring that complaints and grievance are addressed or resolved in timely and appropriate manner. Actions taken to address the complaints and grievances received are recorded appropriately.</p> <p>Complaints and grievances are investigated, addressed and resolved based on its severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. Complaints related to sexual harassment received was be handled with the utmost privacy and confidentiality by the gender committee and the management of relevant operating unit.</p>	<p>Complied</p>

	It is verified during on-site interviews that there were no incidences of disputes or grievances of a serious nature. Nevertheless, Sime Darby SOU21 group had adopted <i>Whistleblowing Channels</i> [https://online.qas.simedarby.com/sites/GHO/Whistleblowing/solutionpages/default.aspx].	
6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	All complaints and grievances received are documented either in the form of log book as in the grievance book, meeting minutes for the union workers, gender committee, safety and health meetings and annual stakeholder consultations. Decisions and action on the complaints and grievances received also very well documented with sufficient supporting documents as proofs. For example, request for house maintenance on 10 Feb 2017 from Mr. Mohd. Juwaini Ghazali workers at the Gunung Mas POM was acted upon in timely manner. Other than reports made to the gender representatives, all other complaints and grievances are accessible to public.	Complied
Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Indicators	Findings and Objective Evidence	Compliance
6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	The documented procedure for identifying legal and customary rights and procedure for identifying people entitled to compensation have been maintained. Current latest version in SPMS Manual 01/11/2008. There were some borders at the operating units audited immediately adjacent to any villages or smallholder lands. There are no cases requiring any negotiation or compensation pertaining to this criterion.	Complied
6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	Sime Darby as a group has a generic procedure for calculating and distributing compensation which was available for verification during the audit. To date, there has been no dispute by any parties reported at the Sime Darby SOU 21 group.	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	To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.	Not applicable

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parties, and made publicly available. Major Compliance		
Criterion 6.5		
Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
Indicators	Findings and Objective Evidence	Compliance
6.5.1 Documentation of pay and conditions shall be available. Major Compliance	In Sime Darby SOU 21 group, workers in the plantation, are either paid piece rated or daily rated. Meanwhile at the mill, most workers are paid daily rated whilst the rest are paid monthly. Pay conditions and other benefits are sufficiently stated in the workers contract. Decision on workers' wages were based on Minimum Wages Order 2016 effective since July 2016.	Complied
6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	<p>Pay conditions are clearly detailed in the workers contracts which include rate of pay, working hours, overtime, holiday entitlements, etc. List of deductions made were verified as signed by the workers and clearly dated. These deductions are allowed by Jabatan Tenaga Kerja [JTK] with a permit issued dated 30 Sep 2014.</p> <p>Workers contract is in English for all workers including the foreign workers from Indonesia, Nepal and Myanmar. Sime Darby group is in the process of updating the contracts in foreign languages and getting them approved by the relevant embassies.</p> <p>All new foreign workers who are to be employed at the Sime Darby plantations have to compulsorily attend the induction course held at Foreign Workers Training Centre in Sua Betong plantation where the workers contract were explained by experienced translators.</p> <p>Upon completion the induction course and evaluation of understanding made, the foreign workers are issued with a Certificates of Attendance which was verified to be available as part of the training records.</p> <p>Thus the previous Major NC#MNM-01 (2016) was sufficiently addressed and closed.</p> <p>Through the records made available, it was found that a small number of field workers were not achieving the minimum monthly wages which was due to non-attendance without prior permission. Based on the JTK Kluang and MAPA/NUPW Agreed Note No. 1 dated 28 Apr 2015, it is confirmed that under the current law and regulations, the Estate management do not have to top up the wages of workers who are having absenteeism issues.</p> <p>Nevertheless, it was also verified that the operating units audited had been actively conducting counselling sessions for the workers who fail to attend work without permission. Where needed, in the cases of regular absenteeism, warning letters were noted to be issued.</p> <p>To date, JTK have never received any complaints from local nor foreign workers against SOU 21 group with regards to any unjust pay or working conditions. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book. This was also verified with the workers during interviews held during the audit.</p> <p>However, during the audit, two weaknesses found as listed below;</p> <ol style="list-style-type: none"> 1. In Gunung Mas Estate, it was found wages deductions were made for payments of school bus fees, water bills, insurance, etc., without a valid permit from Jabatan Tenaga Kerja. This is not complying with Employment Act 1955, Section 24(4)(c). 2. In Gunung Mas and Bukit Paloh estates, it was found Vacation Leave Pay (VLP) calculation in the month of July and August 	<p>NC: JMD-01 (Major)</p>

	<p>2016 for at least three daily rated workers were still based on Minimum Wages Order 2012, i.e. RM34.62. This calculation is not complying with Minimum Wages Order 2016 which was already effective on 1 July 2016 with daily rate at RM38.46/day.</p>	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>Minimum national standard for housing and other basic necessities are described in Akta Standard-Standard Minimum Perumahan Dan Kemudahan Pekerja – Akta 446 [Workers’ Minimum Standards of Housing and Amenities – Act 446]. Sime Darby SOU21 group found to have sufficiently complying with this regulation.</p> <p>Housing, electricity and water supply</p> <p>Workers are provided with free accommodation at workers linesites with electricity and treated water 24 hours daily. The electricity and water are subsidized by the operating unit, whilst the living quarters are free. The linesites are clean and rubbish are collected at least twice in a week. Some contractor workers are also staying at the linesites with minimal rental for.</p> <p>Schools</p> <p>Local school children are transported to school in school bus with bus fee being partly subsidised by the operating unit. Schools are located in nearby towns such as Paloh, Bekok and Kangkar Baru.</p> <p>Sundry shops</p> <p>Sundry shops are available outside at each estate audited. From interviews with the workers it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries. In Bukit Paloh estate, payment through debit card is provided at the sundry shops as workers’ wages are directly wired to their accounts and not paid by cash.</p> <p>Medical clinics</p> <p>Clinics are available in both Gunung Mas and Bukit Paloh estates, but the Hospital Assistant (HA) in Bukit Paloh has just resigned and the management is looking for a replacement. HA is responsible in conducting the linesites inspection as required by the law. Visiting Medical Officer record visit sighted and no negative reports made so far. Medical services are free for the workers and minimal fee is charge for the contractors’ workers. Guarantee letter for hospitalised workers also sighted issued by Ministry of Health dated 3 Feb 2017 [KKM.4008-8/1/3 jld 6 (33)].</p>	Complied
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>Sime Darby SOU 21 group has ensured that the workers have access to adequate, sufficient and affordable food. Several sundry shops were available within short distances from the housing linesites with prices of goods noted to be reasonable. Noted that payments via Debit card facility was also available in a sundry shop at Bukit Paloh estate.</p>	Complied
<p>Criterion 6.6</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p>	<p>Sime Darby SOU21 adopted a “Social Policy” where it is stated the company shall respect workers’ rights to form and join trade union of their choice. This policy is available in public notice boards in languages understood by the workers, i.e. Bahasa Malaysia and English.</p>	Complied

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Major Compliance		
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.	Sime Darby SOU21 currently recognize the National Union of Plantation Workers [NUPW] as a platform for the workers to collectively bargain with the management. Both, local and foreign workers, were sighted to have their wages deducted monthly for the union membership and insurance coverage.	Complied
Minor Compliance	Minutes of the NUPW meetings are accessible to all members in the committee. Latest NUPW meeting conducted was on 9 Dec 2016 attended by eight workers representatives. No major issue raised during the meetings.	
Criterion 6.7 Children are not employed or exploited.		
Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met.	The Corporate Child Protection Policy adopted by Sime Darby SOU21 group in June 2013 clearly stated that the minimum age of workers is 18 years old in accordance with the Employment Act 1955 and International Labour Organisation (ILO) Convention 138.	Complied
Major Compliance	Employees and workers profiles were sighted during the audit and no underage workers found. This fact was further verified through interviews with staff and workers in Sime Darby SOU 21 group. Passport photos and birthdays of the foreign workers hired by the operating units were checked and none of them found to be underage.	
Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.	The "Social Policy" which recognise the equal opportunity among workers were verified to be displayed in local language and English. This policy clearly state that Sime Darby SOU 21 group prohibits and will actively prevent any discrimination based on race, nationality, religion, or gender. Similar statements also mentioned in "Social and Humanity Management Policy".	Complied
Major Compliance		
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.	Through interviews with workers in the operating units audited as well as checking of relevant records it was found this criteria has been well complied with. Examples of non-discriminatory practices are as below; 1. No restriction for any workers of different religious believes or Christians to perform their religious obligation. Religious houses were sighted during the audit. 2. All workers are provided with the same level of access to all facilities provided by the group, e.g. housing, medicals, transportation, subsidies on electricity and water. To date, JTK have never received any complaints from local nor foreign workers against Sime Darby SOU 21 group with regards to discrimination issues. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book.	Complied
Major Compliance		
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and	All operating units audited in Sime Darby SOU 21 group kept and maintained records of their workers, including credentials and medical history. Credentials for foreign workers are mostly referring to the travel documents, whilst credentials for local staff have more details.	Complied

<p>medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>Records of medical history for both local and foreign workers are considerably comprehensive kept in the medical clinics within the group.</p> <p>All foreign workers come into the country were made compulsory to attend induction course at Foreign Workers Training Centre in Sua Betong plantation where the workers contract and all relevant Sime Darby policies were explained including non-discriminatory articles within the Social Policy. Certificates of attendance as proof of this process for the foreign workers were sighted.</p> <p>Recruitment and promotion are verified based on skills, capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign workers are required to pass FOMEMA medical check-up as required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.</p>	
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>Sime Darby SOU 21 group adopted the “Gender Policy” since Apr 2011 and it was displayed publicly in Bahasa Malaysia and English. Through formation of Gender Committee and minutes of stakeholder consultation, it was evident that this policy is very well implemented and communicated to all level of workforce.</p> <p>Gender Committee members interviewed, e.g. Ms. Sukamayanti in Bukit Paloh estate, verified that there is a clear and easy to understand protocol for receiving complaints or grievances related to sexual harassment. Apart from briefing on the policy mentioned above in muster ground to all workers and during stakeholder consultations, Gender Committee meetings were also conducted In each operating unit audited. Example in Gunung Mas Estate, latest meeting was on 9 Jan 2017 and in Gunung Mas POM, it was on 10 Feb 2017.</p> <p>Meeting minutes of Gender Committee was reviewed during the audit and concerns related to women was well covered including matters relating to sexual harassment and domestic violence.</p>	<p>Complied</p>
<p>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.</p> <p>Major Compliance</p>	<p>Flowchart specific for women related issues dated Apr 2011 sighted during the audit. It was also verified minutes of Gender Committee meeting as well as record books specifically related to women concerns are maintained. Incidences were reported and recorded in the record books, but all cases were handled with utmost privacy and confidentiality.</p> <p>Local female staff is fully aware that they are entitled for two months paid maternity leave. There was no pregnant or breastfeeding women working as agrochemical handlers were verified during assessment based on the records and interviews of field workers and gender committee members.</p>	<p>Complied</p>
<p>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.</p> <p>Minor Compliance</p>	<p>It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and well implemented in Sime Darby SOU 21 group. In order to respect and protects the anonymity of the complainants the <i>Whistleblowing Channels</i>- [https://onlineqas.simedarby.com/sites/GHO/Whistleblowing/solutionpages/default.aspx] had been established.</p> <p>The system also allows the workers to register their complaints against their immediate supervisor as in most cases Social Liaison Officers are normally in higher position than the supervisors.</p> <p>Procedures on how to register complaints are available in public notice boards and in languages understood by the workers. Main person responsible in handling the complaints and grievances received from</p>	<p>Complied</p>

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	stakeholders in each operating unit is the appointed social officer who in most cases are the Managers or the Assistant Managers.	
Criterion 6.10		
Growers and millers deal fairly and transparently with smallholders and other local businesses.		
Indicators	Findings and Objective Evidence	Compliance
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	SOU 21 group does not have any FFB supplies from the local smallholders and there was also no evidence to suggest of any unfair business practices with them.	Not applicable
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	SOU 21 group have no dealings with local smallholders.	Not applicable
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	For all type of work contracted out to external parties, contractual agreement is available, e.g. FFB transport, EFB leveling, CPO transport, housing construction, etc., from interviews with these contractors it is evident that they understood the agreement they have entered into. These contractors also give no negative comments on fairness, legality as well as transparency. Both parties were verified to have kept the contractual agreements.	Complied
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	Sime Darby SOU 21 group has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments most of the time are made on according to common practice of 60-day grace period. This was also verified by the supplier and contractors through stakeholders' consultation with the auditor.	Complied
Criterion 6.11		
Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	File on social contributions and activities were maintained and noted contributions issued for occasions such as festivities of local community, religious, social, educational and burial contributions for estate family members which include: <ul style="list-style-type: none"> - Blood test programme for '<i>Filariasis disease</i>' and mosquitoes research activities on 10 Aug. 2016. - Hari Raya celebration on 20 Jul 2016 for the whole Sime Darby SOU21 group not specific for Muslim workers and staff. - Farewell Party for GM Johor/Melaka Zone and Buka Puasa party dated 27 June 2016 for the whole group not specific for Muslim staff. - Kem Bijak Periksa UPSR & PT3 for children of mill workers dated 16 Mar 2016 in at SDPA Carey Island. - Road maintenance within the PMU areas - Organizing sports and recreational activities 	Complied

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	<ul style="list-style-type: none"> - Corporate Social Responsibility (CSR) activities - Up-keeping of religious sites such as temples and mosques. - Donation to the religious activities and programmes 	
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	Sime Darby SOU 21 group have no dealings with local smallholders.	Not applicable
Criterion 6.12 No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	<p>Sime Darby SOU 21 has a Social and Humanity Management Policy which does not condone forced, trafficked and/or child labour.</p> <p>Hiring of foreign workers are done via appointed foreign agents' recommendations. As for local workers, hiring is based on internal recommendations and advertisements in the local media.</p> <p>It is confirmed that there are no restrictions whatsoever for the workers to move around within or outside of Sime Darby SOU 21 group, provided their destination and duration of the journey are known to the responsible person. The workers voluntarily handed over their passports to the management for safekeeping as verified in the form signed by the workers themselves. Safekeeping of workers passports is permitted in accordance to MYNI 2014 "Passports should only be voluntarily surrendered"</p> <p>A few termination incidences were found during the audit due to workers failure to pass the FOMEMA medical test.</p> <p>As was stated in the workers contract, the Management will bear the transport, meal and accommodation costs for both journeys to and from the place of work, if the workers are terminated due to sickness or when the contracts have expired.</p>	Complied
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Verified that there were no evidence found related to contract substitution. Interviews done with the workers confirmed that they were well aware of being employed in the plantation sector and there was no negative comments from them related to this issue.	Complied
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	<p>Sime Darby SOU 21 group adopted "Social Policy" and "Social and Humanity Management Policy" where these policies were displayed publicly in Bahasa Malaysia and English. The two policies specifically mentioned that the group does not condone forced labour and child labour.</p> <p>The living conditions for all workers was noted to be decent and hygienic at the SOU 21 group during linesite inspection where the workers were found to be provided with free adequate accommodation with subsidized electricity and treated water on daily 24 hour basis.</p>	Complied
Criterion 6.13 Growers and millers respect human rights.		
Indicators	Findings and Objective Evidence	Compliance
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).	<p>Sime Darby SOU 21 group adopted the "Sustainability Principles & Values" where the following was stated;</p> <p><i>Respect for Community:</i></p> <ul style="list-style-type: none"> • <i>Improve lives in countries where we operate</i> • <i>Respect fundamental human rights and social values</i> 	Complied

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<p>Major Compliance</p>	<ul style="list-style-type: none"> • Remediate instances of adverse human rights within our operations • Endeavour to advance respect for human rights within our sphere of influence <p>[http://www.simedarbyplantation.com/sustainability/governance/sustainability-principles-values]</p> <p>The said policy was evidently communicated to all level of workers as their rights are maintained throughout Sime Darby SOU 21 group. Example, the workers were never restricted from collecting their travel documents / passports whenever the workers needed them.</p> <p>During the audit it was also verified that no cases of any human rights violations at the PMU.</p>	
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation. Minor Compliance</p>	<p>Not Applicable.</p>	<p>Not Applicable</p>

Principle 7: Responsible development of new plantings

Todate, the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure.

The requirements of Principle 7 were verified to be 'Not applicable' to this PMU during this assessment.

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The record of submission made to the RSPO Secretariat for the current year was done in Feb 2017.

Based on the details provided in the record of submission, verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this PMU.

Principle 8: Commitment to continuous improvement in key areas of activity

<p>Criterion 8.1</p>		
<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 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>The PMU had planned and progressively implemented the following continual improvement activities in the palm oil mill and estates for 2016/2017:</p> <ul style="list-style-type: none"> • Planting of more cover crops along steep slopes and streams. Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads; • Fertilizer bags are to be recycled and empty pesticide containers to be returned to supplier. In addition, waste will also be segregated accordingly to the plastic and organic materials; • Reduce cost of drain block maintenance by new construction method. 	<p>Complied</p>

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<p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<ul style="list-style-type: none"> • Increase in the planted area of beneficial plants especially to attract bagworm predators so as to reduce the use of pesticides. • Additional barn owl boxes to meet the target of 1:10 ha coverage and also ensure occupancy rate of 60%. • Collection of rain water at line site, workshop and office for cleaning purpose. • Reduce water usage to conserve water supply during drought by monthly monitoring of water usage. • Continuous contribution to the local communities, school, government agencies and etc. • Continuous support on the workers social activities including sports activities, religious activities, “gotong royong” and maintenance of facilities. • Upgrading of local workers housing at Yong Peng estate (2 units houses Semi-D type with 2 bedrooms each into 1 single unit house with 4 bedrooms). • Upgraded playgrounds as per stakeholders consultation feedbacks <p>Results on the above were progressively reviewed and evidenced in the management meeting minutes.</p>	
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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain module applied at Gunung Mas Grouping POM during this assessment is **Module D – CPO Mills: Identity Preserved (IP)**.

Details of findings are as follows:

D.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The POM only processed FFB from its own supply base (see Section 1.3). It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders. The CPO Mill is therefore deemed to be Identity Preserved (IP).</p>	<p>Complied</p>
D.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance

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<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment 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 has been recorded in each annual surveillance report (see Section 1.8.2 Table 6 and Section 1.8.3 Table 7).</p>	<p>Complied</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 POM 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>Complied</p>
<p>D.3 Documented procedures</p>		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for IP Module is: Doc. No. SD/SDP/PSQM/001 Rev 0 (01/03/15) Standard Operation Procedure for Sustainable Supply Chain and Traceability. The procedure covered the implementation of all elements of IP Module.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	<p>Complied</p>
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Palm Oil Mill Manager, Mr Amran bin Sa'ri was interviewed. His staff, Ahmad Akhmal (Assistant Manager) has been appointed as the PIC for the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined in the Sime Darby Quality Management System Manual.</p>	<p>Complied</p>
<p>D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The POM only received and processed FFB mainly from the PMU Gunung Mas estates and some FFB (of IP Module) from other certified SDPSB PMUs estates. The PMU did not receive any non-certified FFB from other sources or suppliers. All supplies of FFB were subjected to verification of FFB Consignment Note by weighbridge personnel and quality checks (Crop Quality Report - grading chit) by the mill</p>	<p>Complied</p>

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	<p>personnel to determine the origin, quantity and quality of the FFB. The Weighbridge Ticket for FFB indicated the date, vehicle number, estate & field number, harvesting date, security seal number and weight.</p> <p>Monthly FFB and CPO/PK Report and YTD Report were verified to have complied with requirements of the IP Module whereby the Palm Oil Mill received and processed FFB from its own estates and other certified SDPSB PMUs estates.</p>	
D.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.	The POM had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the Consignment Note and Weighbridge Ticket. Noted that there are some FFB from other certified SDPSB PMUs. These are supplied under special circumstances only, e.g. when the other certified mills undergo maintenance. There were no non-certified FFB received or processed by the POM.	Complied
D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The documented Supply Chain SOP has specified that the responsible POM personnel shall check production quantity against the certified amount and notify RSPO, the CB and PSQM Department of any projected overproduction of certified tonnage. So far, there is no projected overproduction.	Complied
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
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.	The SOP stated a retention period of at 10 years for all records and reports. Pertinent records are properly filed, accessible and retrievable. The main records retained are FFB Consignment Note, Weighbridge Tickets, Collection Note, Dispatch of CPO, MPOB L3 form. Inspection of records at the POM confirmed these were accurate and complete. The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. This inventory is balanced every 3 months.	Complied
D.6 Processing		
Indicators	Findings and Objective Evidence	Compliance
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 non-certified material including during transport and storage.	Confirmed from records that the POM only received and processed certified FFB from its own estates and estates in other certified SDPSB PMUs. The processing facility has established and implemented a clear procedure and mechanism for the IP module. Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill, including transport and storage.	Complied
D.6.2 The objective is for 100 % segregated material to be reached.	Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material. The PK is delivered to the Sime Darby palm kernel crushing plant at Carey Island or sold as non-certified PK. The POM does not produce PKO. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.	Complied

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3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the Gunung Mas POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is thus eligible for 'IP' trading for its palm products for year FY 2016/2017.

3.1.3 Monitoring of CSPO and CSPK traded:

The POM relied on internal communication via email of the trading done by the HQ, Kuala Lumpur on the CSPO and CSPK. The POM received instruction from HQ to indicate the trade as CSPO on the weighbridge ticket according to each contract. So far, there is no CSPO sold under RSPO GreenPalm and ISCC. The volumes of certified products traded as verified during assessment are as follows:

	CSPO - Actual (July 2014 / June 2015) (MT)	CSPK - Actual (July 2014 / June 2015) (MT)	CSPO - Actual (July 2015 / June 2016) (MT)	CSPK - Actual (July 2015 / June 2016) (MT)
RSPO certified	25,935.92	17,147.78	30,747.05	12,073.60
Book & Claim (GreenPalm)	-	-	-	-
ISCC	-	-	-	-
Total Traded	25,935.92	17,147.78	30,747.05	12,073.60
Actual Produced	61,586.07	17,151.09	45,702.97	12,052.98

Notes:

- Based on records maintained at the POM, it was verified that the total tonnage of CSPO traded has not exceeded the annual certified quantity.
- The PK delivered to the Sime Darby palm kernel crushing plant at Carey Island or sold as non-certified PK. The POM does not produce PKO. There is no outsourcing of the PK crush to an independent palm kernel crusher.

3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NCR) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Re-Certification Assessment	2015	4 (2-Major, 2-Minor)	0	Actions taken on the NCRs verified to be effective during ASA-01
Annual Surveillance Assessment - 01	2016	1 (1-Major, 0 Minor)	4	Actions taken on the NCRs and OBS verified to be effective during ASA-02
Verification cum Annual Surveillance Assessment - 02	2017	5 (2-Major, 3-Minor)	1	Refer to Section 3.2.3 and Appendix F - Verification Outcome on ASI Compliance Audit findings. Consistency of implementation will be

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				also followed up during next surveillance.
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3.2.1 Year 2016, ASA-01: 1 NCR (1 Major)

NCR	MYNI Indicator	Details of NCR
<p>Major NC# MNM-01</p>	<p>6.5.2</p>	<p>Date issued: 25/02/2016</p> <hr/> <p>Nonconformance: At Yong Peng Estate and Kempas Klebang Estate, the working contracts in Bahasa Malaysia version have the signature of the foreign worker concerned. There are also working contracts in Bangladesh, Hindi and Nepalese languages. However, there was no evidence to support that such contracts were fully understood as these contracts were not signed by the respective foreign workers.</p> <hr/> <p>Root Cause and Corrective Action: Root Cause Analysis:</p> <ul style="list-style-type: none"> • Working contract in other languages is meant for reference only as stated in Item 26.4 in the contract. In order to ensure such contracts were fully understood by the respective foreign workers, two briefing sessions were held upon their arrival at Sime Darby as follows; <ol style="list-style-type: none"> 1. During Induction Session conducted at the Workers Management Centre (WMC), Sua Betong by the WMC Executive. 2. During arrival at the Operating Units (OU) • However during the audit, documents (evidences) to support both the program (e.g. syllabus for Induction Program, list of attendance, particulars of trainer and translator) are not adequately maintained at the OU. <p>Corrective Action:</p> <p><u>Action 1</u></p> <ul style="list-style-type: none"> • Supporting documents from WMC, Sua Betong being made available at the OUs <p><u>Action 2</u></p> <ul style="list-style-type: none"> • Both estates conducted briefing on the contract to the foreign workers assisted by appointed translator (colleagues from respective nationality). • OUs Assistant Manager (appointed PIC) to conduct the briefing upon arrival of foreign workers at the OUs.

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		<p>Verification (Corrective Action): Off-site verification carried out. Verified that the two corrective actions taken are evidenced by the following:</p> <ul style="list-style-type: none"> • Supporting documents for the Induction Session conducted at Workers Management Centre (WMC) as follows; <ol style="list-style-type: none"> 1. Summary of items covered during the Induction Session for foreign workers on 03/02/2016 that includes the working contract. 2. Attendance List for the Induction Session at the WMC. • Photos and attendance lists of the contract briefings conducted as follows: <ol style="list-style-type: none"> 1. At Kempas Klebang Estate on 16 Mar 2016 by the Assistant Manager, Tuan Khairul Anam, attended by 16 foreign workers (from Bangladesh, Sri Lanka, Myanmar & India). 2. At Yong Peng Estate on 17 Mar 2016 by the Assistant Manager, Tuan Mohd Shaiful Ifsan attended by 7 foreign workers (from Bangladesh, India & Nepal). <p>The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 23/03/2016</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 23/03/2016
NC status verified by auditor: Closed by OCL	Date closed: 23/03/2016			
		<p>Verification of effectiveness: Verified during ASA-02 assessment that the corrective action taken was implemented effectively.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: JMD</td> <td style="width: 40%;">Date verified: 20-23 Feb 2017</td> </tr> </table>	NC status verified by auditor: JMD	Date verified: 20-23 Feb 2017
NC status verified by auditor: JMD	Date verified: 20-23 Feb 2017			

3.2.2 Year 2016: ASA-01 (4 Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: OCL-01	4.6.2	Kempas Klebang Estate	Records of pesticides use are available. However, the record did not indicate clearly the area treated, amount of active ingredients applied per ha and number of applications.	25 Feb 2016	23 Feb 2017	Verified that actions taken had addressed the finding.
OBS: SH-01	5.1.3	Yong Peng Estate and Kempas Klebang Estate	The paint marking on the trees for demarcation of the buffer zone had faded and therefore making the extent of boundary unclear. In addition, old and worn out signages at various locations (e.g. ponds and river buffer zones) need to be refurbished or replaced.	25 Feb 2016	23 Feb 2017	Verified that actions taken had addressed the finding.
OBS: MNM-01	6.1.2	POM, Yong Peng Estate and Kempas Klebang Estate	The POM and estates have conducted the stakeholders' consultation. However, the number of stakeholders present were very few although a significant number had been invited. Action should be taken to have a greater participation from affected parties.	25 Feb 2016	23 Feb 2017	Verified that actions taken had addressed the finding.

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OBS: MNM-02	6.2.3	POM, Yong Peng Estate and Kempas Klebang Estate	Stakeholders list should be reviewed and updated regularly to include any new suppliers and contractors. Also, it was noted that stakeholders (e.g. villagers) have made certain requests and actions have been taken by POM and estates. However, there was a lack of proper documentation and records on such matters.	25 Feb 2016	23 Feb 2017	Verified that actions taken had addressed the finding.
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3.2.3 Year 2017, ASA-02: 5 NCR (2-Major, 3-Minor)

NCR	MYNI Indicator	Details of NCR	
AL-01 Minor	4.1.2	Date issued: 23 Feb 2017	
		Nonconformance: At POM and Estates, common FFB Transport Contractor (SKH) was engaged for the FFB transportation. Gunung Mas Estate was also engaging contractor for Spraying activities. The monitoring process implemented on Contractors was not able to adequately ensure that the conditions of the agreement such as contractor workers are paid in accordance with the law.	
		Root Cause and Corrective Action(s): Root Cause: Currently, there is no mechanism to monitor the compliance by the contractors on Labour law. Corrective Actions: 1. To develop a checklist on the labour law requirements which needs to be monitored by CC/Executives on quarterly basis, 2. Estate will conduct a refresher training to contractors to brief on the relevant compliance to legislation that needs to be complied by the contractors.	
		Verification (Corrective Action): The corrective actions has satisfactorily addressed the non-conformance.	
		NC status verified by auditor: Closed by AL	Date closed: 22 Mar 2017
		Verification of effectiveness: Next assessment (ASA-03)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
AL-02 Major	4.7.1	Date issued: 23 Feb 2017	
		Nonconformance: Monitoring of appropriate PPE to be worn by field workers: DOSH recommendations and Pictorial PPE wear for Sprayers had indicated that Long trousers has to be placed outside of the Rubber boots which was seen to be practiced at Bukit Paloh estate. However, at Gunung Mas estate, the sprayers were seen to be wearing their long pants tucked inside the boots. Thus, the PPE wearing was not consistent with the DOSH recommendations.	

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		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause: Most of spraying workers at Gunung Mas Estate are wearing long trousers with tight opening in the leg section (slim fit cutting) and thus tend to tuck their pants into the boots.</p> <p>Corrective Action taken are: 1. To carry out re-training on Safety for Spraying Gang. This has been carried out 2nd Mar 2017 and was conducted by our ESH executive which all sprayers has been advised to wear appropriate size trouser so that their boot can be tuck inside their trousers.</p> <p>2. Daily monitoring also is being carried during muster to ensure that all sprayers are wearing appropriate attire for working.</p>	
		<p>Verification (Corrective Action): On-site Verification was conducted on 20-21 Apr 2017. The corrective actions taken has satisfactorily addressed the non-conformance.</p>	
		NC status verified by auditor: Closed by AL & SH	Date closed: 21 Apr 2017
		Verification of effectiveness: Next assessment (ASA-03)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
SH-01 Minor	5.2.4	Date issued: 23 Feb 2017	
		Nonconformance:	
		There was no proper record on the monitoring of HCV and RTE at the Gunung Mas estate. In addition there was no appropriate signages place at strategic locations.	
		Root Cause and Corrective Action(s):	
		Root Cause: Insufficient mechanism implemented on the monitoring of HCV.	
		Corrective action: Review the mechanism of monitoring HCV to ensure all recommended action plans are fully implemented and maintained by OUs. Request for signages budget and install appropriate signage at few strategic location.	
		Verification (Corrective Action): On-site Verification was conducted on 20-21 Apr 2017. The corrective actions taken has satisfactorily addressed the non-conformance.	
		NC status verified by auditor: Closed by AL & SH	Date closed: 21 Apr 2017
		Verification of effectiveness: Next assessment (ASA-03)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
	5.3.3	Date issued: 23 Feb 2017	

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SH-02 Minor		<p>Nonconformance:</p> <p>Landfill management:</p> <ol style="list-style-type: none"> 1. Signages showing directions and locations of landfills at both estates (GME & BPE) are not visible on-site. 2. Marking details of the 'Opening' and 'Closing' of the plots of landfills used were not available. 3. At Bukit Paloh estate, the management of existing landfill for domestic wastes was not proper as there was evidence of waste material scattered all over the landfill. 		
		<p>Root Cause and Corrective Action(s):</p> <p>Root cause:</p> <ol style="list-style-type: none"> 1. Estate is not aware on the signage's requirement. 2. Estate is not aware on the landfills plots monitoring 3. Scattered used materials due to the collecting of recycle materials practice by local folks at landfills plots. <p>Corrective Actions:</p> <ol style="list-style-type: none"> 1. Estate will install the appropriate signage to show the directions and locations of landfills. 2. Estate will install the 'Opening date' and 'Closing date' markings at the landfills plots. 3. To immediately restrict people from entering the landfill area and encourage the good practice of collecting recycle materials at source. 		
		<p>Verification (Corrective Action):</p> <p>On-site Verification was conducted on 20-21 Apr 2017. The corrective actions taken has satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL & SH</td> <td style="width: 40%;">Date closed: 21 Apr 2017</td> </tr> </table>	NC status verified by auditor: Closed by AL & SH	Date closed: 21 Apr 2017
NC status verified by auditor: Closed by AL & SH	Date closed: 21 Apr 2017			
		<p>Verification of effectiveness: Next assessment (ASA-03)</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: -</td> <td style="width: 40%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR
JMD-01 Major	6.5.2	<p>Date issued: 23 Feb 2017</p> <p>Nonconformance:</p> <ol style="list-style-type: none"> 1. In Gunung Mas Estate, it was found wages deductions were made for payments of school bus fees, water bills, insurance, etc., without valid permit from Jabatan Tenaga Kerja. This is not complying with Employment Act 1955, Section 24(4)(c). 2. In Gunung Mas and Bukit Paloh estates, it was found Vacation Leave Pay (VLP) calculation in the month of July and August 2016 for at least three daily rated workers were still based on Minimum Wages Order 2012, i.e. RM34.62. This calculation is not complying with Minimum Wages Order 2016 which was already effective on 1 July 2016 with daily rate at RM38.46/day.

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		<p>Root Cause and Corrective Action(s):</p> <p>Root Cause;</p> <ol style="list-style-type: none"> 1. Due to no mechanism to monitor on the permit availability. 2. Information on the VLP was not well explained during the audit. <p>Corrective Actions:</p> <ol style="list-style-type: none"> 1. The estate will apply for the permit from JTK for all deduction made from employees' wages. Meantime, all deductions without JTK approval has been discontinued. OU will resume deduction once approval is granted by JTK. 2. Estate have paid VLP for both workers in September 2016 for Murugavel Kaliyamoorthi due to his repatriation on September 2016. December 2016 for Rajapandiyam Velu. <i>(both workers taking unpaid leave from 10.5.2016 to 8.9.2016)</i>. December 2016 for Bazit <i>(taking unpaid leave from 07.06.2016 to 14.09.2016)</i> The computation of Vacation Leave Payment is based on the todate Average Daily Earnings. For month of July and August payment, the average will be computed for range January to July and January to August respectively. The new rate commenced only in July, which will only contribute one/two month's wages depending on whether the employee is working for the months. 		
		<p>Verification (Corrective Action):</p> <p>On-site Verification was conducted on 20-21 Apr 2017. The corrective actions taken has satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL</td> <td style="width: 40%;">Date closed: 21 Apr 2017</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 21 Apr 2017
NC status verified by auditor: Closed by AL	Date closed: 21 Apr 2017			
		Verification of effectiveness: Next assessment (ASA-03)		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: -</td> <td style="width: 40%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

3.2.4 Year 2017, ASA-02: 1 Observation

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: SH-01	5.2.1	GME & BPE	<p>Landscape mapping and identification.</p> <p>1) At Gunung Mas estate, the terminology used on the map does not accurately represent the situation on the ground such as the 'Bird sanctuary', 'Elephant intrusion' and 'Water catchment'.</p> <p>2) At Bukit Paloh, the existence of Mosque and Temple was shown on the map but not the Muslim and Hindu cemeteries.</p>	23 Feb 2017	-	To follow up during ASA-03

3.2.5 Identified Positive Elements

- 1) On overall, the PMU has maintained a satisfactory implementation of the RSPO sustainable activities.
- 2) The PMU has made significant contributions and support to the local communities for infrastructure, social and religious activities.

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3.3 Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of the PMU operations were sourced. All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See table below:

3.3.1 Feedback Raised by Stakeholders: Surveillance Assessment ASA-01 (Year 2016)

Communication done via email on 04 Jan 2016 (See list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: At SOU 21 Gunung Mas PMU, a total of 34 stakeholders were present at the Stakeholders Consultation, comprising of Gender Committee members – 4, Workers (local and foreign workers) – 20, Contractors/suppliers – 4 FFB Suppliers – 0, smallholders – 0, Local Community (School & Clinics) – 3, Government agencies (Auxiliary Police, Firefighters) – 2 and Head of Village – 1 nos. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions raised include: Only one concern raised, ie by Auxiliary Police ("Polis Bantuan") at Kempas Klebang estate expressed their concern on the barrier gate system which was heavy to pull the rope and caused injuries to the security personnel in early Feb 2016.	The management will look into the barrier gate system and identify if there is any improvement can be made to open/close the barrier gate with the lighter weight.	To be followed up during the next Annual Surveillance Assessment.	Improvement action was taken and issue was addressed.
Local Communities - Interviews:			

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Interviews of sampled staff and workers were also conducted by the auditors during field visits from 22 to 25 Feb 2016 at the PMU: No issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
Other Interested parties: No feedback received.	No response needed.	No response needed.	Nil

3.3.2 Feedback Raised by Stakeholders: Surveillance Assessment ASA-02 (Year 2017)

Communication done via email on 05 Jan 2017 (See list under para 2.5):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: At SOU 21 Gunung Mas PMU, a total of 12 stakeholders were present at the Stakeholders Consultation meeting comprising Contractors – FFB, EFB & Replanting, Suppliers, Smallholders, Local Community (School & Clinics), Government agencies (Auxiliary Police, Firefighting personnel) and Village Heads. They were interviewed by the auditors without the presence of any of the PMU staff. A specific concern was that CPO tankers should not enter the road used by the school buses, especially before 6.00 o'clock in the morning, as these tankers will obstruct the route and pose as safety risk to the school bus.	This was checked with the Management during the closing meeting. The management was committed to look into the matter with regards to the route and timing of the CPO tanker movements.	To be followed up during the next Annual Surveillance Assessment.	-
Local Communities - Interviews: Interviews of sampled staff and workers (24 nos, male, female local and foreign workers) were also conducted by the auditors during field visits from 20-23 Feb 2017 at the PMU:			



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No negative issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
Other Interested parties: No feedback received.	No response needed.	No response needed.	Nil

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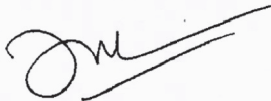
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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, SDPSB Gunung Mas Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MYNI Nov 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for Palm Oil Mill.

Therefore, it is recommended that the certification of SDPSB Gunung Mas Grouping be approved and continued.

Signed for and on behalf of
Intertek Certification International Sdn Bhd



Augustine Loh
Lead Assessor

Date: 7 May 2017

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of
Sime Darby Plantation Sdn Bhd



Mr Amran bin Sa'ri
Palm Oil Mill Manager (SOU 21)

SOU CHAIRMAN
Date: 8 May 2017

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4.2 INTERTEK- RSPO P&C Certificate details for SDPSB Gunung Mas Grouping

Certificate No:	RSPO 901888
Original issue date:	19 May 2010
New issue date:	19 May 2017
Expiry date:	18 May 2020
Organization	Sime Darby Plantation Sdn Bhd
Address of Head Office:	Wisma Guthrie, 21, Jalan Gelenggang, 50490, Bukit Damansara, Kuala Lumpur
RSPO Membership No:	1-0008-04-000-00
Plantation Management Unit:	SOU 21 Gunung Mas Grouping
Address of POM:	KKS Gunung Mas, K/B No. 524, 86009 Kluang, Johor, West Malaysia.
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (Nov 2014); RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module at POM	Identity Preserved (IP)

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Certified (Titled) Area (ha)
		Latitude	Longitude	
Gunung Mas Palm Oil Mill (POM capacity: 60 MT/hr)	KKS Gunung Mas, K/B No. 524, 86009 Kluang, Johor, West Malaysia.	2.344° N	103.138° E	12,410
Gunung Mas Estate	Ladang Gunung Mas, K/B No. 512, 86009 Kluang, Johor, West Malaysia.	2.248° N	103.149° E	
Kempas Klebang Estate	Ladang Kempas Klebang, K/B No 105, 86009 Paloh, Johor, West Malaysia.	2.218° N	103.172° E	
Bukit Paloh Estate	Ladang Bukit Paloh, K/B No 107, 86009 Paloh, Johor, West Malaysia.	2.140° N	103.175° E	
Yong Peng Estate	Ladang Yong Peng, 83700 Yong Peng, Johor, West Malaysia.	2.085° N	103.143° E	

The annual certified tonnages produced at the PMU are detailed as follows:

Gunung Mas POM	Annual Tonnages (MT)
Certified FFB	184,824.08
Certified CPO	39,737.18
Certified PK	10,165.32
Supply chain module	Identity Preserved (IP)

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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Mr. Augustine Loh (AL) – Lead Assessor / Technical Expert

(Palm Oil Mill, Environment, Social, Conservation & HCV area, GAP, IPM, Land Use and Supply Chain)
– Master in Business Administration, USA and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment (TPA) Lead Auditor and IRCA Lead Tutor for IRCA ISO 9001 and OHSAS 18001 Lead Auditor Courses as well as Tutor for RSPO Certification Programs and Integrated Management System in Intertek, Malaysia. He has over 25 years of fieldwork and experience in Palm based product survey, supply chain monitoring, inspection and testing. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001, ISO 14001, OHSAS 18001, ISO 22001, ISO 27001, RSPO Principles and Criteria Lead Assessor Course, RSPO Supply Chain Certification and the International Sustainable Carbon Certification (ISCC) Lead Auditor courses. He has also completed the RSPO training on RSPO P&C, RSPO Palm GHG tool and RSPO RED requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010.

Mr. Sazali Hasni (SH) – Assessor / Technical Expert

(Environment, Conservation and HCV area)
- Bachelor of Science (Forestry)

Mr. Sazali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI Assessor course. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

Mr. Jumat Majid (JMD) – Assessor / Technical Expert

– BSc (Social Science)

Mr. Jumat Majid (JMD) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.

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Appendix B:

Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
20 Feb 17 (Day 1)	8.00 am - 11.00 am	Travel to Hotel		
	11.00 am - 12.00 pm	Travel to SOU 21 Gunung Mas grouping Palm Oil Mill (POM) Office		
	12.00 pm - 1.00 pm	Lunch Break		
	1.00 pm - 1.30 pm	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	1.30 pm - 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		AL	SH	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Review of changes for compliance to revised RSPO P&C, MYNI and RSPO SCC • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 			
	5.00 pm - 6.00 pm	Travel to Hotel & Break		
6.00 pm - 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
21 Feb 17 (Day 2)	8.30 am - 12.30 pm	Site assessment at Gunung Mas estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Gunung Mas estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Gunung Mas estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
		Lunch Break		
	1.30 pm - 5.00 pm	Continue site assessment at Yong Peng estate		
	5.00 pm - 6.00 pm	Travel to Hotel & Break		
	6.00 pm - 7.00 pm	Team Meeting and Discussion		

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Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
22 Feb 17 (Day 3)	8.30 am - 12.30 pm	Site assessment at Bukit Paloh estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Bukit Paloh estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Bukit Paloh estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm - 1.30 pm	Lunch Break		
	1.30 pm - 5.00 pm	Continue site assessment at Kempas Klebang estate		
	5.00 pm - 6.00 pm	Travel to Hotel & Break		
	6.00 pm - 7.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
23 Feb 17 (Day 4)	8.30 am - 10.30 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement.</p>	
	10.30 am - 12.30 pm	Site assessment at POM or estates to follow up on any specific criteria/areas		
	12.30 pm - 1.30 pm	Lunch Break		
	1.30 pm - 3.00 pm	Preparation for Closing Meeting		
	3.00 pm - 3.30 pm	Team Meeting and Discussions with PMU Management Representative		
	3.30 pm - 5.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office		

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Appendix C-1:

Location Map of SDPSB Gunung Mas Grouping, Johor, Malaysia



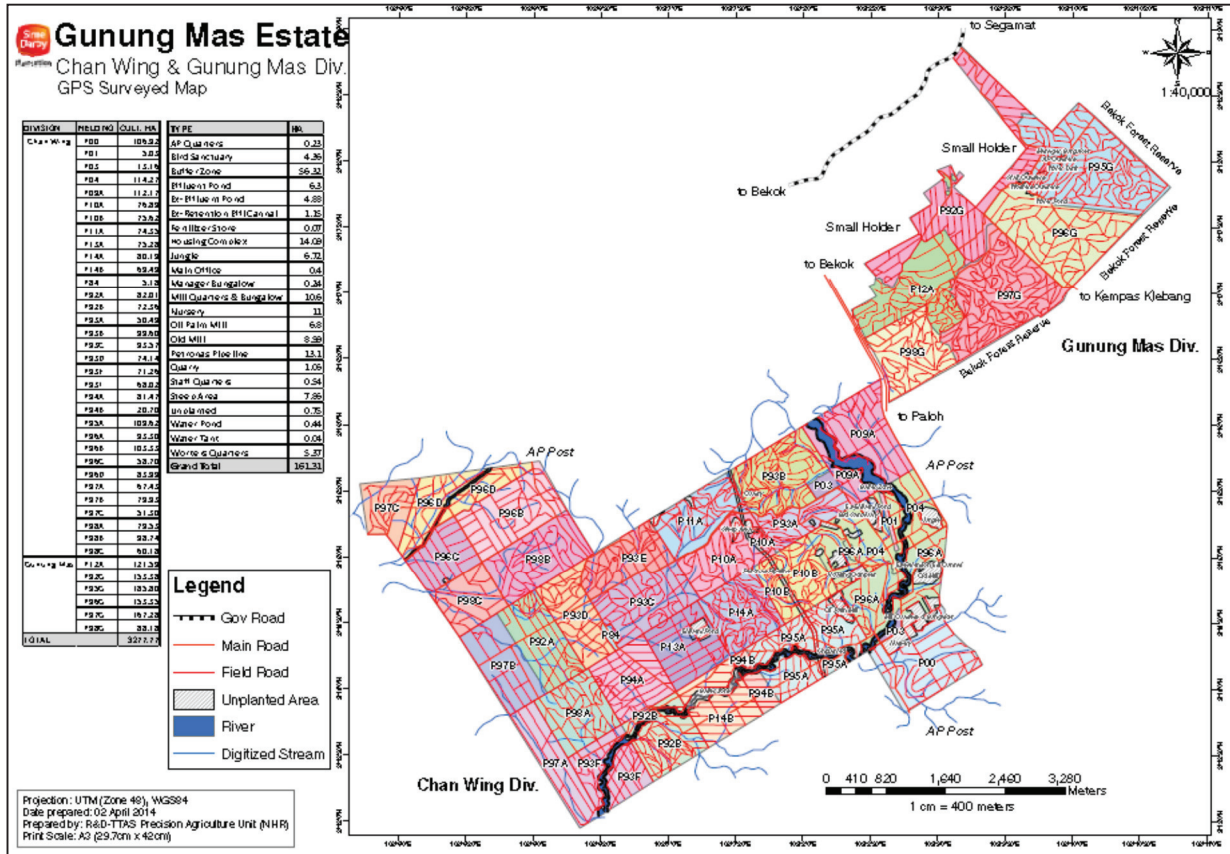
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Appendix C-2-1:

Location Map of SDPSB Gunung Mas Estate

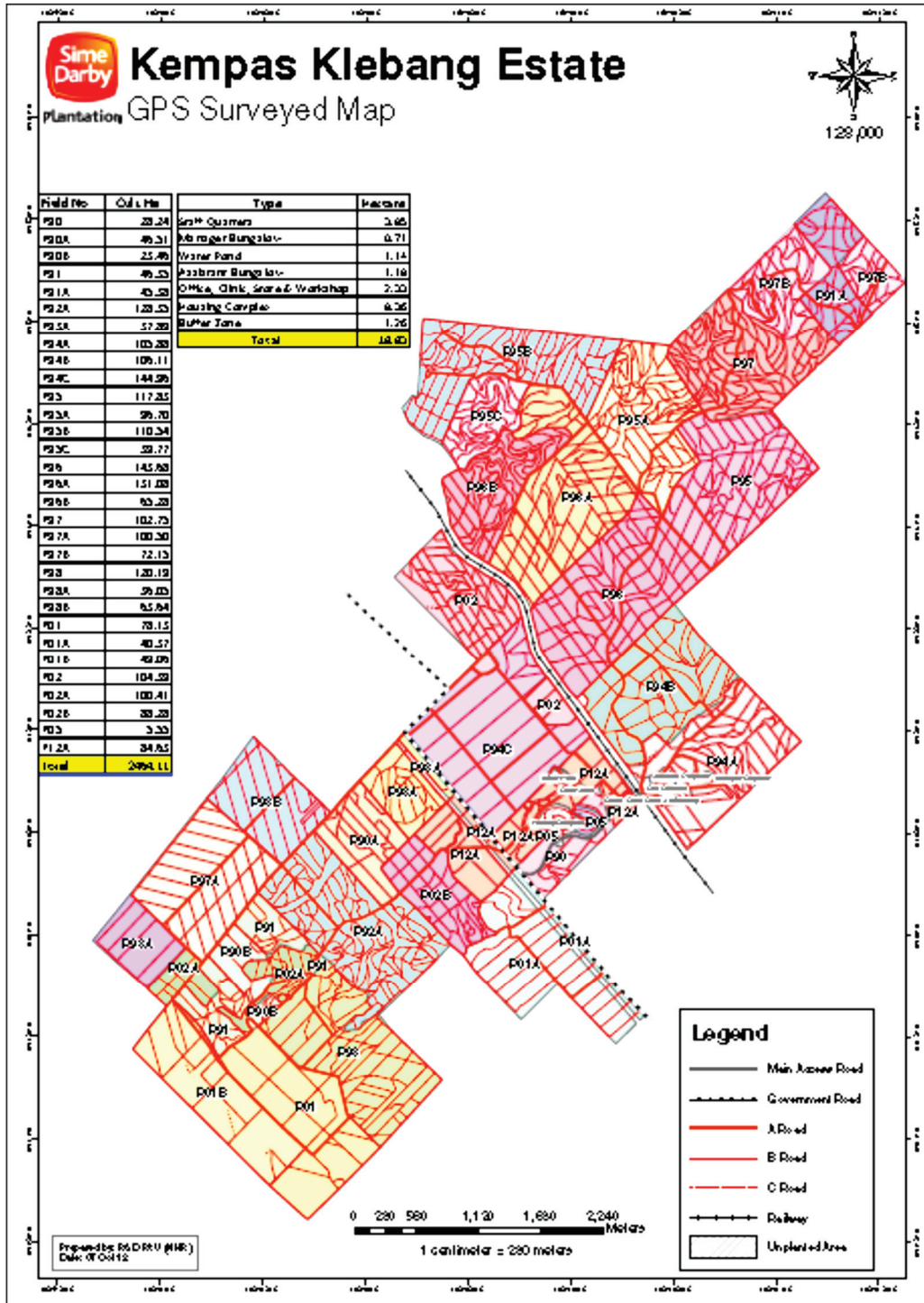


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Appendix C-2-2:

Location Map of SDPSB Kempas Klebang Estate



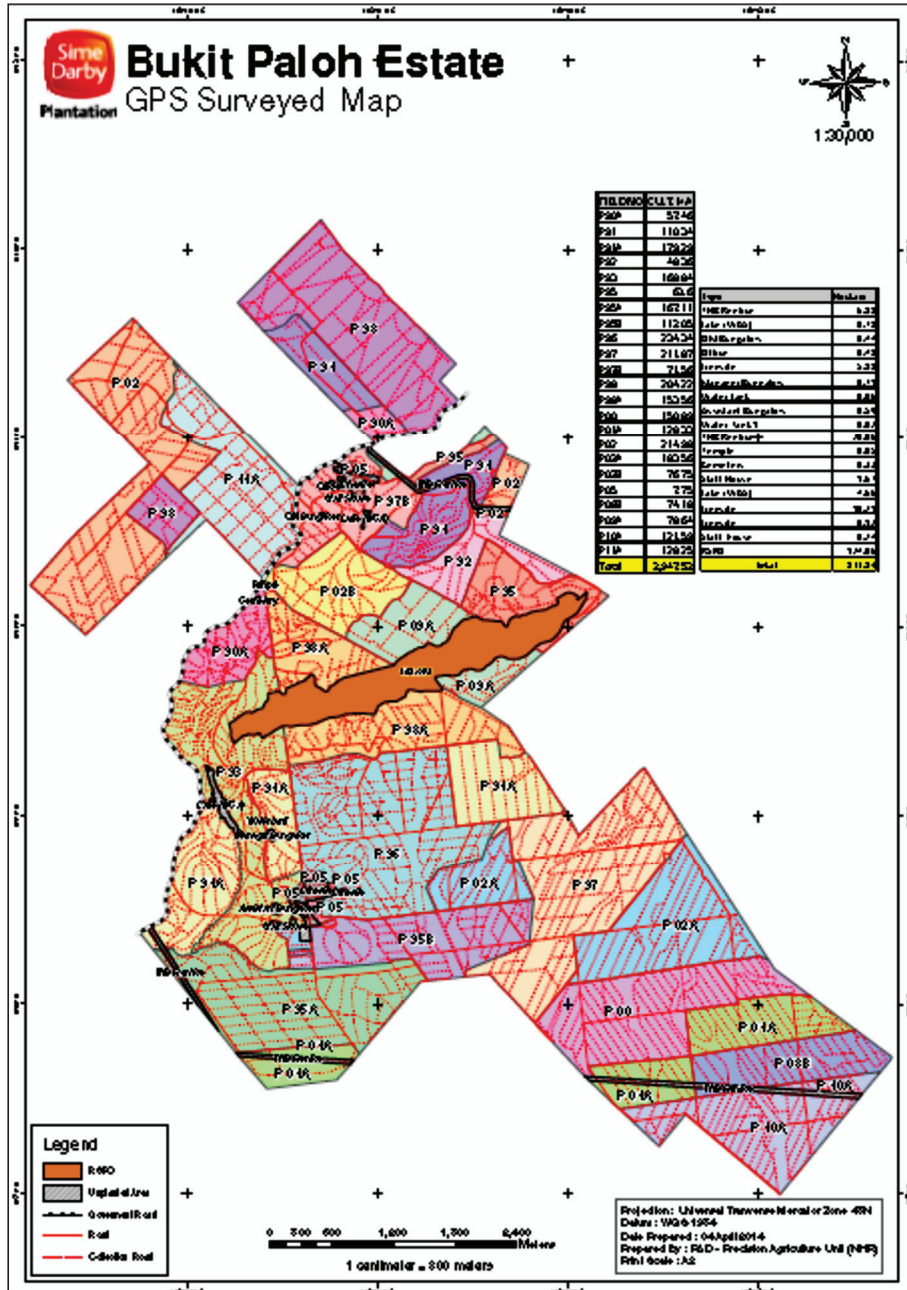
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Appendix C-2-3:

Location Map of SDPSB Bukit Paloh Estate



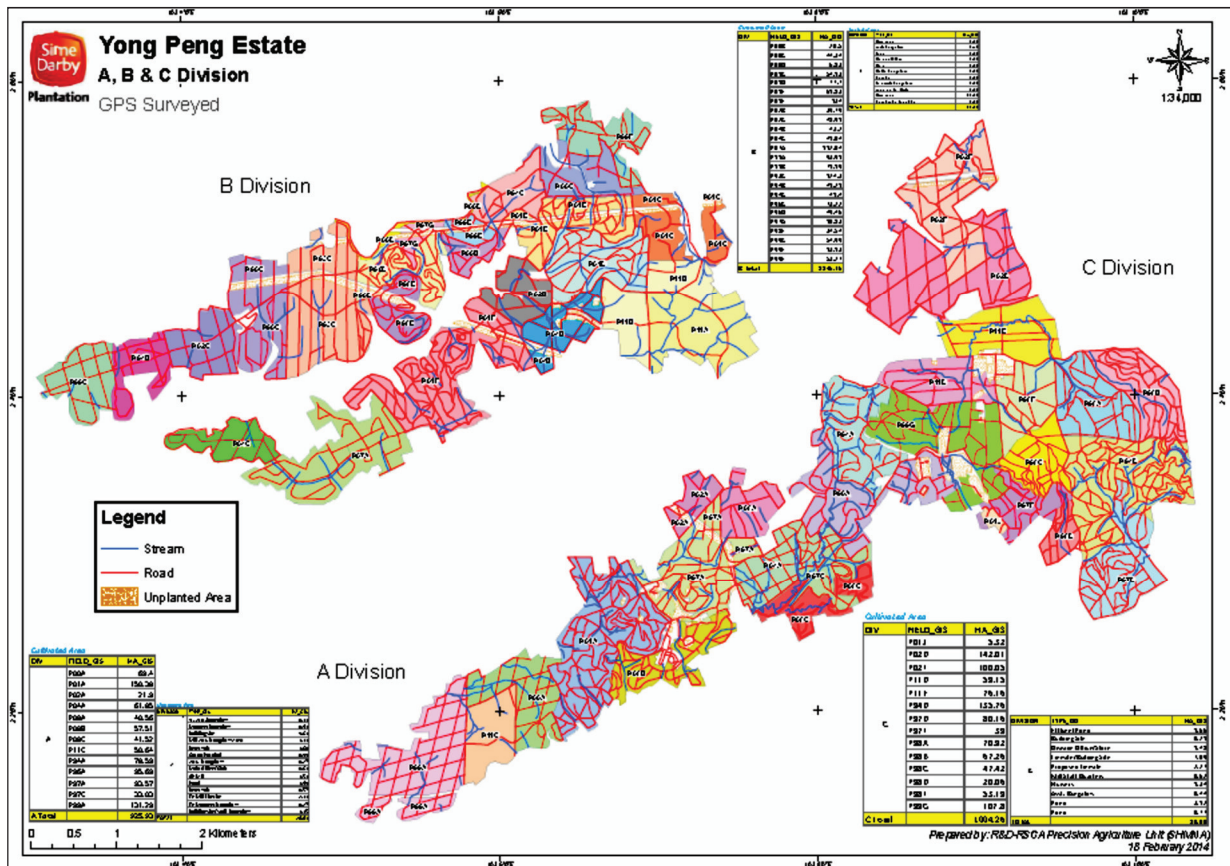
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Appendix C-2-4:

Location Map of SDPSB Yong Peng Estate



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Appendix D:

Photographs of Assessment Findings at SDPSB Gunung Mas Grouping, Johor, Malaysia



Gunung Mas estate: Wearing of PPE during the spraying activities



Trailer for the transportation of workers to the fields



Gunung Mas estate: Buffer zone maintained adjacent to Sg. Bekok during replanting.



Bukit Paloh estate: Showering and washing facilities for the field workers.

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Appendix E:

Time Bound Plan as submitted by SDPSB

Table 1: Initial Timebound Plan and Summary of RSPO Certification Status as at Dec 2016

This document shall be read together with the Attachments (I & II)

Financial year (July –June)	Targeted	Achieved/Status	Attachments
Jun-08	5 SOUs	<p>Achievement of Timebound Plan Sime Darby Plantation has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment by end Dec 2011 in accordance to the initial timebound plan. As at Dec 2011, all Malaysian SOUs have been RSPO certified (with the exception of 2 new oil mills i.e. Pagoh and Sua Betong Oil Mills commissioned to replace the current oil mills after the initial timebound plan targets). Both new mills/SOUs have undergone RSPO Main Assessment and certified in early 2014.</p> <p>98% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes. Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Note: Time-bound plan to achieve 100% RSPO certification has shifted to 2015 .</p> <p>Revision of total number of SOUs The total number of mills have been revised from 59 w.e.f Aug 2013 due to strategic alignments/closure of mills.</p>	<p>For details please refer to Attachments: i) SDP - RSPO Certification Status for Malaysia Operations ii) SDP- RSPO Certification Status for Indonesia Operations iii) RSPO SCCS status for Sime Darby Plantation (Downstream Operations)</p>
2008/2009	20 SOUs (from Malaysia and Indonesia)		
2009/2010	20 SOUs (from Malaysia and Indonesia)		
2010/2011 (End Dec 2011)	17 SOUs (from Malaysia and Indonesia)		

Note: SOU - Strategic Operating Units (consisting of one oil mill and supplying estates)

Table 2: Details of RSPO Certification Status as at Dec 2016

This document shall be read together with the Attachments (I & II)

Status	Malaysia	Indonesia	Total	Remarks
RSPO Certified	34	24	58	<p><u>Malaysia</u> * Effectively 34 SOUs. - Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud Palm Oil Mills have been closed down.</p> <p><u>Indonesia</u> * Effectively 25 SOUs</p>
Undergoing Stage 1 or Stage 2	0	1	1	<p><u>Indonesia</u> * PT MAS has undergone RSPO Main assessment and is delayed due to some social disputes.</p>
Total SOUs	34	25	59	Note: Revised number of SOUs for SDP is 59 beginning Aug 2013.

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Attachment I: SDPSB - RSPO Certification Status for Malaysia Operations

			Date of Certification	End Date of Certification	Certificate Number		
1	Sg. Dingin	Karangan, Kedah	12 Aug '10	11 Aug '15	SPO 550179	Active	
2	Chersonese	Kuala Kurau, Perak	5 Oct '11	4 Oct '16	CU-RSPO-815148, SPO 590800	Active	
3	Elphil	Sg Siput, Perak	18 Jun '11	17 Jun '16	SPO 550180	Active	
4	Flemington	Teluk Intan	5 Oct '11	4 Oct '16	CU-RSPO-819144, SPO 590802	Active	
5	Seri Intan	Teluk Intan	3 Mar '11	2 Mar '16	CU-RSPO-811218, RSPO 0016	Active	
5	Selaba	Teluk Intan	3 Mar '11	2 Mar '16	CU-RSPO-819142, RSPO 0015	Active	
5a	Sg Samak		3 Mar '11	Not Applicable	Not Applicable	Withdraw. Ceased operations.	
6	Tennamaram	Bestari Jaya, Selangor	3 Mar '11	2 Mar '16	CU-RSPO-819143, RSPO 0014	Active	
7	Bukit Kerayong	Kapar, Selangor	15 Apr '11	14 Apr '16	SPO 550181	Active	
8	East	Carey Island, Selangor	19 May '10	18 May '15	SPO 543543	Active	
9	West	Carey Island, Selangor	19 May '10	18 May '15	SPO 543594	Active	
9a	Sepang	Sepang, Selangor	19 May '10	Not Applicable	Not Applicable	Withdraw. Ceased operations.	
10	Bukit Puteri	Raub, Pahang	7 Jul '11	6 Jul '16	CU-RSPO-815147, 18502206001	Active	
11	Kerdau	Termeloh, Pahang	7 Jul '11	6 Jul '16	CU-RSPO-819155, 18502207001	Active	
12	Jabor	Kuantan, Pahang	7 Jul '11	6 Jul '16	CU-RSPO-819156, RSPO 928288	Active	
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29 Dec '16	CU-RSPO-819163, SGS-RSPOPM-MY13/01284	Active	
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18 May '15	SPO 541905	Active	
15	Sua Betong	Port Dickson, Negeri Sembilan	18 Feb '14	17 Feb '19	SGS-RSPO/PM-MY14/01364	Active, New Application	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No. CU-RSPO-819165, Certificate date:- 30 Dec 2011
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '11	6 Jul '16	CU-RSPO-819157, RSPO 928188	Active	
17	Kempas	Jasin, Melaka	19 May '10	18 May '15	RSPO 005	Active	
18	Diamond Jubilee	Jasin, Melaka	5 Oct '11	4 Oct '16	CU-RSPO-819146, SPO 591224	Active	
19	Pagoh	Muar, Johor	28 Jan '14	27 Jan '19	SPO 600305	Active, New Application	Pagoh Oil Mill has been commissioned to

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							replace Nordanal Oil Mill with Certificate no. SPO 549297, certification date 7 Jan 2011
19a	Yong Peng	Yong Peng, Johor	20 Oct '10	19 Oct '15	SPO 550182	Withdrawn, Mill closed down	
20	Chaah	Chaah, Johor	18 Nov '10	17 Nov '15	SPO 548299	Active	
21	Gunung Mas	Kluang, Johor	19 May '10	18 May '15	RSPO 901888	Active	
22	Bukit Benut	Kluang, Johor	5 Oct '11	4 Oct '16	CU-RSPO 819147, SPO 591229	Active	
23	Ulu Remis	Layang, Johor	12 Apr '11	11 Apr '16	SGS-RSPO/PM-00722	Active	
24	Hadapan	Layang, Johor	29 Mar '11	28 Mar '16	SGS-RSPO/PM-00715	Active	
25	Segaliud	Sandakan, Sabah	20 May '10	19 May '15	SPO 547123	Withdrawn, Mill closed down	
26	Sandakan Bay	Sandakan, Sabah	1 Oct '08	30 Sep '18	SPO 537872	Active	
27	Melalap	Tenom, Sabah	21 Jan '11	20 Jan '16	SPO 547124	Active	
28	Binuang	Kunak, Sabah	16 Jan '09	15 Jan '14	RSPO 001	Active	
29	Giram	Tenom, Sabah	16 Jan '09	15 Jan '14	RSPO 002	Active	Extension of eTrace granted by RSPO till mid Apr 2015 for SOU Binuang, Giram and Merotai to undergo the re-certification process.
30	Merotai	Tawau, Sabah	16 Jan '09	15 Jan '14	RSPO 004	Active	
30a	Jelata Bumi	Kunak, Sabah	24 May '10	Not Applicable	Not Applicable	Withdrew, Ceased operations	
30b	Mostyn	Kunak, Sabah	16 Jan '09	Not Applicable	Not Applicable	Withdrew, Ceased operations	
31	Lavang	Bintulu, Sarawak	30 Dec '11	29 Dec '16	CU-RSPO 819166	Active	
32	Rajawali	Bintulu, Sarawak	30 Dec '11	29 Dec '16	CU-RSPO 819167, RSPO 0020	Active	
33	Derawan	Bintulu, Sarawak	30 Dec '11	29 Dec '16	CU-RSPO 819169, RSPO 0019	Active	
34	Pekaka	Bintulu, Sarawak	30 Dec '11	29 Dec '16	CU-RSPO 815150	Active	

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Attachment II: **SDPSB - RSPO Certification Status for Indonesia Operations**

				Date of Certification	End Date of Certification	Certificate Number
1	PT LAHAN TANI SAKTI	ALUR DUMAI	Bagan Sinembah/Tanh Putih, Pujuh, Rokan Hilir, Riau	16 Jan '12	16 Jan '17	MUTU-RSPO/011
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6 Jul '11	6 Jul '16	MUTU-RSPO/006b
3	PT SAJANG HEULANG	MUSTIKA OIL MILL	Sebamban, Indonesia	3 Jul '13	3 Jul '18	MUTU-RSPO/027
4	PT LADANGRUMPUN SUBURUBADI	ANGSANA	Sebamban, Indonesia	6 Jul '11	6 Jul '16	MUTU-RSPO/006a
5	PT LANGGENG MUARAMAKMUR	BEBUNGA	Pamukan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/ Kalimantan Timur	16 Mar '12	16 Mar '17	MUTU-RSPO/014
6	PT KRIDATAMA LANCAR	SUKAMANDA NG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	5 Jul '11	5 Jul '16	MUTU-RSPO/003
7	PT BAHARI GEMBIRA RIA	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9 Jul '12	9 Jul '17	MUTU-RSPO/019
8	PT TUNGGAL MITRA PLANTATIONS	MANGGALA	Riau, Indonesia	25 Nov '10	25 Nov '15	MUTU-RSPO/002
9	PT PARIPURNA SWAKARSA	PONDOK LABU	Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16 Mar '12	16 Mar '17	MUTU-RSPO/016
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	5 Jul '11	5 Jul '16	MUTU-RSPO/005
11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas Sumatera Selatan	16 Mar '12	16 Mar '17	MUTU-RSPO/017
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30 Dec '11	30 Dec '16	MUTU-RSPO/009
13	PT LAGUNA MANDIRI	BETUNG OIL MILL	Sungai Durian, Kotabaru, Kalimantan Selatan	1 Apr '14	1 Apr '19	MUTU-RSPO/009
14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23 Nov '10	23 Nov '15	MUTU-RSPO/001
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16 Mar '12	16 Mar '17	MUTU-RSPO/015
16	PT BINA SAINS CEMERLANG	SG. PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11 Sep '12	11 Sep '17	MUTU-RSPO/020
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	5 Jul '11	5 Jul '16	MUTU-RSPO/004
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	11 Oct '11	11 Oct '16	MUTU-RSPO/008
19	PT BHUMIREKSA NUSA SEJATI	MANDAH OIL MILL	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	1 Apr '14	1 Apr '19	MUTU-RSPO/008
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	11 Oct '11	11 Oct '16	MUTU-RSPO/007
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10 Jul '12	10 Jul '17	MUTU-RSPO/018
22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18 Aug '10	17 Aug '15	SPO 541399
23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3 May '13	3 May '18	MUTU-RSPO/026
24	PT SANDIKA NATAPALMA / PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3 Jul '14	2 Jul '19	MUTU-RSPO/044
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab. Sanggau, Kalimantan Barat	Undergone RSPO Main Assessment. Delayed due to some disputes.		

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Appendix F:

Outcome of the Verification on ASI Compliance Audit Findings (on Intertek's CH) – Verification on PMU SDP Gunung Mas SOU 21 (as one of Intertek's CH)

No	Requirements	Item No	Issues as Raised by ASI at one of Intertek's CH	Findings at PMU SDP Gunung Mas SOU 21 against ASI Findings	Intertek Verification Outcome and Status of Finding
1.0	4.1.2 A mechanism to check consistent implementation of procedures shall be in place	1.1	Contracts not being included of safety & health, forced labour, child labour	PMU has a Social Policy which does not condone forced labour and child labour. This policy is implemented in the procedures and contracts.	Verification done on 20-23 Feb 2017 at POM & Gunung Mas Estate, Bukit Paloh Estate and on 20-21 Apr 2017 at Gunung Mas Estate, Bukit Paloh Estate & Yong Peng Estate. Not an issue at this PMU / CH
		1.2	Contractor's drivers were not able to present driving license	Driver for tankers and kernel lorries have driving license, GDL license and all other relevant license Ongoing monitoring done on contractors' drivers.	Not an issue at this PMU / CH
		1.3	Valid road tax and lorry insurance	Contractors had arranged for their lorries to be equipped with road tax and/or lorry insurance. For mill's transporters, the lorries have both road tax and lorry insurance as they are using the public roads.	Not an issue at this PMU / CH
		1.4	Contractor's drivers did not had work agreement	Refer to NC: AL-01 raised during audit.	NC AL-01 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.
		1.5	Contractor's drivers are not paid consistently	Refer to NC: AL-01 raised during audit.	NC AL-01 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.
2.0	4.2.2 Protection of water courses	2.1	Buffer zone for stream was marked at one side and the unmarked side was treated with chemicals	PMU estates identified all streams and rivers crossing or border with their respective estate and mark it in the maps. Clear markings on the palm or peggings of the same colour to be erected along the buffer zone not just on the main road especially faded and unmarked areas On job training for executive and staff on buffer zone management and manuring / spraying workers at river buffer zone done. Sprayed buffer zone are to be left untouched to let the soft grasses/ vegetation grow. Pictorial signages to be placed strategically along the buffer zone to prohibit any illegal and unauthorized activity.	Not an issue at this PMU / CH
		2.2	Circle spraying at buffer zone		Not an issue at this PMU / CH

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No	Requirements	Item No	Issues as Raised by ASI at one of Intertek's CH	Findings at PMU SDP Gunung Mas SOU 21 against ASI Findings	Intertek Verification Outcome and Status of Finding
		2.3	Sprayers were spraying chemicals closely to drainage system with running water	Guideline on drains and drainage maintenance to be adhered. No spraying at the slope of the drains.	Not an issue at this PMU / CH
3.	4.6.7 Application of pesticides	3.1	Sprayers wore trousers over the rubber boots – if the pants get contaminated, workers legs might get exposed to chemicals	Refer to NC: AL-02 raised during audit.	NC: AL-02 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.
		3.2	Apron for sprayers was too short and uncovered area between rubber boots and apron could get exposed	Refer to NC: AL-02 raised during audit.	NC: AL-02 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.
		3.3	Changing and washing room not suitable for group of people	Adequate changing and washing rooms are available.	Not an issue at this PMU / CH
		3.4	Soaps not available at washing room	Soaps provided in the washing room.	Not an issue at this PMU / CH
		3.5	Emergency shower needs water pumps to be switched on to be functional and handles for eye wash are not practical	Emergency showers are checked and ensured to be functioning properly.	Not an issue at this PMU / CH
		3.6	Premixing are done in the field	All premix session will done in the premix area.	Not an issue at this PMU / CH
4.0	4.6.11 Annual medical surveillance for pesticide operators	4.1	Manuring gang have not been sent to the annual medical surveillance	Monitoring on monthly health checks on Manurers are done	Not an issue at this PMU / CH
		4.2	Newly appointed spraying gang do not undergo initial medical surveillance – to determine are they fit for the spraying activity	Initial medical surveillance matters are not listed in any regulations in OSHA 1994. This is already being covered when the workers go for pre-employment checkup (FOMEMA) to ensure they are fit to work before they start working.	Not an issue at this PMU / CH
5.0	4.7.1 Health and safety policy/plan implementation and monitoring	5.1	Spraying gang and manuring gang transported to the field in the trailer together with chemicals/ fertilizers	Separate trailers / transportation vehicles are used at this PMU	Not an issue at this PMU / CH
		5.2	Transportation trailers not equipped with ladders requiring workers to jump out of trailer	Maintenance is regularly checked.	Not an issue at this PMU / CH
		5.3	After school, children transported in the pickup truck cargo box	School children are transported by proper school buses.	Not an issue at this PMU / CH

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No	Requirements	Item No	Issues as Raised by ASI at one of Intertek's CH	Findings at PMU SDP Gunung Mas SOU 21 against ASI Findings	Intertek Verification Outcome and Status of Finding
6.0	4.7.2 Health and safety risk assessment	6.1	HIRAC for PMU Grouping doesn't cover on <ul style="list-style-type: none"> - Eye injury from falling debris/dust - Operations involving buffalos - Feet/leg injuries for manual loading - Ergonomic/ muscle traumatism for manual loading operations 	Review of OSH Manual done, no significant changes needed.	Not an issue at this PMU / CH
7.0	4.7.3 Use of PPEs	7.1	Eye protection for harvesters are not implemented in the field, also not reflected in HIRAC	Review of OSH Manual done, no significant changes needed.	Not an issue at this PMU / CH
		7.2	Safety shoes are not used by loose fruit collectors (LFC); FFB loaders, tractor driver and LFC at loading ramp	Monitoring and enforcement is maintained.	Not an issue at this PMU / CH
		7.3	PPE Monitoring records was not available for 4 operators	Monitoring and enforcement is maintained.	Not an issue at this PMU / CH
		7.4	OSH risk assessment and SOP defines different kind of PPEs to be used for different kind of operations. However, particular references are very general.	References for PPE are from the OSH Manual has covered specific PPE to be used for a particular type of work.	Not an issue at this PMU / CH
8.0	4.7.5 Accident, emergency procedures, first aid kit	8.1	Estate stationary first aid kits locked	All first aid kits are easily accessible at any time during working hours.	Not an issue at this PMU / CH
		8.2	Medication transferred to smaller containers has the same expiry date of the original containers	Items as listed in OSH Manual checklist are included in the first aid kit and medications are complete and within validity of use.	Not an issue at this PMU / CH
		8.3	Chemical's MSDS English only	MSDS in Malay is provided and briefing done for all handlers.	Not an issue at this PMU / CH
9.0	5.1 Environmental impact assessment, mitigation plans and monitoring	9.1	Stream contamination with oil products were observed after oil trap in the drainage system at workshop.	Maintenance is done continuously for the oil traps chambers. Drip trays and spill kit are utilized in the workshop area to minimize oil spills contaminating the floors.	Not an issue at this PMU / CH
		9.2	<u>Petrol/diesel storage</u> <ul style="list-style-type: none"> - Exit pipe from bund doesn't have handle, or the handle has been corroded and the stop valve was in open position - Diesel tank bund had a hole in the wall - Bund capacity should be indicated at the bund's wall 	Stop valves are closed at all times. Bund capacity painted for all diesel skid tank bund. Monitoring is done.	Not an issue at this PMU / CH
		9.3	<u>Warehouse</u> Possible ground contamination with fertilizers was observed in the old warehouse where fertilizer bags were stored on synthetic material flooring with holes	All fertilizer stores are with cement flooring and palletized.	Not an issue at this PMU / CH

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No	Requirements	Item No	Issues as Raised by ASI at one of Intertek's CH	Findings at PMU SDP Gunung Mas SOU 21 against ASI Findings	Intertek Verification Outcome and Status of Finding
		9.4	Drainage to be improved – drainage old, stagnant and need maintenance at workshop, stores & linesites & canteen.	Inspection of drainage done weekly and recorded in the inspection checklist and records.	Not an issue at this PMU / CH
		9.5	Monitoring buffer zone Patrolling records doesn't include condition of buffer zones and use of pesticide within buffer zone has not been recorded	Monitoring checks have covered the following: River bank soft vegetation No landslide, spraying or exposed ground near on the buffer zone Markings and signage are available	Not an issue at this PMU / CH
10.0	5.2 HCV Identification and maintenance	10.1	Forest buffer zone was treated with chemicals	Refer to NC: SH-01 raised during audit.	NC: SH-01 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.
	5.3.3 Waste management	10.2	Inappropriate waste management have been observed – Wheelbarrows, used tires, air filter, garbage & empty fertilizer bags found behind workshop and fertilizer store – Domestic waste around loading ramp – Old wheelbarrows in the field – Organic waste collected in fertilizer bags and dumped into landfill. Recyclable old plastic bottles found in landfill	Refer to NC: SH-02 raised during audit.	NC: SH-02 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.
11.0	6.1 Social Impact Assessment and management	11.1	To change salary cheque to cash, workers have to pay 2% per cheque (no commission deducted if buying goods). This particular issue should be identified and addressed during the social impact assessment	This matter does not arise at this PMU. No action required.	Not an issue at this PMU / CH
12.0	6.5 Pay and conditions for employment	12.1	– Workers not achieving minimum wage – Working hours not being monitored – Date of contract agreement not stated and deductions have not been consistently tick-marked – Workers unable to communicate either in Bahasa Melayu or English	Refer to NC:JMD-01 raised during the audit	NC: JMD-01 raised during audit and verified that corrective actions taken had satisfactorily addressed the finding.

End of report