

**Roundtable on Sustainable Palm Oil Certification
R S P O**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Lavang Palm Oil Mill – SIME DARBY Plantation Sdn Bhd

Plantation Name : **SOU 31 – Lavang Estate, Rasan Estate, Kelida Estate, Belian Estate, Lavang Special Estate.
SOU 34 - Pekaka Estate, Dulang Estate, Chartquest Estate, Paroh Estate, Ruai Estate**

Location : **Village of Lavang, District of Bintulu, Sarawak - Malaysia.**

Certificate Code : **MUTU-RSPO/053**

Date of Certificate Issue : 30 December 2016

Date of License Issue : 30 December 2017

Date of Certificate Expiry : 29 December 2021

Date of License Expiry : 29 December 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.1	2 – 6 October 2017	Trismadi Nurbayuto (Lead Auditor), Ebnu Holdoon Shawal, Mohd. Nizam, Mohd. Hairimi Ali	Octo H.P.N Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	28 November 2017

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Figure 1. Location Map of SOU 31- Lavang POM

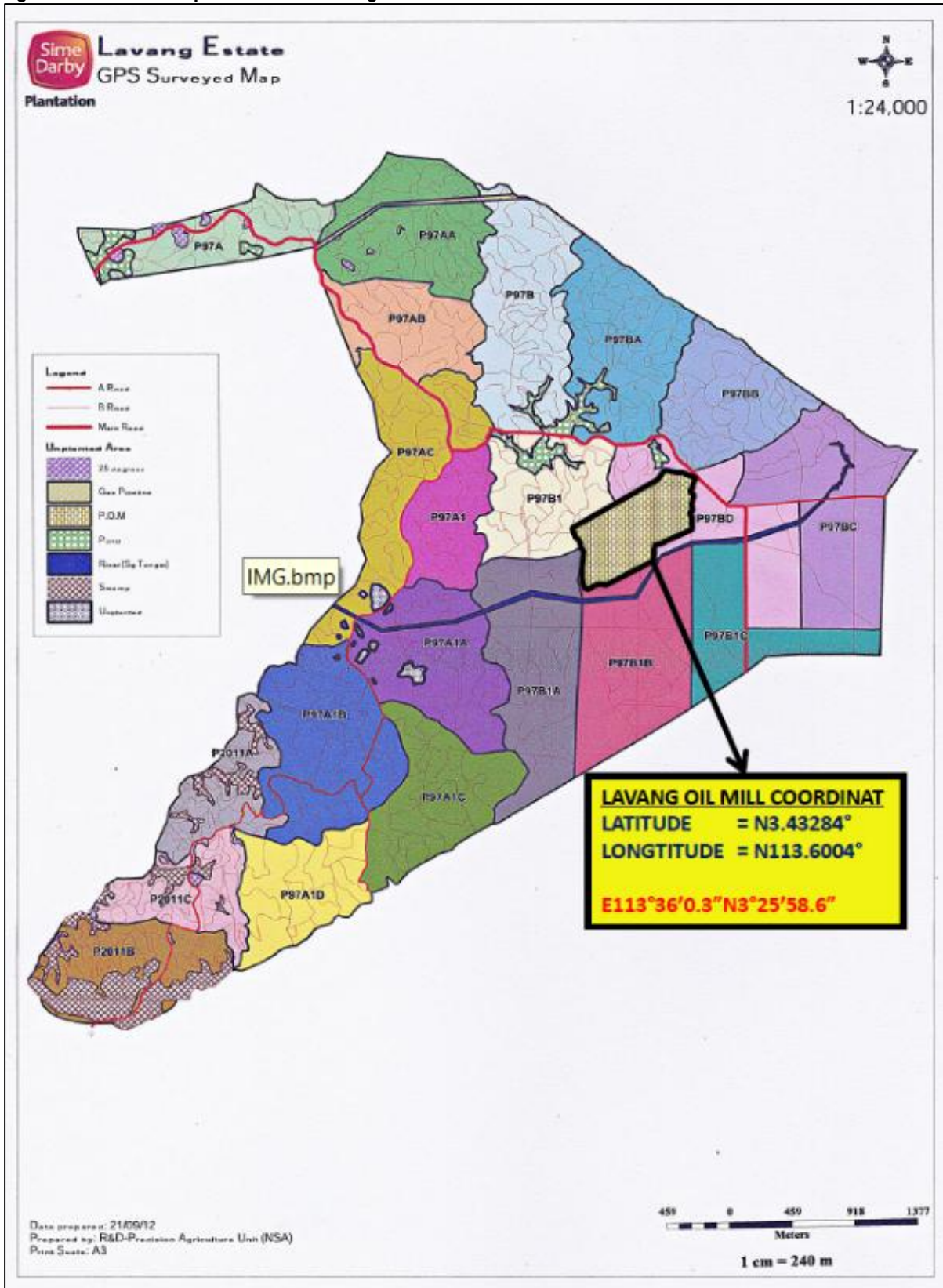


Figure 2. Operational Map of Lavang Estate

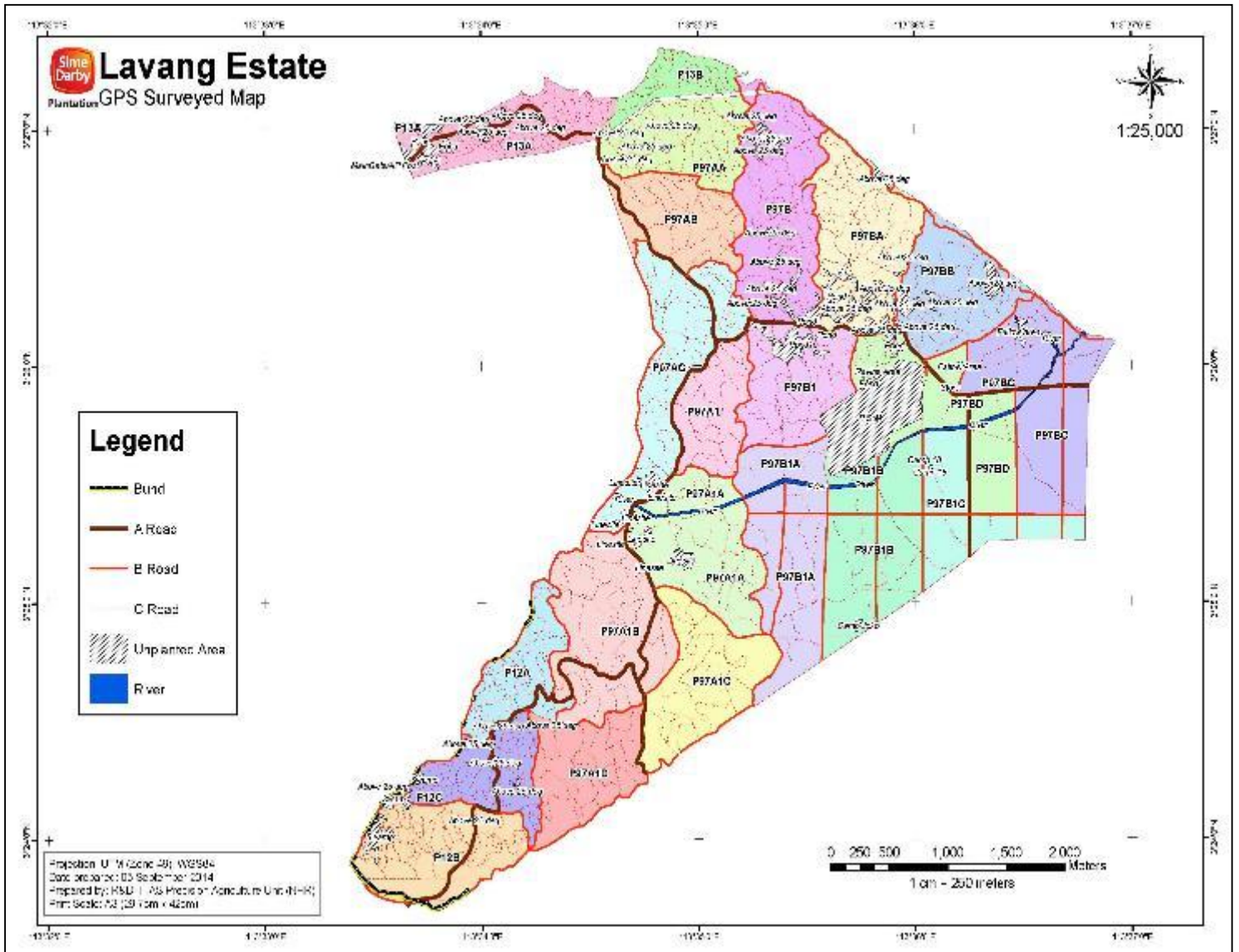


Figure 3. Operational Map of Rasan Estate

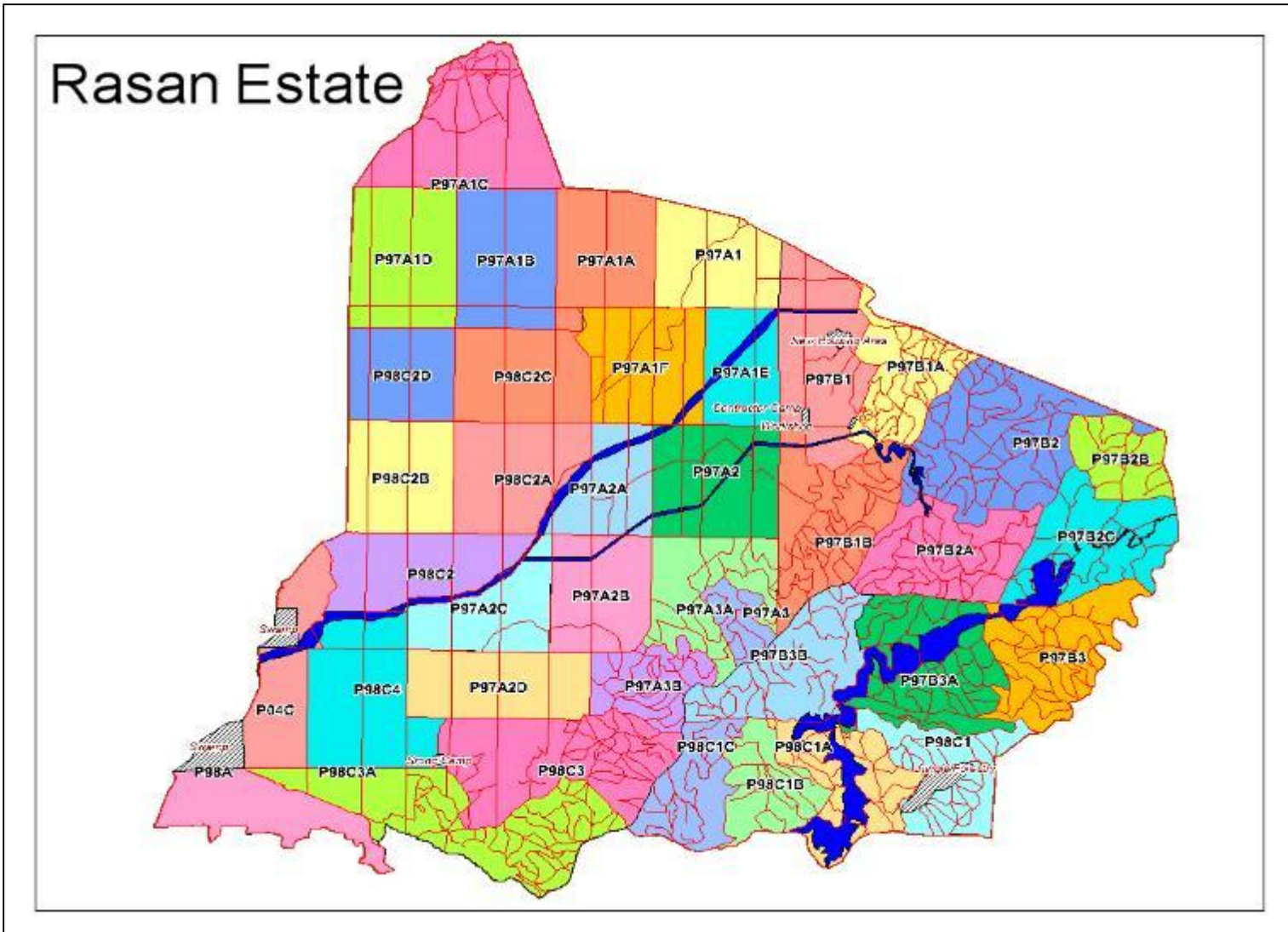
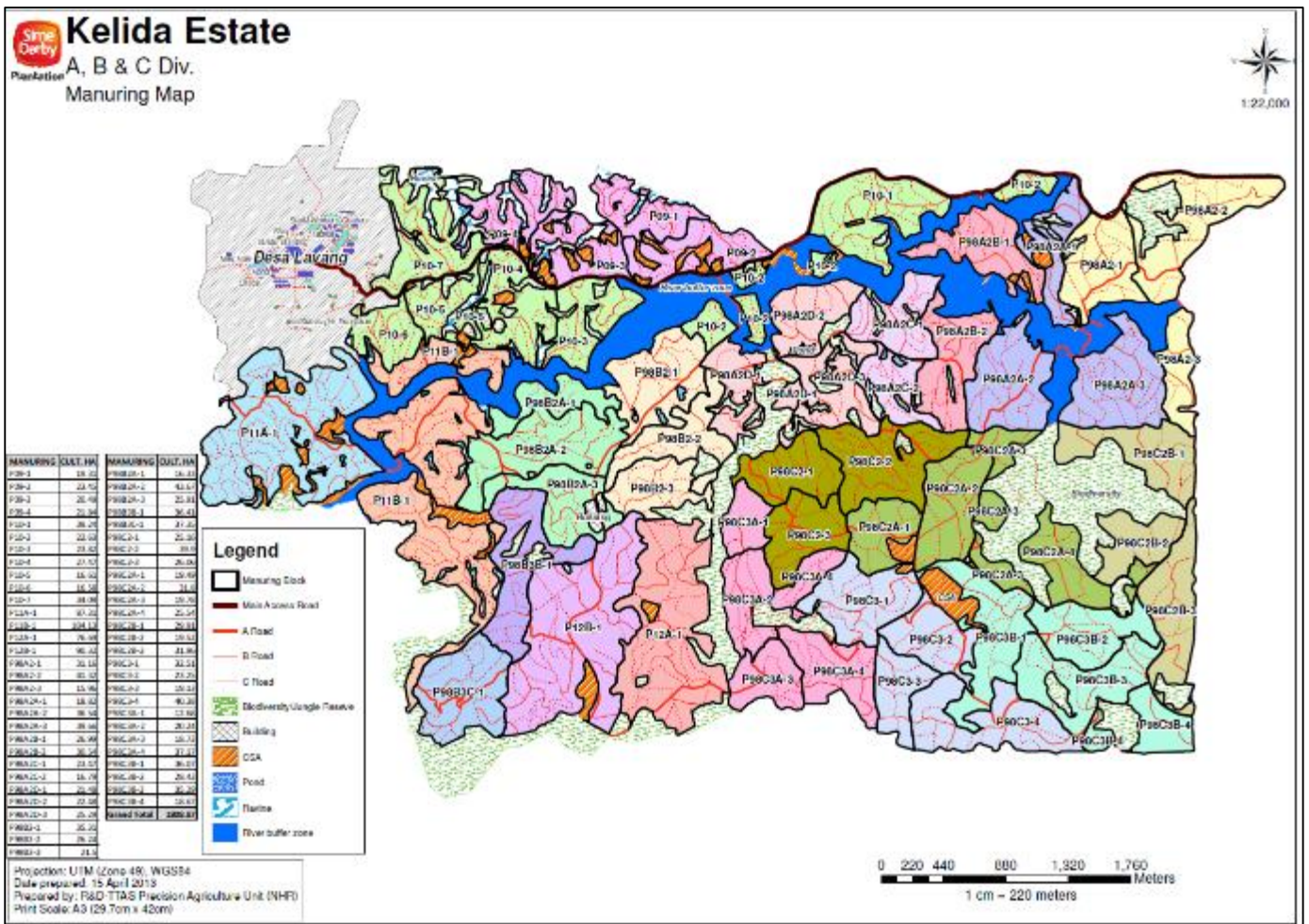


Figure 4. Operational Map of Kelida Estate



Estate Figure 5. Operational Map of Belian Estate

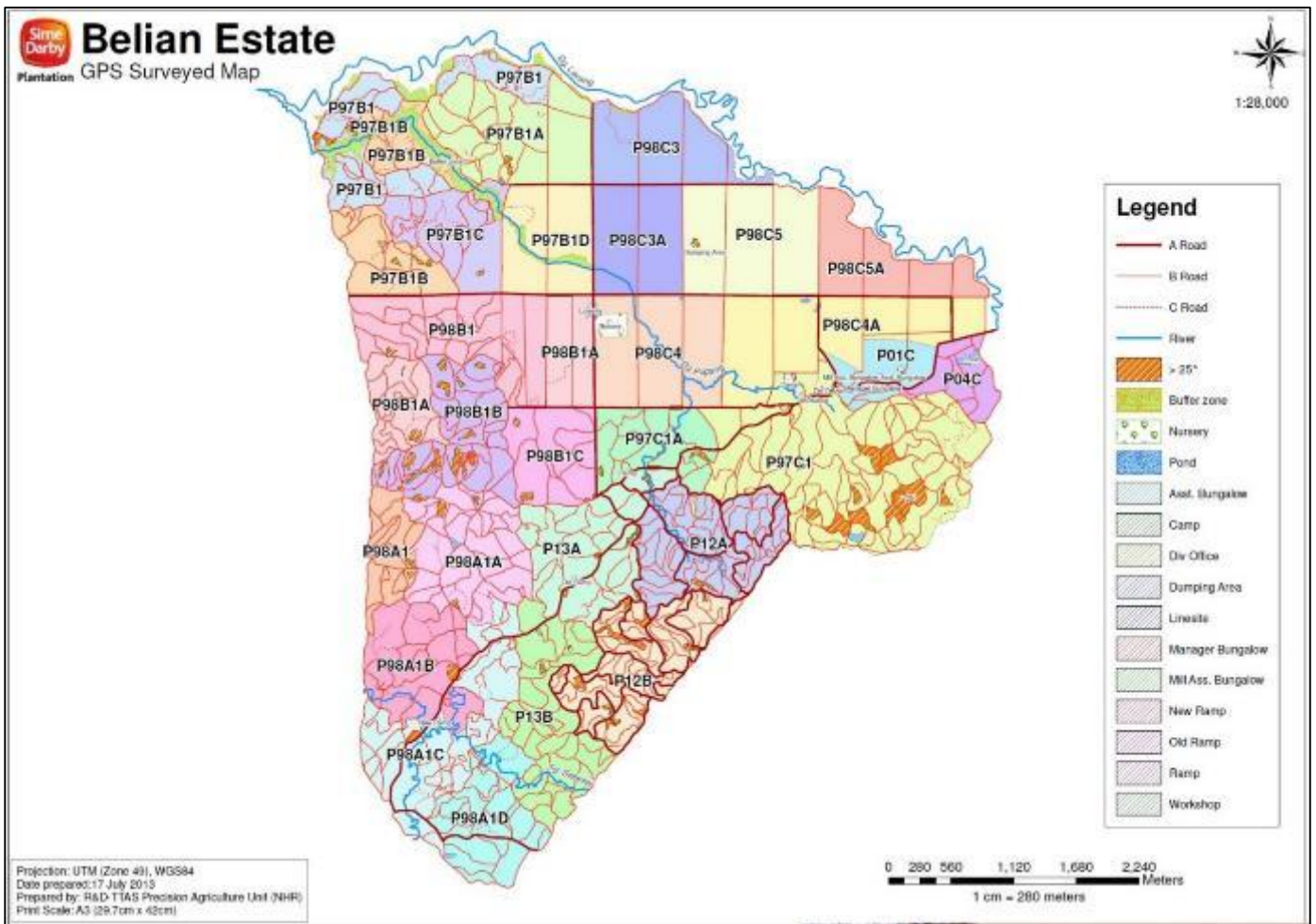


Figure 6. Operational Map of Lavang Special Estate

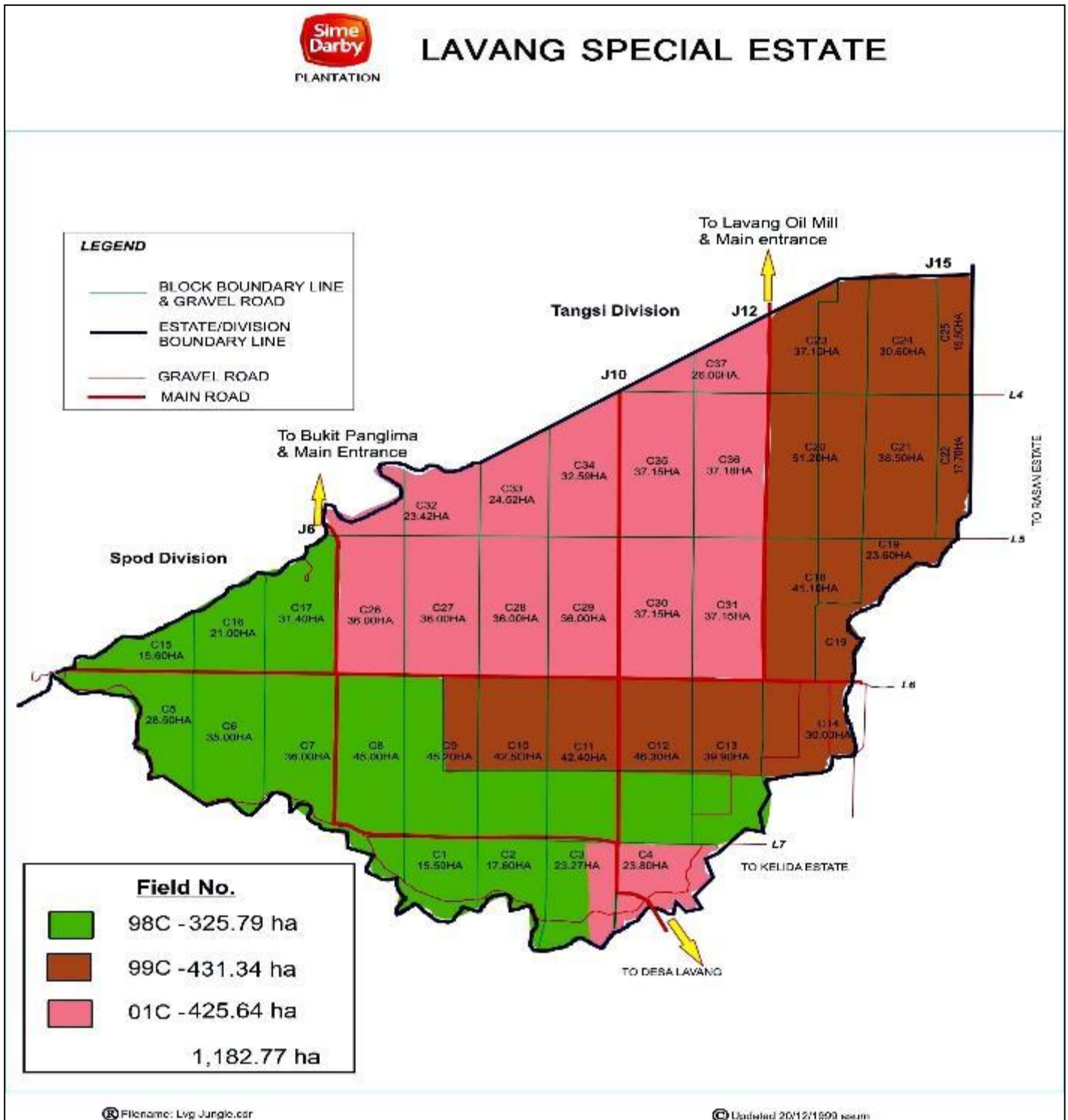


Figure 7. Location Map of SOU 34

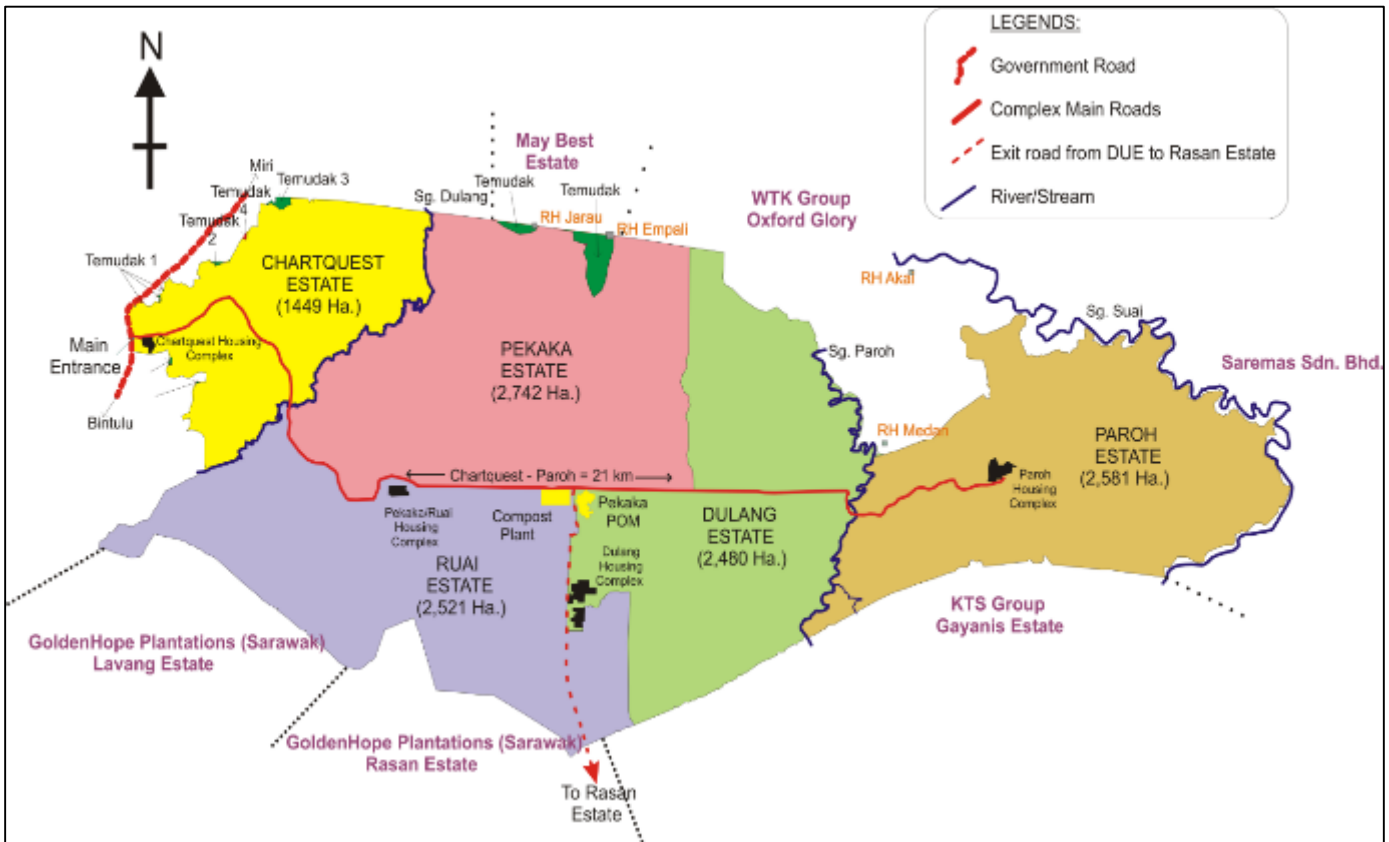


Figure 8. Operational Map of Pekaka Estate

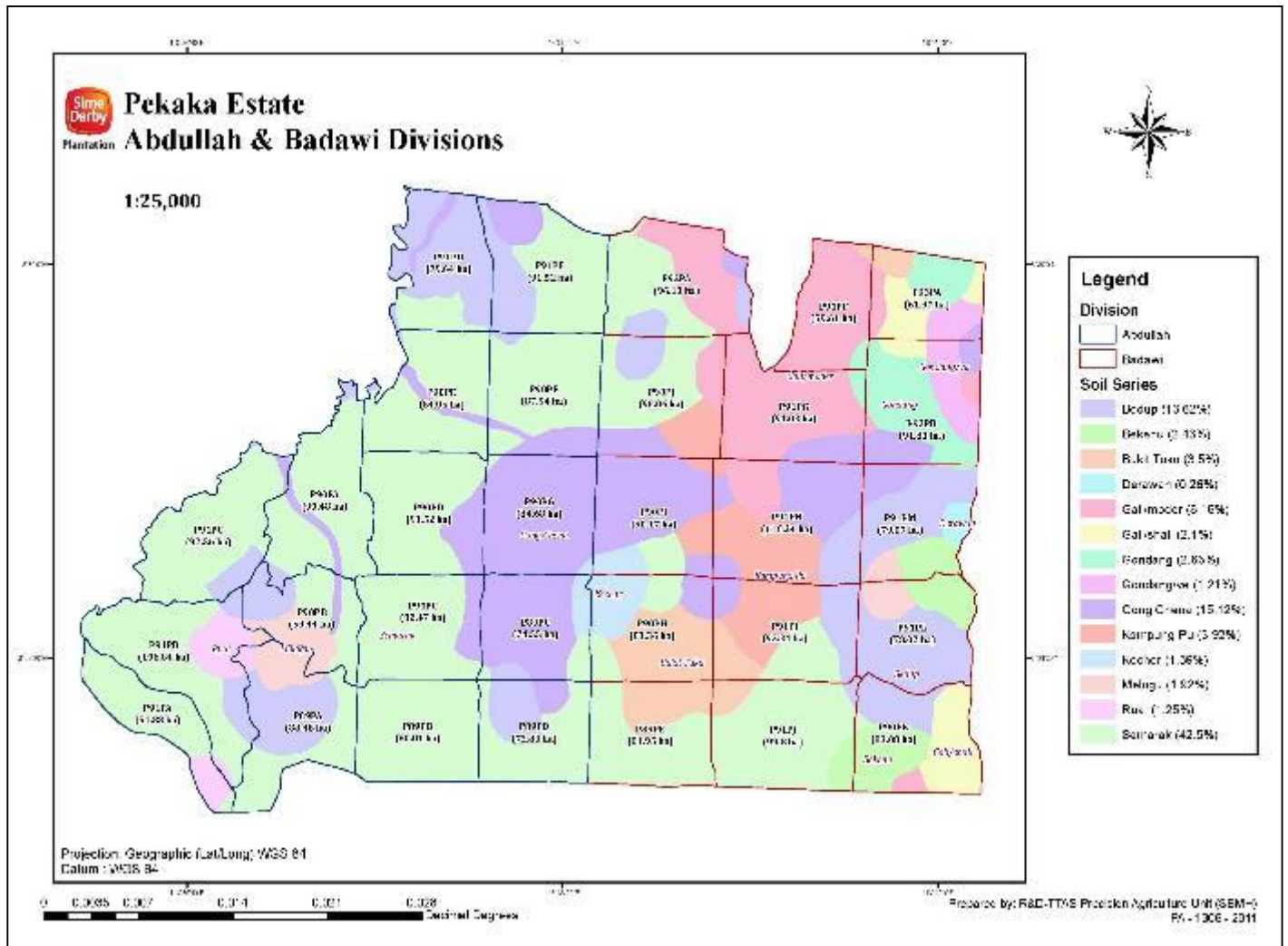


Figure 9. Operational Map of Ruai Estate

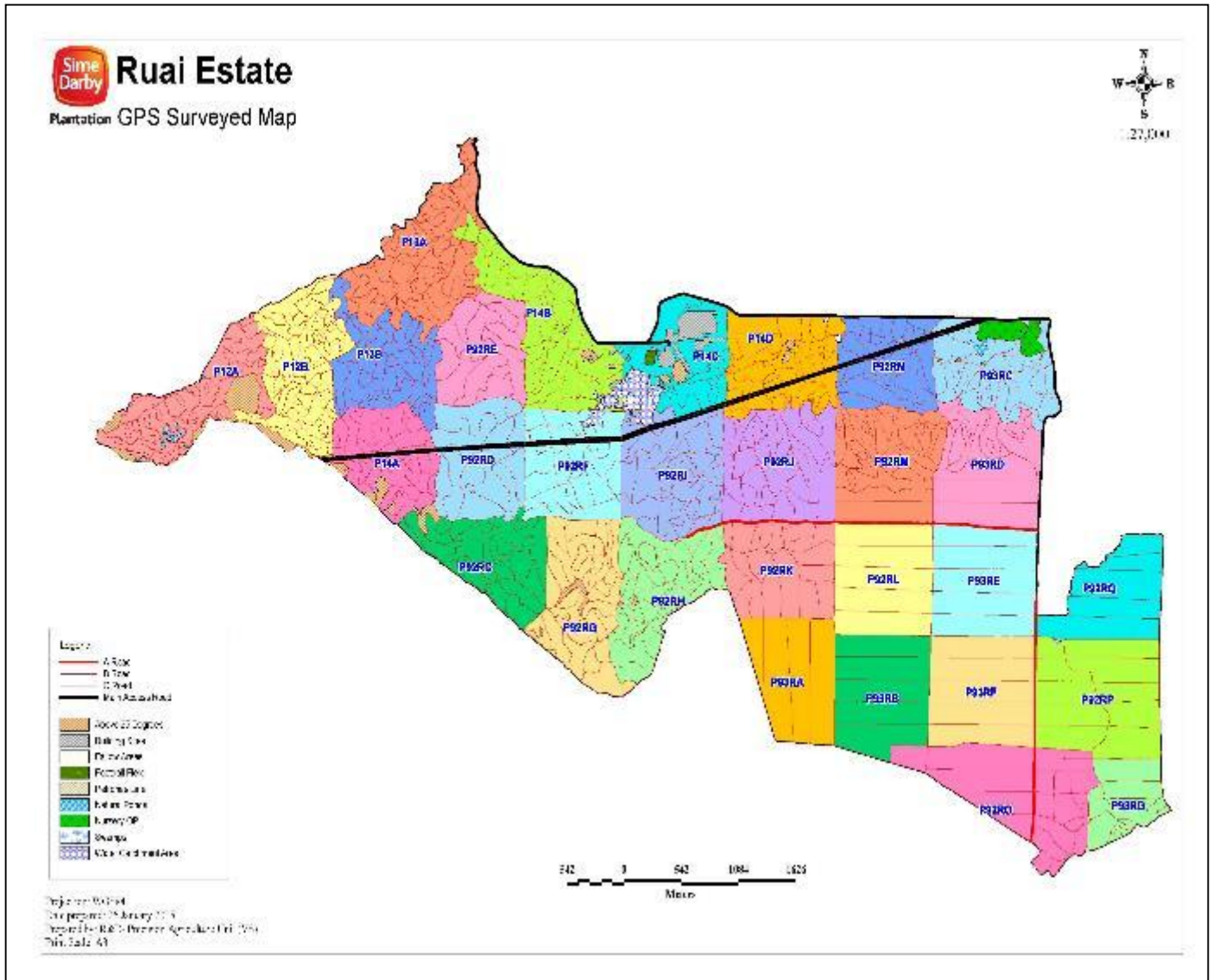


Figure 10. Operational Map of Dulang Estate

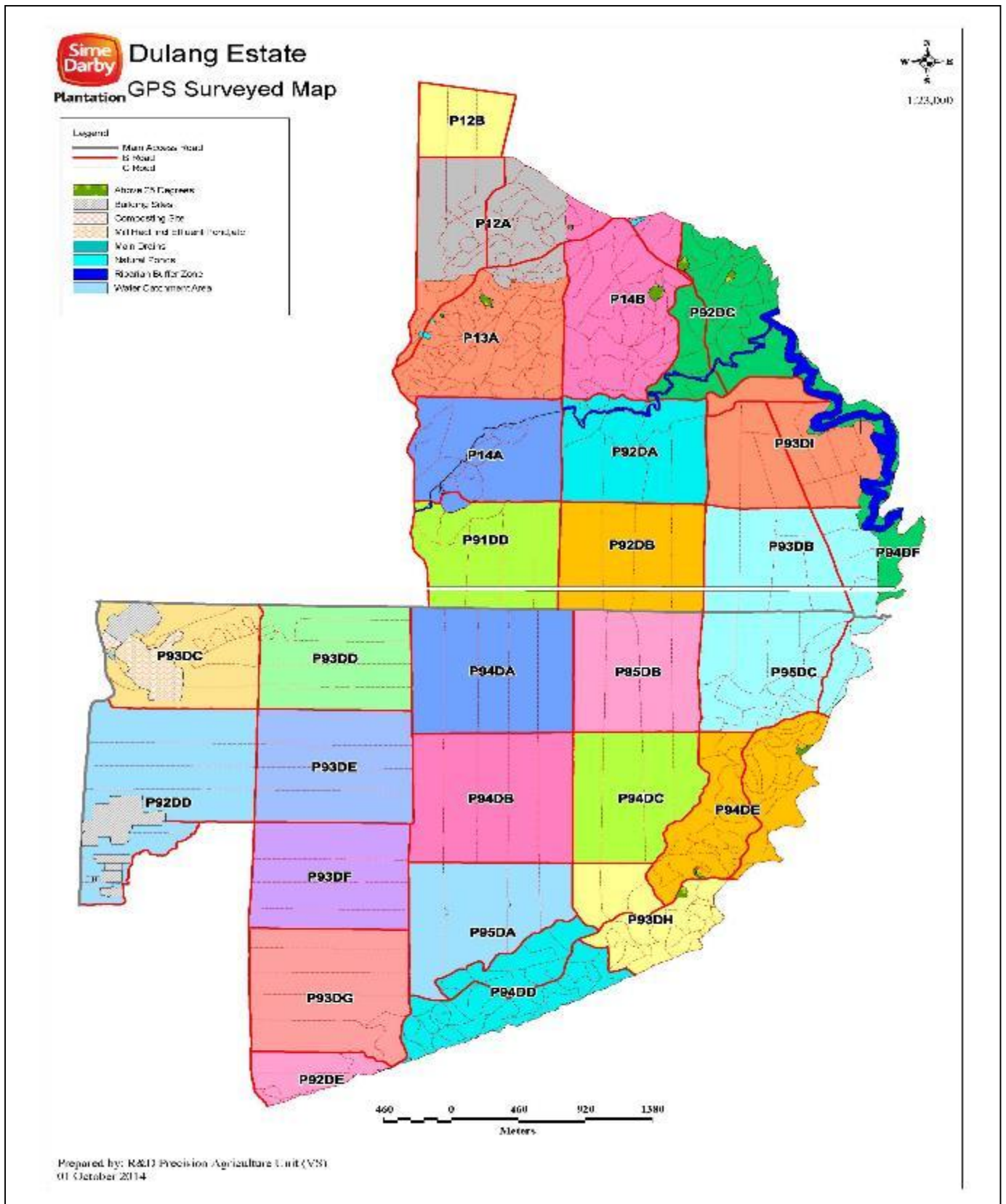
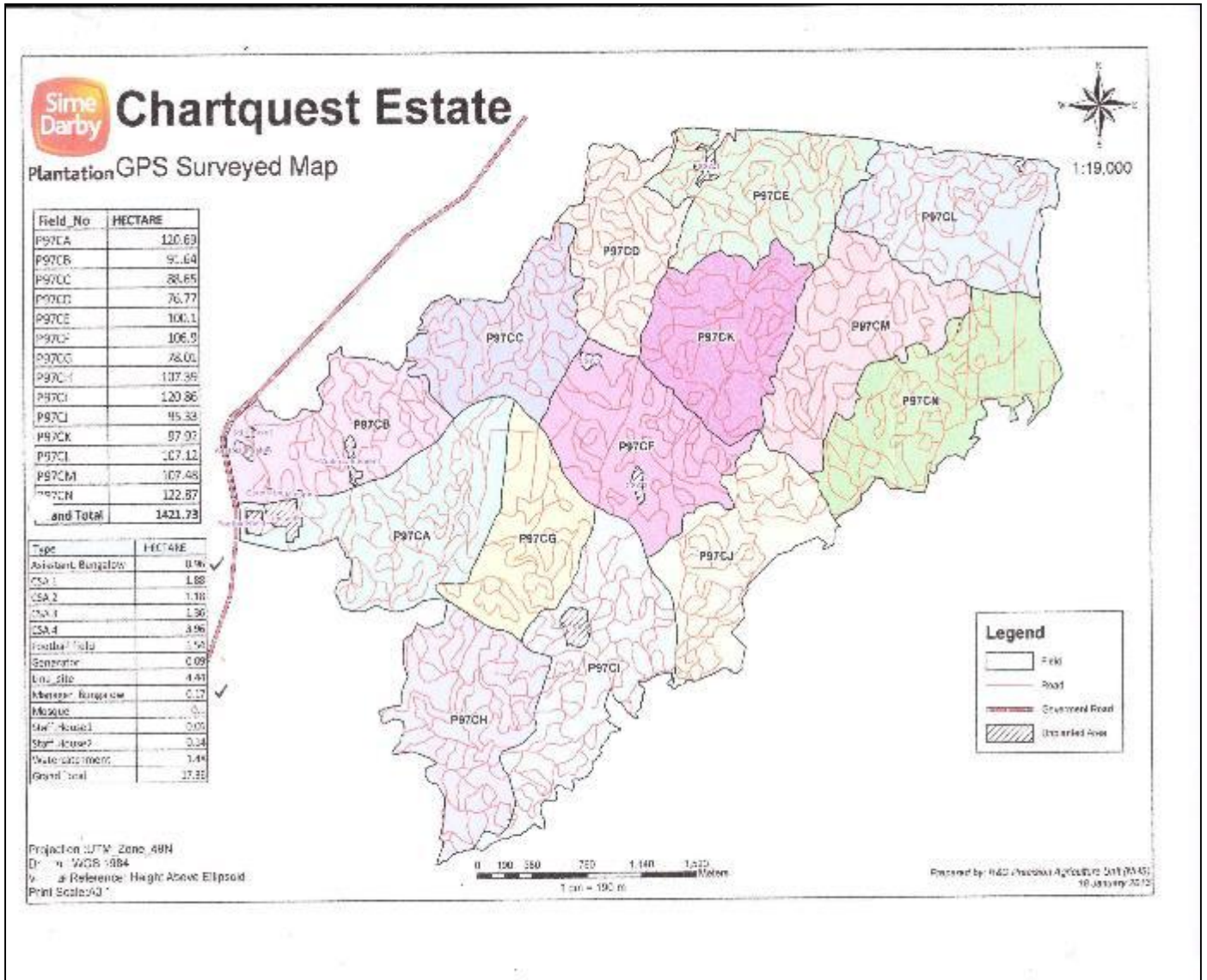


Figure 12. Operational Map of Charquest Estate



Abbreviations Used

ALS	: Assessors Licensing Scheme	KPDNK	: Kementerian Perdagangan Dalam Negeri dan Kepenggunaan
AMESU	: All Malaysian Estates Staff Union	MB	: Mass Balance
ARM	: Agronomist Reference Manual	MNS	: Malaysia Nature Society
BOD	: Biological Oxygen Demand	MPLAN	: Management Plan
BC	: Book & Claim	MPOB	: Malaysian Palm Oil Board
CCP	: Critical Control Point	MSDS	: Material Safety Data Sheet
CPO	: Crude Palm Oil	NCR	: Non Conformance Report
CHRA	: Chemical Hazard Risk Assessment	NCWSDM	: Natioanl Council of Welfare & Social Development Malaysia
CLC	: Child Learning Centre	NPP	: New Planting Procedure
CSA	: Conservation Setaside Area	NREB	: Natural Resources and Environment Board
CSPK	: Certified Sustainable Palm Kernel	OFI	: Opportunity For Improvement
CSPO	: Certified Sustainable Palm Oil	OSH	: Occupational Safety and Health
COBC	: Code of Business Conduct	OER	: Oil Extarction Rate
COD	: Chemical Oxygen Demand	PK	: Palm Kernel
DOE	: Department Of Environmental	PKO	: Palm Kernel Oil
DID	: Department of Irrigation and Drainage	PLWG	: Peat Land Working Group
EFB	: Empty Fruit Bunch	POHL	: Public Holiday
EIA	: Environmental Impact Assessment	PPE	: Personal Protective Equipment
EIE	: Environmental Impact Evaluation	PPR	: Pollution Prevention Plan
EMP	: Environment Management Plan	POME	: Palm Oil Mill Effluent
EMS	: Environment Management System	POM	: Palm Oil Mill
ESH	: Envrionment, Safety and Health	PSQM	: Plantation Services Quality Management
EQMS	: Environment, Quality Management System	PSS	: Pictorial Safety Standard
FFA	: Free Fatty Acid	QOHSE	: Quality, Occupational Health, Safety and Environment
FFB	: Free Fruit Bunch	RHB	: Rashid Husin Bank
FwDor	: <i>Bayaran pekerja yang bekerja di waktu istirahat</i>	RSPO	: Rountable on Sustainable on Palm Oil
FwDor OT	: <i>Bayaran pekerja yang over time pada waktu istirahat</i>	RTE	: Rare, Threatened or Endangered
FY	: Financial Year	SCCS	: Supply Chain Certification System
FPIC	: Free Prior and Informed Consent	SDP	: Sime Darby Plantation
GCAD	: Group Corporate Assurance Department	SIA	: Social Impact Assessment
GHG	: Green House Gases	SOP	: Standard Operating Procedure
GPA	: Group Policy and Authorities	SOM	: Standarad Operation Manual
GTM	: Global Trading Marketing	SPMS	: Sustainable Plantation Management System
HCV	: High Conservation Value	SSPA	: <i>Skim Pampasan Pekerja Asing</i>
HCVRN	: High Conservation Value Resources Network	SOCISO	: Social Security Organization
HIRARC	: Hazard Identification and Risk Assessment and Risk Control	SOU	: Strategic Operating Unit
IP	: Identity Preserve	STROPI	: Sarawak Tropical Peat Institute
IPM	: Integrated Pest Management	SW	: Schedule Waste
ISCC	: International Sustainable Carbon Certification	TKI	: Tenaga Kerja Indonesia (Indonesian Workers)
KER	: Kernel Extarction Rate	TQEM	: Total Quality Environmental Management
LCC	: Legium Cover Crop	USECHH	: Use & Standard Exposure of Chemical Hazardous to Health
LOTO	: Log Out and Take Out	WHO	: World Health Organization
LTA	: Lost Time Accident	WTP	: Water Treatment Plan

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>Malaysia National Interpretation - RSPO MY-NIWG of Principles and Criteria (P & C) for Sustainable Palm Oil Production. Endorsed by RSPO Board of Governors 6 March 2015.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Sime Darby Plantation Sdn Bhd	
1.2.2	Contact person	Shylaja Devi VasudevanNair	
1.2.3	Organisation address and site address	Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia	
1.2.4	Telephone	+(603)78484379	
1.2.5	Fax	+(603) 7848 4363	
1.2.6	E-mail	shylaja.vasudevan@simedarby.com	
1.2.7	Web page address	www.simedarby.com.my	
1.2.8	Management Representative who completed the application for certification	Shylaja Devi Vasudevan Nair	
1.2.9	Registered as RSPO member	1-0008-04-000-00 September 8, 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	<p>Lavang POM and supply base Lavang Estate, Lavang Special Estate, Belian Estate, Rasan Estate, Kelida Estate, Pekaka Estate, Dulang Estate, Ruai Estate, Paroh Estate, and Chartquest Estate.</p> <p>Since 18 July 2017 Pekaka POM stopped operating, all of FFB from SOU 34 (Pekaka Estate, Dulang Estate, Ruai Estate, Paroh Estate, and Chartquest Estate) was supplied to Lavang POM.</p>	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Lavang Oil Mill	P.O Box 1288,97008 Bintulu, Sarawak	N 3° 25' 42" E 113° 36' 01"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Lavang	KM 72 Bintulu Miri Road,P.O.Box 1288, Lavang Complex 97008 Bintulu Sarawak	N 3° 13' 13" E 113° 21' 11"

Lavang Special	KM72, JALAN BINTULU-MIRI,P.O.BOX 1288,97008 BINTULU,SARAWAK,MALAYSIA	N 3° 33' 16"	E 113° 37' 15"
Belian	Belian Estate, Sime Darby Plantation (Sarawak) Sdn Bhd PO Box 1288, KM 72 Jalan Bintulu-Miri, 97008 Bintulu, Sarawak.	N 3° 31' 37"	E 113° 38' 31"
Rasan	KM 72 Bintulu Miri Road,P.O.Box 1288, Lavang Complex 97008 Bintulu Sarawak	N 3° 15' 34"	E 113° 21' 37"
Kelida	KM 72, Bintulu-Miri Road, P.O.Box 1288, 97008 Bintulu, Sarawak, Malaysia.	N 3° 32' 19"	E 113° 40' 51"
Pekaka	Pekaka, Sarawak	N 3° 36' 03"	E 113° 38' 41"
Ruai	Ruai, Sarawak	N 3° 26' 45"	E 113° 39' 03"
Dulang	Dulang, Sarawak	N 3° 35' 23"	E 113° 43' 11"
Paroh	Paroh, Sarawak	N 3° 35' 23"	E 113° 42' 25"
Chartquest	Chartquest, Sarawak	N 3° 37' 24"	E 113° 37' 11"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	23,595.16 Ha
	• Community	- Ha

1.5.2 Area Statement

• Total area	23,595.16	Ha
• Mature area	15,730.71	Ha
• Immature area	5,108.46	Ha
• Infrastructure (Mill, emplacement, road, others)	909.85	Ha
• Nursery	41.65	Ha
• Conservation set a side area (CSA)	1,093.72	Ha
• Others area	357.14	Ha
• HCV*	353.63	Ha

* There are re-assessment of HCV by internal ALS, due to some of the areas have been reclassified to Non HCV Area.

** The actual of total hectares for Kelida Estate is **2,460 Ha (not 2,269.48 Ha/re-certification report)**. **Rasan Estate and Kelida Estate** share the same land title total up to **5,914.00 Ha comprises of 2 quit rents (104 Ha + 5,810 Ha)**. Rasan Estate has total area of **3,454.00 Ha**, thus left Kelida Estate with 2,460 Ha

1.6 Planting Year and Cycles

1.6.1 Age profile of planting year

Planting Year	Hectarage (Ha)										Total
	Lavang	Lavang Special	Belian	Rasan	Kelida	Pekaka	Ruai	Dulang	Paroh	Chartquest	
1990	-	-	-	-	-	178.38	-	-	-	-	178.38
1991	-	-	-	-	-	336.53	-	-	-	-	336.53
1992	-	-	-	-	-	191.83	835.4	296.94	-	-	1,324.17
1993	-	-	-	-	-	62.97	517.27	620.9	144.97	-	1,346.11
1994	-	-	-	-	-	-	-	384	952.56	-	1,336.56

1995	-	-	-	-	-	-	-	250	145.31	-	395.31
1996	-	-	-	-	-	-	-	-	-	-	-
1997	865.47	-	-	-	576.12	-	-	-	-	995.34	4,379.55
1998	-	332.83	1,199.42	1,942.62	313.71	-	-	-	-	-	2,580.76
1999	-	404.79	-	734.80	-	-	-	-	-	-	404.79
2000	-	-	-	-	-	-	-	-	-	-	-
2001	-	394.26	34.68	-	-	-	-	-	-	-	428.94
2002	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	30.55	63.11	-	-	-	-	-	-	93.66
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	257.21	-	-	-	-	-	257.21
2011	191.74	-	-	-	184.6	-	-	-	-	-	376.34
2012	-	-	203.23	-	162.68	484.73	148.37	132	-	-	1,131.01
2013	93.46	-	202.86	-	72.56	-	158.92	99	-	-	626.80
2014	-	-	204.72	-	106.55	249.32	273.12	190	191.88	-	1,215.59
2015	99.34	-	200.05	-	85.13	516.23	-	154.12	183.05	-	1,237.92
2016	339.47	-	224.41	330.36	-	288.01	207.06	-	342.82	211.1	1,943.23
2017	142.98	-	246.18	119.87	-	225.31	119.94	155	122.17	114.86	1,246.31
TOTAL	1,732.46	1,131.88	2,546.10	3,190.76	1,758.56	2,533.31	2,260.08	2,281.96	2,082.76	1,321.30	20,839.17

1.6.2 New Planting area after January 2010 - Ha

1.6.3 Planting Cycle 2nd Cycle

1.7 Description of Mill and Supply Base

1.7.1 Description of Mill

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (tonnes)	Extracti on (%)	Out put (tonnes)	Extraction (%)
Lavang Oil Mill	90	263,548.70	52,709.74	20.12	14,099.86	5.35

**Production data source from 12 months before assessment (October 2016 – September 2017)*

1.7.2 Description of Certification Scope of Supply Base

Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
					FFB (tonnes/year)	%

Lavang	1,944.16	1,732.46	24,988.29	14.42	22,501.27	90.05
Lavang Special	1,178.29	1,131.88	17,953.02	15.86	17,698.42	98.58
Belian	2,847.00	2,546.10	31,947.69	12.55	31,318.77	98.03
Rasan	3,454.00	3,190.76	56,870.93	17.82	55,549.81	97.68
Kelida	2,460.00	1,758.56	24,507.36	13.94	24,263.27	99.00
Pekaka	2,626.14	2,533.31	29,108.87	11.49	18,189.22	62.49
Ruai	2,460.96	2,260.08	34,573.26	15.30	26,026.71	75.28
Dulang	2,548.00	2,281.96	38,083.00	16.69	24,267.53	63.72
Paroh	2,627.90	2,082.76	30,143.37	14.47	19,488.66	64.65
Chartquest	1,448.71	1,321.30	24,386.09	18.46	17,201.36	70.54
TOTAL	23,595.16	20,839.17	312,561.88	15.00	256,549.81	82.08

**Production data source from 12 months before assessment (October 2016 – September 2017)*

1.7.3 FFB description from other source

Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill
				FFB (tonnes/year)
Subis Plantation Sdn, Bhd (non-certified)	Independent FFB Supplier	-	700	6,639.61
Medan Mestika Sdn, Bhd (non-certified)	Independent FFB Supplier	-	-	359.28
TOTAL				6,998.89

**Production data source from 12 months before assessment (October 2016 – September 2017)*

1.7.4 Product categories

FFB, CPO, PK

1.8 Tonnage of Product

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 30 December 2016 to 29 December 2017 (tonnes/year)	Actual certified product 30 December 2016 to 1 October 2017 (tonnes/year)
	• FFB Production	375,2015	220,287.40
	• CPO Production	75,041	46,793.41
	• Palm Kernel (PK) Production	17,915	11,170.22

1.8.2 Product selling

Tonnage of selling product	Actual selling product period 30 December 2016 until 1 October 2017
• CSPO	-
• CSPK	11,735.07
• CPO under other scheme trading (e.g ISCC, RFS)	-
• CPO under conventional trading (if any)	45,102.48
• PK under other scheme	-
• PK under conventional trading (if any)	-

1.8.3 Estimate of Certified FFB Claim

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
Lavang	1,944.16	1,732.46	26,488	15.29
Lavang Special	1,178.29	1,131.88	19,030	16.81
Belian	2,847.00	2,546.10	33,865	13.30
Rasan	3,454.00	3,190.76	60,283	18.89
Kelida	2,460.00	1,758.56	25,978	14.77
Pekaka	2,626.14	2,533.31	30,855	12.18
Ruai	2,460.96	2,260.08	36,648	16.22
Dulang	2,548.00	2,281.96	40,368	17.69
Paroh	2,627.90	2,082.76	31,952	15.34
Chartquest	1,448.71	1,321.30	25,849	19.56
TOTAL	23,595.16	20,839.17	331,316	15.90

**Projected FFB production for 12 months of certificate*

1.8.4 Estimate of Certified Palm Product Claim

Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
Lavang	90	331,316	67,920	20.5	18,222	5.50	MB

**Projected CSPO and CSPK production for 12 months of certificate*

1.9 Other Certifications

ISO 9001:2008	-
ISO 14001: 2004	-
OHSAS 18001:2007	-
ISCC	-
Others	-

1.10 Time Bound Plan

1.10.1 Time Bound Plan for Other Management Units

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
MILL	Time Bound Plan				
INDONESIA					
Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
		Seruyan	2010		Certified
Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified
		Manggala 2	2010		Certified
		Manggala 3	2010		Certified
Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District –West Kalimantan	Certified
		East	2010		Certified
		East un certified	2019		-

		Sei Mawang	2019		-
		East Plasma	2010		Certified
		West Plasma	2010		Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011		Certified
		Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatan Tiring	2011		Certified
		Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011		Certified
		Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011			Tanah Bumbu District – South Kalimantan	Certified
					Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		KKPA-4 PT.SHE	2013		Certified
		KKPA-1 PT.SHE	2013		Certified
		Pantai Bonati	2011		Certified
Mustika. PT Sajang Heulang	2013	Mustika	2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013		Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
		SAP 1	2020		ST-1
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemas	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified

Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified
		Sangkoh	2012		Certified
		Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012		Certified
		Karang Ringin	2012		Certified
		Napal	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-
MALAYSIA					
Sg Dingin SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
		Padang Buluh	2010		Certified
		Bukit Selangor	2010		Certified
		Sg Dingin	2010		Certified
		Jentayu	2010		Certified
		Anak Kuli	2010		Certified
		Somme	2010		Certified
Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
		Holyrood	2011		Certified
		Kalumpong	2011		Certified
		Tali Ayer	2011		Certified

Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
		Elphil	2011		Certified
		Kamuning	2011		Certified
Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
		Bagan Datoh	2011		Certified
		Sabak Bernam	2011		Certified
		Sg Samak	2011		Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
		Sabrang	2011		Certified
		Sg Wangi	2011		Certified
		Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
		Bikam	2011		Certified
		Clumy	2011		Certified
Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011		Certified
		Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified
		Bkt Cherakah	2011		Certified
		Bkt Rajah	2011		Certified
		Bkt Lagong	2011		Certified
		Elmina	2011		Certified
East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
		Dusun Durian	2010		Certified
		Sepang	2010		Certified
West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
		Jentar	2011		Certified
		Mentakab	2011		Certified
		Sg Mai	2011		Certified
		Chenor	2011		Certified
Jabor - SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
		New Labu	2011		Certified
		Bradwall	2011		Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010		Certified
		Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014		Certified

		Siliau	2014		Certified
		PD Lukut	2014		Certified
		Sungai Baru	2014		Certified
		Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
		Kok Foh	2011		Certified
		Muar River	2011		Certified
		St. Helier	2011		Certified
		Pertang	2011		Certified
		Sg Gemas	2011		Certified
		Sg Sebalang	2011		Certified
		Sg Senarut	2011		Certified
Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
		Kemuning	2010		Certified
		Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
		Diamond Jubilee	2011		Certified
		Serkam	2011		Certified
Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
		Lanadron	2014		Certified
		Pengkalan Bukit	2014		Certified
		Welch	2014		Certified
Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
		Cha'ah	2010		Certified
		Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
		Kempas Klebang	2010		Certified
		Bukit Paloh	2010		Certified
		Yong Peng	2010		Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
		CEP Niyor	2011		Certified
		Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011	Pekan	2011	Layang-layang, Johor	Certified
		Sembrong	2011		Certified
		Tun Dr. Ismail	2011		Certified
		Ulu Remis	2011		Certified
		Bukit Badak	2011		Certified
		Cenas	2011		Certified
Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
		Kulai	2011		Certified
		Layang	2011		Certified
		Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
		Tunku	2008		Certified

		Tigowis	2008		Certified
		Sentosa	2008		Certified
		Saguliud	2008		Certified
Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
		Sapong	2011		Certified
Binuang SOU 28	2009	Tingkayu	2009	Kunak, Sabah	Certified
		Sungang	2009		Certified
		Jelata Bumi	2009		Certified
		Binuang	2009		Certified
Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
		Giram	2009		Certified
Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
		Merotai	2009		Certified
		Table	2009		Certified
		Tiger	2009		Certified
Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
		Kelida	2011		Certified
		Lavang	2011		Certified
		Lavang (SE)	2011		Certified
		Rasan	2011		Certified
Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
		Samudera	2011		Certified
		Semarak	2011		Certified
		Bayu	2011		Certified
Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
		Damai	2011		Certified
		Derawan	2011		Certified
		Sahua	2011		Certified
Pekaka SOU 34	2011	Chartquest	2011	Bintulu, Serawak	Certified
		Dulang	2011		Certified
		Peroh	2011		Certified
		Pekaka	2011		Certified
		Ruai	2011		Certified

Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.

There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.

1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	There is no associate smallholders/outgrowers supplied to Lavang Mill. However there are outgrowers Subis Plantation Sdn, Bhd; the certification unit has socialized RSPO to Subis Plantation Sdn, Bhd dated 25 January 2017 that all FFB suppliers should be signed a self-declaration on responsible sourcing and farming practices.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.1	<ol style="list-style-type: none"> 1. Trismadi Nurbayuto (Lead Auditor). Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Environmental Social Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training, Auditor/Lead auditor Management System Certification (ISO 9001-2008), RSPO Lead Auditor training, and RSPO Next training. Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation company. During this assessment he was observed and audit on Time Bound Plan, Partial Certification, Business Plan, Best Management Practices aspect and Supply Chain Certification System. 2. Mohd. Hairimi (Auditor). Mohd Hairimi is a graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honours (Geography). Registered as assistant consultant on Social Impact Assessment with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 5 years in environment auditing and in Social and Environmental Impact Assessment Report (EIA and SIA). During this assessment he was observed and audit on Worker Welfare, Occupational Health and Safety Aspect. 3. Mohd. Nizam (Auditor). Graduated from University Malaya with a Bachelor of Sciences with Honours (Ecology). Registered as a DOE environmental auditor EA 0012 and EIA consultant AC 0808. He had a 7 years experience on plantations as assistant manager at Asiatic Development Berhad. He had 21 yearsexperience on auditing works on ISO 14000 Advanced EMS Auditing, Identifying Environmental Aspects & Impacts by Sirim Training Services S/B, Environmental Assessment & Management (Aberdeen, Scotland), Project Management Training Course & Train The Trainer Course (MIM). During this audit he has been assigned to verify the Legal Aspect, Social aspect. 4. Ebnu Holdoon Shawal (Auditor). Graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001 : 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified, MSPO and RSPO Lead Auditor training. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He has gone for various RSPO audit including Felda POM and United Plantation as trainee auditor and have total 42 man days following the auditing activities. During this audit he has been assigned to verify the Environmental, HCV, GHG Emissions, and transparency.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.1	Number of auditors : 4 auditors Number of days for ASA-1.1 at site : 5 days Number of working days for ASA-1.1 at site: 20 Working days
2.2.2	Assessment Process
ASA-1.1	The assessment was conducted by measuring the sufficiency of implementation and consistency of the SOU 31&34– Sime Darby Plantations to the requirements of Malaysian National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO MYNI, March 2015 and Supply Chain Requirement for CPO Mill 2014).

The assessment was conducted in three methods: (1) document review, aiming at observe the sufficiency of types or substances from required documents; (2) interview with management and stakeholders, aiming at obtaining more detailed information and information cross check; and (3) field observation, aiming at observe directly the sufficiency of implementation on site.

Number of units in this certification activity is 10 (ten) estates (Lavang Estate, Belian Estate, Rasan Estate, Kelida Estate, Lavang Special Estate, Pekaka Estate, Ruai Estate, Paroh Estate, Dulang Estate and Chartquest Estate) which supply the raw material (FFB) to 1 (one) palm oil mill (Lavang POM). In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Lavang Palm Oil Mill and 3 (three) estates (Lavang Estate, Kelida Estate & Dulang Estate).

Some opportunities for improvement as the results of **ASA-1.1** had also delivered by the MUTU auditors to the management unit and the results are the subject will be verified at the next assessment phase.

Improvement of findings from **Recertification** findings were observed by auditors at this **ASA-1.1**. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU International).

The assessment program please find Appendix 2. The assessment program please find Appendix 2.

2.2.3 Locations of Assessment

ASA-1.1

The scope of the audit was based on a sampling of the supply bases. In total there are 10 (ten) estates (Lavang Estate, Belian Estate, Rasan Estate, Kelida Estate, Lavang Special Estate, Pekaka Estate, Ruai Estate, Paroh Estate, Dulang Estate and Chartquest Estate). Audit team used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Lavang Palm Oil Mill and 3 (three) estates (Lavang Estate, Kelida Estate & Dulang Estate).

Lavang Mill

- **Weight bridge. Loading ramp and processing area:** Observation and interview with the operators regarding their job descriptions and responsibilities. Ensuring the operators' awareness on the Supply Chain System applied in the work. Auditor also interviewing 2 weight bridge operators, 5 Indonesian Workers & 2 Malaysian Workers in Loading Ramp. And also 1 foreman (Malaysian).
- **Lavang Effluent Treatment Pond :** No discharge observed for effluent treatment system. Relevant maintenance and monitoring performed.
- **Workshop :** Compliance, in order – 5s system has been implemented, Maintenance activities observed such as cutting and welding. Portable fire extinguisher standby during the welding process. Sufficient PPE observed. Auditor also interview with 3 women workers as store clerk.
- **Boiler Area :** Firefighting simulation on the good condition and standby.
- **Chemical Store :** Good arrangement of chemical store observed. Chemical MSDS available in the chemical store.
- **Water Treatment Plant.** Water treatment plant available at the Lavang mill. Proper storage of Soda Ash and C4333 sighted. Well trained and competent person at the mill.
- **Effluent Treatment Pond.** 7 Pond visited. 2 mixing pond, 2 cooling pond, 1 aerobic pond and 2 anaerobic pond visited. Good application of composting, sludge and EFB for land application. POME been spray as mist to reduce the BOD reading
- **Sterilization Area:** Sterilization process assessed. Good safety practice in place. All sterilizers observed with certificate of fitness. Auditor also interview with 5 Indonesian workers and 1 Malaysian workers.
- **Schedule Waste.** Proper storage, label and date of produced and good practices of arranging the material according to the regulation.

Kelida Estate

- **Field P98C2.** Observation and interview with harvesting workers, All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint. And also they can explain about ripeness criteria. All of the workers can explain related to their job descriptions. All workers has covered by RHB Insurance.
- **Water fall (HCV) in Field P98A2.** Buffer zone well maintained, according to interview with Assistant Manager Kelida Estate there are flora and fauna monitoring every six month.
- **Boundary Stone in Field P15A.** There are boundary stones pole with good conditions and demarcated, this is boundary with Gayanis Estate.
- **Field P10A.** Interview with 3 manuring workers, All adequate PPEs was provided by company, such as: apron, helmet, masker, rubber gloves, and safety boot. All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint.
- **Field P17C.** There are chipping activity using excavator, all chipping were use mechanize method.
- **EFB Mulching in Field P17A.** There are EFB Mulching with dosage 200 Kg/plants.
- **Field P11.** Observation a riparian zone of Kecil River. There are no chemical spraying activities, and also it available buffer zone signage.
- **Field P09.** According to field observation, there are some un-replanting area with categorizing to Conservation Site Area (CSA) (slope > 25°). There are LCC as Soil Conservation: *Mucunabracteata*, *Puererajavanica* and *Calopogomiummuchonoides*.
- **Nursery.** There are two stage of nursery (pre-nursery and main nursery). Seedling in this places was use Sime Darby Premium.

Lavang Estate

- **Landfill.** Locate which an approximate 2 KM from line site, there is proper signage, such as pit number, date dug, date closed, etc. There were mixed of waste such as papers, plastic containers etc. without prior segregation. The same pit being dug for re-use.
- **Line Site.** Proper linsite sighted. The house consist of 3 rooms and 2 people in each room. Waste has been collected 3 times a week
- **Diesel Storage.** Signages, 5S and pit sump management seen well implemented.
- **Pre-mix area.** Well managed and sufficient labels and identification available.
- **Chemical Store.** Proper storage of store sighted. MSDS and labelling available. Good explanation from the store keeper. Pesticides has been stacked accordingly.
- **Fertilizer store.** Proper stacking of fertilizer. Signage and label available including MSDS. The personnel is well trained.
- **Field.** Observation and interview with harvesting 3 workers from Indonesia, All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint. And also they can explain about ripeness criteria. All of the workers can explain related to their job descriptions. All workers has covered by RHB Insurance.
- **Field 2017A.** Sighted replanting activities, 16 workers has been interviewed 15 women and 1 male workers. They are doing activites planted the legume cover crop. All workers satisfied working in Sime Darby estate and had form a gender committee amongst them. All PPE have been provided by the estates.

Dulang Estate

- **Landfill.** Located at Block P94DB, which an approximate 2 Km from line site, there is proper signage, such as pit number, date dug, date closed, etc. There were mixed of waste such as papers, plastic containers etc. without prior segregation. The same pit being dug for re-use.
- **Line Site.** Proper linsite sighted. The house consist of 3 rooms and 2 people in each room. Waste has been collected 3 times a week
- **Diesel Storage.** Signages, 5S and pit sump management seen well implemented.
- **Pre-mix area.** Well managed and sufficient labels and identification available.
- **Chemical Store.** Proper storage of store sighted. MSDS and labelling available. Good explanation from the store keeper. Pesticides has been stacked accordingly.

- **Fertilizer store.** Proper stacking of fertilizer. Signage and label available including MSDS. The personnel is well trained
- **Field P94DB.** Observation and interview with harvesting workers, All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint. And also they can explain about ripeness criteria. All of the workers can explain related to their job descriptions. All workers has covered by RHB Insurance.
- **Field 93DD.** Selective weeding activity was observed by auditor, there are 10 female workers. They were working for 2-5 years, and also can explain related to HCV area prohibit chemical usage. All adequate PPEs was provided by company, such as: apron, helmet, masker, safety glasses, rubber gloves, and safety boot. Therefore they were explain related to monthly medical checkup by medical assistant. According to interview with foreman, he can showing first aid kit with full contain. All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint. All workers has covered by RHB Insurance.
- **Block 26 (93RI).** There are water tube to monitor water level of below soil.
- **Field P92DA.** Interview with 10 manuring workers, All adequate PPEs was provided by company, such as: apron, helmet, masker, rubber gloves, and safety boot. All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint.
- **Field P2015A.** Observation a subsidence pole, based on interview with assistant manager. This pole was installed on January 2015 - October 2017 there are subsidence with 2 inch.
- **Field P94DF.** Observation a riparian zone of Paroh River. There are no chemical spraying activities, and also it available buffer zone signage.
- **Field P92DC.** According to field observation, there are some un-replanting area with categorizing to Conservation Site Area (CSA) (slope > 25°). There are LCC as Soil Conservation: *Mucunabracteata*, *Puererajavanica* and *Calopogomiummuchonoides*.
- **Field P92DE.** There are boundary stones pole with good conditions and demarcated, this is boundary with Gayanis Estate.
- **Field P94DA.** Water management in peat area, there are available weirs to control water supply from the rivers.
- **Field P92DA.** Interview with 5 manuring workers, All adequate PPEs was provided by company, such as: apron, helmet, masker, rubber gloves, and safety boot. All of the workers is happy with their works and no compliant been made, they know about the new minimum wages and know how to channeled the complaint.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.1	Summary of stakeholder consultation process Consultation of stakeholders for SOU 31 & 34 was held by: Public Notification on www.mutucertification.com dated 18 September 2017 and to several NGO dated 22 September 2017. Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples. Numbers of input from stakeholders were clarified by SOU 31 & 34 managements.
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1.2) will be determined one year after this ASA-1.1 (October 2018).

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Lavang POM – SOU 31 & SOU 34, *Sime Darby Plantation Sdn Bhd* operation consisting of one (1) mill and ten (10) oil palm estates.

During the assessment, there were two (2) nonconformity were assigned against Minor Compliance Indicator and one (1) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. Two (2) Minor non-conformities and one (1) Opportunity for Improvement shall be verified during next assessment.

MUTUAGUNG LESTARI found that Lavang POM – SOU 31& SOU 34, *Sime Darby Plantation Sdn Bhd* has complied with the requirements of Malaysia National Interpretation - RSPO MY-NIWG of Principles and Criteria (P & C) for Sustainable Palm Oil Production. Endorsed by RSPO Board of Governors 6 March 2015 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
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.	
<p>Indicator 1.1.1. Sime Darby Plantations Sdn Bhd, SOU 31 Lavang oil mill had updated the stakeholder list for mills comprising all the contractors that they are dealing with. Sighted the updated list of stakeholder list on 29th September 2017 and the list had been updated every year. For the mill side, the list had been verified by Mr Azhanizan (Mill Manager) with no of list 37 contractors sighted. Minutes of meeting has been recorded in stakeholder meeting in the mill that include issues of workers and community safety on the road, and safety aspect of workers working in the mill. There is issues of housing repaired however the issues had been channelled into the report form for further action. There is a SOP made available by the company in which response to the stakeholder and clearly stated the stakeholder enquiries standard operating procedures (SPMS) Section 3 Documentation and Communication Version 1 Year 2008, Issues 1, Issued on 01/11/08. The stakeholders are aware related to the procedure and documentation process as the information are being circulated during the stakeholder meeting and morning briefing with the management department.</p> <p>Indicator 1.1.2. The Company had also provide a SOP of constructive responses to the stakeholders and being keep at the management office unit entitled ‘Standard Operating Manual’ – Communication procedure. The manager of the estate will be the responsible person to communicate the related information with external stakeholder upon request of information and for internal communication will be handled by the assistant manager of each estate and mill. The person in charge of social communication to the internal and external parties is Mr. Engku Awis Hafizi, Assistant Engineer of Lavang Mill. The procedures to handle the social issues has been clearly stated as per flowchart :</p> <p style="padding-left: 40px;">Issue arise → Case taken by estate management → initial negotiation → report to head office → information gathering and investigation process → presents finding to the Sime Darby plantation management for further directive actions → action taken → Negotiations → Legal preceding → resolved Issues</p>	

The record off request of the information and complain had been kept at the mill and office estate. Sighted a clear time frame and responses within 2 weeks after outbreak issues (internal and external procedure) stated in appendix 5.5.3.2 Standard operating manual on external communication and further investigation will be one week.

There is sample of latest 3 complain being recorded at the mill as due to workers housing are broken. Complain has been made to the assistant engineer and they required to fill in the form [report no 0565, 0567 and report no 0555] and once the form has been completed, the process of repairing has been done on the timeframe as per SOP of the company. The record request had been maintained at Lavang Estate in Complain Book (Housing) records. There is a complain dated 26/9/2017: at Lavang estate related to generator set broken and flashlight broken and had been repaired during 27/9/2017. Another report has been recorded on 18/9/2017 by Mr. Daniel, Mr. Muhibban and Abdul Malek regarding broken socket, and had been replaced on 23/9/2017.

Status: Comply

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.

Indicator 1.2.1.

The management has made publicly available the related document listed by the standard. It include the Land title of the management unit (mill and supply bases), OSH plan of the mill and estate, risk assessment, mitigation plan (HIRARC document), Environmental Impact Evaluation (EIE) and Environmental Management Plan (EMP) were made available at the estate and mill. Sime Darby Plantation SOU 31 Lavang had also documented the Social Impact Assessment (SIA) at estate and mill accordingly, The social and environment impact has been made available at the estate (refer EIE and EAI) report and matrix Social impact assessment has been made at SOU 31 Assessment date 26-29 September 2016 by PSQM Department together with HCV document for the river and water catchment area, Pollution Prevention Plan (PPR), communication procedure to internal and external parties, and also including the Human right policy that made available at all estate and management unit of Sime Darby as per field visit and document verification.

Status: Comply

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

Indicator 1.3.1.

The Company had produce a booklet name 'Code of Business and Ethical Conduct' – COBC and being distribute to all their units including mill and estates. The code of business conduct comprising all the 8 elements of company integrity towards better business with external parties. Based on the booklet, criteria no. 6 has elements of respect for fair of conduct and businesses stated that "Avoiding Conflict of interest "All directors and employees are expected to make business decisions the best interest of the group" and Clause 6.2 "any director and employee of their family member must not have any financial interest in a supplies customer agent or competitor of the group that include any business dealing or contractual arrangements with any group company". Sighted also in the COBC Booklet that the company will prohibit any forms of corruption, bribery and fraudulent use of funds and resources through Principle 7 : Guarding against Bribery and corruption " The group takes a zero tolerance approach towards bribery and corruption and is committed to behave professionally , fairly and with integrity in all our business dealings and relationship wherever the group operates , and implementing and enforcing effective system to counter bribery and corruption. Based on the interview with the contractors and workers, they are aware of the company policy and business conduct of Sime Darby during signing the agreement and had been brief accordingly. During the interview, 12 workers in the mill and estate and 3 contractors during stakeholder meeting has been interview as per sampling of the COBC.

According to interview with workers on the mill and estate, they were aware about the code of conduct business and ethical in all business policy.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1**There is compliance with all applicable local, national and ratified international laws and regulations.****Indicator 2.1.1**

Legal and other requirement register available at POM and estates and well kept in the individual office. Relevant legal requirements registered:

- a) Occupational Safety and Health Act 1994
- b) Factories and Machinery Act 1967
- c) Uniform Building By Law 1986
- d) Pesticide Act 1974
- e) Electricity Supply Act 1990
- f) Petroleum (Safety Measures) Act 1984
- g) Fire Services Act 1984
- h) Code of Practice for Safety Working in a confined space, 2010
- i) Environmental Quality Act 1974
- j) Employment Act 1955
- k) Labour Ordinance of Sarawak 1972
- l) Immigration Act
- m) Sarawak Water Ordinance 1994
- n) Sarawak River Ordinance 1994
- o) Sime Darby Berhad, GPA October 2005

Relevant required licensing and document such as MPOB license, DOE license, DOSH License, KPDNK license, etc were available. The Mill Manager (En. Azhanizan) is registered competence personnel for scheduled waste and POME. Both certificates were valid during the audit.

Indicator 2.1.2

The identification of legal register performed by Group Legal Department and POM and estate assistant manager appointed as personnel in charge for legal set documents handling.

Legal and other requirement register available and well kept in the office and available for all level of management. Relevant legal requirements registered. A comprehensive list observed during the audit.

Relevant section in regulation identified and link to relevant activities. Detail requirement stated into the Legal and Other Requirement Register.

Indicator 2.1.3

Legal compliance evaluation conducted for POM and estates on yearly basis. Designated personnel is appointed as a responsible person for the legal compliance evaluation. Evaluation of legal compliance performed on yearly basis. Lavang POM – Engku Awis Hafizi, Lavang Estate – Kassim Kato, Kelida Estate – Aizil, Dulang Estate – Hadri Noor Kamal. Legal compliance evaluation observed with relevant concern on legal compliance addressed. There was evidence of compliance to identified legal requirements and implementation was verified by conducting evaluation by relevant legal personnel.

Based on the site assessment, interviews and evidence checking at the mill and estates, there were evidences of compliance with the relevant laws, regulations, local and International laws:

- a. Relevant machinery and equipment such as Deaerator storage tank (PMT 142715), Softener vessel (PMT 142719), Boiler (PMD 11448), etc observed with valid certificate of fitness.
- b. Department of Environmental (DOE) license no. 3015 observed with requirements of approval letter observed.
- c. Audiometric test performed as per requirement and appropriate actions observed.
- d. CHRA conducted as per requirement and relevant suggestions implemented.
- e. Competence person for specific process such as boilerman, effluent management, scheduled waste management, etc available.
- f. Medical surveillance performed according to CHRA result.
- g. Valid license such as MPOB license no. 503285002000, Permit Barang Kawalan Berjadual for diesel ref no. Q007020, etc available.

There were no cases of any violation or actions imposed by relevant authorities. Communication to worker on legal requirements was held in regular basis. Good understanding and awareness level observed among the workers.

Indicator 2.1.4

Standard Operation Manual, Appendix 5.2.4 Procedure for legal and other requirements observed. Process flow chart for update on changes of legal and other requirements observed. TQEM-Plantation/Mill is taking fully responsibility in identifying, amending and communicating the legal change.
During the site assessment, relevant legal requirement was updated into Legal Register. Notification memo from TQEM observed for notification of legal changes.

Status: Comply

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.

Indicator 2.2.1

Lavang Mill and all estate have made leased land certificate available at each respective office. Record showed that the leased was between Sime Darby Plantation and Bintulu District Authority. No record of contested by local observed.

Indicator 2.2.2

Lavang Mill, Lavang Estate and Kelida Estate were surrounded by sister estate therefore boundary were marked by road and marker on the trees. Only Dulang Estate has boundary with another plantation. Boundary stones were observed marked and maintained.

Indicators 2.2.3, 2.2.4, 2.2.5 & 2.2.6

There is no land dispute in the sampled estates as their land titles are legally identified and documented.

Status: Comply

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Indicator 2.3.1.

The mill is located within Lavang Estate. The mill has obtained all the relevant licenses from respective authority. There is no evidence the presence of identification of legal, customary or user right. The same status applied to Lavang Estate, Kelida Estate and Dulang Estate.

Indicator 2.3.2, 2.3.3 and 2.3.4

There is no negotiated agreement in any of the sampled estates, therefore there was no community surround of Lavang. Based on auditor observed, the spot of community settlement was far from plantation area it was in surround of main road access to Bintulu.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

Indicator 3.1.1

In the POM, seen the existing business or management plan period 2017/2018 to 2021/2022. Seen the plan consist and focus on production cost [FFB received, CPO & PK produced, OER and KER]. The processing cost [FFB reception, FFB handling, sterilization, threshing, pressing, clarification, depericarping, kernel recovery, boiler, power generation, storage, laboratory, water treatment plant, POME, workshop and EFB disposal] As for the fixed administrative cost [staff, executive, office, security, general and others].

SOU 31 and SOU 34 is not connected to any scheme smallholder. The estate has a documented business plan / budget with a minimum of annual planning. Seen the plan "MPLAN 2017-2018] includes of current and forecasted area statement. Sighted the estate's Permit to Import Plants [department of Agriculture, Sarawak Malaysia] for "Germinated Oil Palm Seeds – DxP SD Premium from Sime Darby Seeds & Agriculture Services Sdn. Bhd. Crossed checked the Delivery note.

Indicator 3.1.2

In Dulang, Kelida and Lavang estates, see replanting program that starts from year 2017/18 to 2020/21. The replanting activity is still on progress on each estates. During field visit, it was observed no land clearing [felling] in course of replanting. In three estate, seen a "Long Range Replanting Program". For year 2016/17 was conducted replanting with area 117.7 Ha in Lavang Estate, 112.19 Ha in Kelida Estate and 155 ha in Dulang Estate. According to field observation to Field 2017A in Kelida Estate, chipping activity has been conducted last month.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

Indicator 4.1.1

Quality, Environmental and Occupational Health & Safety management system developed for mill observed. Total 16 management procedures developed for the whole Quality Management System.

Different SOPs developed for relevant production section:

- Reception Station
- Fruit Handling Station
- Sterilization Station
- Threshing Station
- Pressing Station
- Clarification Station

Process flow chart for production process observed. Sufficient SOPs developed and covered whole POM processes. Controlled set of QOHSE documents observed during the mill audit. Document Master List observed for all procedures and SOPs. Safety work procedure has included on the mill processing procedure at each station. Document revision well controlled with updated version keep track. During the site observation, updated documents observed at the point of use.

Agronomist Reference Manual (ARM) latest updated July 2011. Standard Operating Manual (SOM), 2018 & Standard Operating Procedure (SOP), 2008. The SOP has covered the key processes like harvesting, transportation, fertilizing, IPM, chemical handling and Manuring. Estate Quality Management System established for whole Sime Darby Plantation. Quality management manual date 1/11/2008, rev 01 observed with relevant SOP developed:

- Seed Planting
- Watering
- Spraying
- Pruning
- Manuring
- Harvesting

All the procedures were available in each Mill and Estate on English and Bahasa Melayu. Based on interview with sterilizer operator and Transfer Carriage in Lavang POM, he can explain regarding working safety and his job descriptions. In addition, according to interview with harvesters in Kelida Estate on Field P98C2, interview with spraying workers in Dulang Estate on Field P93DD and interview with Manuring workers in Dulang Estate on P92DA They can explain related to job descriptions and safety working environment.

Indicator 4.1.2&4.1.3

Internal audit conducted on yearly basis for monitoring of SOPs implementation. Daily monitoring performed by mill and estate supervisor. SOU monthly briefing performed for communication of SOPs and reminder for all employees. And also there are mechanism to check consistent implementation of procedures through internal audit by PSQM, GCAD Visit and Agronomist Visit. The latest GCAD visit in Lavang Mill on 22 December 2016. Therefore Agronomist had visit to the each estate, for example: latest Agronomist Visit in Kelida Estate dated 27 April 2017, Lavang Estate dated 26 October 2016 and Dulang Estate dated 22 June 2017. The management unit has follow up all of GCAD and agronomist team suggestion as continuous improvement.

Indicator 4.1.4

The management unit has SOP Station 1.0, Reception Stations dated 10 November 2008, this procedure was explained about FFB sourcing. Based on the document verification and interview with the security, weighbridge operator and grading operator that known there are two outsider crop during last year i.a: Subis Plantations Bhd (agreement No. P/K/1116/FFB00753L) and Medan Mestika Sdn Bhd (agreement No. PK/0916/FFB742L).

Status: Comply

4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Indicator 4.2.1

The company has a SOP Agriculture Reference Manual (2008)-Chapter 8. Manuring regarding Manuring on Immature area and Mature area. All manuring programs were monitored through Monthly Manager Report and also Agronomist Visit Report. Agronomist will assess the level of achievement manuring program, such as score of manuring in Lavang Estate is 92.19, Kelida Estate: 93.75 and Dulang Estate: 100.00.

Indicator 4.2.2

Agronomist recommendation was determined by leafs and soil sampling analysis. Fertilizer input for estates were implemented through chemical fertilizer application (urea, phosphate and potash), organic fertilizer application through EFB mulching and compost fertilizer and natural cover by legume cover crop planting which act as erosion protection as well as recycling the nutrient. Fertilizer using per ton FFB during 2016/2017 is 0.20 MT/MT FFB in Kelida Estate, Lavang Estate: 2016/2017 is 0.09 MT/MT FFB and Dulang Estate in 2016/2017 is 0.18 MT/MTFFB.

Indicator 4.2.3

Sime Darby Plantations has Sustainable Plantation Management System (SPMS) Version1 year of 2009. Soil sampling unit will be conducted every 5 years, while leaf sampling unit will be conducted every year by Research and Development Center Upstream. The latest soil analysis test report was on 25 September 2014 by Sime Darby Research Sdn, Bhd. While last leaf sampling unit was conducted on 27 April 2017. The sample is for agronomic and fertilizer recommendation period of 2017/2018. For example: fertilizer recommendation in Dulang Estate: Mature: Aug-Sep'17 CCM25 (394.21 MT); Oct'17 HGF Borate (3.83 MT), MOP (64.86 MT), Jan-Feb'18 CCM 44 (235.97 MT); Zincop 25 (1.87 MT); April – May'18 CCM 44 (333.86 MT); Aug-Sep'18 (263.41 MT); and Oct'18 MOP (15.83 MT).

Indicator 4.2.4.

The management unit has records of Empty Fruit Bunch Application, for example: in Dulang Estate on Field 2017B: 1596 MT; Field 2017A: 5,372 MT; Immature area: 200 KG/plant; while Mature Area: 40 MT/Ha. Based on field visit at Field at Field 2017A, it is known there is the Empty Bunch application arranged between the trees and not layered. The company use the residue of oil palm tree at the time of replanting. It was found that during a field visit in replanting that conducted on 2016/2017at Field 2017A, Dulang Estate, there is the cut of oil palm trees were collected in the hole. However, effluent from Lavang POM was recycle to EFB composting. There are no effluent discharge or effluent application to land.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

Indicator 4.3.1 & 4.3.2.

There are soil maps with scale 1:20,000 on each estate. Fragile soil was available in Lavang Estate, Kelida Estate and Dulang Estate. Therefore there are Fragile soil series as Gondang series in Dulang Estate, Lavang Special and Belian Estate. The estates are vital in term of erosion control as well as top soil protection for soil fertility. There are policy slope and river protection dated January 2015 signed by Managing Director. Planting of forest trees for enrichment of the species is recommended. In addition there are ARM Section 3 about replanting, this procedure was explain related to ground cover management, recycling biomass, terracing and natural regeneration instead of replanting.

Indicator 4.3.3.

There was a road maintenance program on each estate and the road maintenance record was available too. For example:

Kelida Estate has realized road grading on Field P2013, Lavang Estate on Field P97AC and Dulang Estate on Field P02DE. Based on field observation on Lavang Estate, Kelida Estate and Dulang Estate the roads all are in a good conditions.

Indicator 4.3.4

Peat soil is available scattered on each estate. The company has SOP Peat subsidence gauge installation dated 14 March 2016 by Plantation Research and Advisory Department. Based on field observation in Dulang Estate for Field 2015A, there was available subsidence gauge. According to the interview with the assistant manager that in charges for this gauge, it has been monitored every month since January 2016. The management unit has plant *nephrolepis* to minimizing soil subsidence. Therefore there are available water management by method of weirs on the drainage. Water tube is using to monitor the water level on drainage and below of soils. According to field observation to Field P94DA Dulang Estate, known that the water table stick on good condition. Scale of water table during field observation are 63 cm.

Indicator 4.3.5 & 4.3.6.

The Lavang and Belian management unit were conducted peat depth investigation and measurement of topography level during May – July 2017. There also water levels monitoring record on each estates to be used to determine the drainability class for the study area. However since the RSPO P&C via PLWG-2 is still developing the specific guidance on drainability classification is still pending. For the Sime Darby R&D, the findings from this assessment will be submitted to collaborate with Sarawak Tropical Peat Institute (STROPI) for review and technical advice.

There are also communication and clarification record between Sime Darby and Javin Tan (RSPO) dated 3 October 2017 said that the PLWG-2 recognised the challenges of applying the current methods, which is ‘Duflow Model’ as recorded within RSPO BMPs for Existing Oil Palm Cultivation on Peat (Page 95), hence the current development of specific guidance. Please allow me some days to gauge agreement from PLWG-2 on the interim measures for the criteria. **Result of Drarinability Assessment will be verified on the next surveillance.**

Consideration to follow up the Drainability Assessment Report to R&D Department. **(OFI)**

Indicator 4.3.6.

The strategy in place for their fragile and problem soils were explain on Agriculture Reference Manual (ARM) Section 4 about land preparation, topic 8 construction terraces and also SOP EQMS Level 3 Section B6 about Soil and Water Conservation using LCC Planting and stacking of fronds. This procedure were available on each estate office; based on the field observation in field P09, Dulang Estate there were available silt pit and road pits to prevent soil surface erosions.

4.3.5.	Status: OFI
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4.4 Practices maintain the quality and availability of surface and ground water.

Indicator 4.4.1.

The company had developed a water management plant at the mill that manage the water intake into the mill from water catchment at Lavang estate until the water treatment plant at lavang Mills. Sighted the water treatment process flow : Water catchment Lavang estate → Dosing point (Soda Ash + Polymer C4433) → water clarifier → Concrete Sump Sedimentation Tank → Sand filter → Overhead tank → Softener → Boiler + Processing + Bukit Panglima Village Housing area.

Water renewability has been made through water catchment area at Lavang estate. Sighted the water management and water reducing plan for year 2017/2018, to monitor and managed natural sources of water and ensure compliance including :

- Limit of domestic usage by using meter
- Monitor daily water usage for process using meter
- Strive to achieve rate of ratio 1 MT FFB to 0.6 MT water
- Campaign and motivate workers to use dry cleaning instead of wet cleaning
- Use sterilizer condensate as dilution water
- Urgently repair and leaking pipes and valves
- Yearly maintaining water catchment area, grass and weeds.

Clean water for thefor the stakeholders had been supplied by the management unit at Dulang Estate. However the clean water result analysis has not been made available. The company had sent the sample of water to Carey Island Research and Development unit for laboratory test on 6th April 2017 however the sample has been rejected due to insufficient sampling (1.5 litres of sample and 3 bottles). Hence there is no water analysis result for year 2017 to ensure the clean water supply to local stakeholders. **It was raised as Nonconformance No. 2017.1**

Indicator 4.4.2.

The company has Reserve / River Buffer Zone and Slope Protection procedure (SPQMS Appendix 14 dated on 01/01/2010). Water management among others is conducted through protection of water courses and wetlands, including maintaining and restoring appropriate river buffer zone or before replanting along the natural waterways within the estate. Based on interview with management representative, there are no changes to the procedures, still the same as the previous audit activities.

Based on field observation at Block 2017 A , it is known that the river buffer zone area are demarcated with red paint about three palm trees from the edge of the water body, as indication no chemical application is permitted at these palms. Estate has also installed signboard in the filed such as in main road, collection road, riparian buffer zone, housing, offie and others, with information mentioended in the signboard is about river protection from hazardous waste, chemical activity and others types of activities to be avoided which will reduce the water. There is a buffer zone area at P94 PF, Sungai Paroh , and P92 DC – CSA (Conservation Set Aside) for the hilly area more than 25 degree

Indicator 4.4.3.

The access of clean drinking water for the stakeholders (workers mill and Desa Lavang Housing Area) has been made available .Sighted the water test dated 21st august 2017 and the water sampled has been send to the external laboratory as per monthly basis. Sampled of description drinking water, and result of water analysis has been send to the ESI Laboratory(third party) as per details :

- PH at 26-27c : Lavang Oil Mill canteen , 7.8 , Bukit Panglima House = 8.0, Desa Lavang Housing , 7.8
- NTU turbidity : 1 : 1 : 7
- BOD 5 : <2 : <2 : <2
- COD : 4, 8, 6
- TCU total color : <5, 5, 8
- Chloride : 26, 33, 26
- Total Hardness : 55,43,55
- Ammoniacal Nitrogen : 0.02, 0.03, 0.03
- Total coliform : 2400, 2419 , 980

The Company had a license of composting effluent POME from the Department of Environmental Malaysia, referring to License of Instruction and validity of License treatment from 1st July 2017 until 30th June 2018 (license no 003015). The company had developed a flowchart of effluent process as per details :

Lavang Palm Oil Mill : from Cooling pond 1 → cooling Pond 2 → Mixing Pond 1 → Mixing Pond 2→ Buffer sump → anaerobic Pond 1 → Anaerobic Pond 2 → Aerobic Pond → Dumping Pond

The effluent from mixing pond 1 has been transferred to Composting Plant and made the compost from empty fruit bunch and distributed to the 4 estate of Lavang Mill. Lavang Mill had taken the result of water treatment effluent (dated 21st August 2017) :

- PH 8.9 @25c
- BOD : 4.8 mg/L
- COD : 230 mg/L
- Total Solids : 2600
- Volatile Fatty Acid : 160 mg/l
- Total alkalinity : 1600
- Ammoniacal Nitrogen : 0.9 mg/L
- Total nitrogen : 6.9 mg/l
- Oil and grease : 1.9 mg/l

The BOD sampling is very low due to composting activity had been made available at the estate. The company also had developed the press belt station nearby the anaerobic pond 1 and anaerobic pond 2 for separation and sedimentation of

sludge and water pumped from the anaerobic pond. Based on the result verification of Palm Oil Mill effluent at the mill office, the company had never surpass the legal limit set by the Department of Environmental Malaysia.

Indicator 4.4.4.

The mill had setup the procedures to measure the water mill usage per ton FFB, month of July 2017 [FFB Processed: Month July 2017 : 23,734.91, August 2017 : 24341.06, September 2017 , 24,155.59]. The average consumption ratio of water processing per tonne FFB are 1.64, 1.52, 1.45 [July – September 2017] respectively. The average water used per ton FFB last year license: 36.926.67 MT for past 3months (from July to September 2017).

4.4.1	Status: Nonconformance No. 2017.1 with minor category.
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**4.5
Pests, diseases, weeds and invasiveintroduced species are effectivelymanaged using appropriate Integrated PestManagement techniques.**

Indicator 4.5.1.

There is IPM procedure on ARM Section 15. Plant Protection, there are several pest and disease on plantation such as: rat, leaf eating caterpillar, beetle, grasshopper, and rat. The main method of treatment will be through rat baiting; active ingredients for such baits are categorized into chronic (blood anticoagulant) and acute poisons. Warfarin base should be the primary bait type use due to its relatively lower cost and safety towards predators of rats in particular barn owls. The biological control of rats using barn owl is encouraged and gradually being implemented in all estates. Warfarin rat baiting should be implemented to supplement control inadequacy during the first 2-3 years of barn owl establishment. In estates where barn owl are not known to habituate, as in the case of Borneo Island, Plant Protection Unit/ Plantation Advisor should be consulted for baiting activities, importation of barn owls, and establishment of owl nesting boxes. However there were reducing of Warfarin usage like in Kelida Estate was reduced 4.68% on 2016/2017 period, while in Dulang Estate was reduced 47.99% on 2016/2017 period.

Indicator 4.5.2.

There are IPM training records in each estate, such as: IPM training dated 7 September 2017 to 19 workers in Kelida Estate, IPM training dated 15 September 2017 to 11 workers in Lavang Estate, and IPM training dated 26 July 2017 to 25 workers in Dulang Estate.

	Status: Comply
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**4.6
Pesticides are used in ways that do not endanger health or the environment**

Indicator 4.6.1

The Company has work procedures associated with chemicals such as spraying and pest and disease control. The procedure is contained in the Pictorial Safety Standard (PSS) Chapter 8 about pesticide handling. Company is using pesticides in accordance with the target and theactual target achievement in the field is conducted three to fourth times a year. The pesticide has been registered in the national regulation,based on the results of field observations in Field found chemical circle weed control. The spraying activities are using pesticides that are already registered in MPOB that is active ingredient *glyphosate* with a dose of 300 ml / hectare to control broadleaf weeds in the circle of oil palm. During field observation to field P93DD in Dulang Estate that known it was observed that spraying worker used chemical material with the active ingredient “glyphosate”, the target is a broadleaf weeds on the circle oil palm.

Indicator 4.6.2.

The company carries out weed control by using chemicals made in 3-4 rotations in a year. Weed controls such as circle spraying is performing selectively adapted to conditions on the field. Based on the data from the use of pesticides known the decrease of the pesticides use, in the recapitulation of 2016 active ingredient glufosinate-ammonium: 0.012 liter/Ha in Lavang Estate; *Tryclopypyr* 0.05 liter/ha in Dulang Estate, while Kelida Estate was usage Cypermethrin: 0.0046 liter/Ha.

Indicator 4.6.3.

There are IPM procedure on ARM Section 15. Plant Protection, there are several pest and disease on plantation such as: rat, leaf eating caterpillar, beetle, grasshopper, and rat. The main method of treatment will be through rat baiting; active ingredients for such baits are categorized into chronic (blood anticoagulant) and acute poisons. Warfarin base should be the primary bait type use due to its relatively lower cost and safety towards predators of rats in particular barn owls. The biological control of rats using barn owl is encouraged and gradually being implemented in all estates. Warfarin rat baiting should be implemented to supplement control inadequacy during the first 2-3 years of barn owl establishment. In estates where barn owl are not known to habituate, as in the case of Borneo Island, Plant Protection Unit should be consulted for baiting activities, importation of barn owls, and establishment of owl nesting boxes. There were reducing of Warfarin usage like in Kelida Estate was reduced 4.68% on 2016/2017 period, while in Dulang Estate was reduced 47.99% on 2016/2017 period.

Indicator 4.6.4

The Company has a complete list of pesticides that are designated by World Health Organization (WHO) Class 1A or 1B, or listed in the Stockholm or Rotterdam conventions. Based on interview with estate manager and field visit on chemical storage, Sime Darby Plantation Sdn, Bhd has been implementing zero policy of using *paraquat* since 2010. While warfarin can be used on the field without barn owl box, especially in Borneo Island.

Indicators 4.6.5 & 4.6.9.

The Company has a work procedures associated with chemicals such as spraying and pest and disease control. The procedure contained in the Pictorial Safety Standard (PSS) chapter 8 about pesticide handling. Based on document verification, all estate were held pesticide handling training on 20 September 2017 in Kelida Estate, dated 15-18 September 2017 in Lavang Estate and dated 12 September 2017 on Dulang Estate. According to interview with spraying workers, they can explain about pesticide handling and PPE's usage. But there are no available associated smallholders on this audit scope. According to interview with pesticide application mandor on each estates, it known pesticides mixing was conducted on the Chemical Mixing places. Therefore based on observation to pesticide application in Field 93DD Dulang Estates, there are 10 pesticide applicators, all PPE's are adequate in accordance to MSDS. Other auditor team also was observe premix area near of chemical store. There are adequate place, signboard and secondary containment.

Indicators 4.6.6 & 4.6.7.

There is a SOP Environment and Quality management system (November 2008) and Pictorial Safety Standard (PSS) Chapter 8 about Pesticide handling. Based on the field visit to Kelida Estate, Lavang Estate and Dulang Estate, there are implementation of the SOP and well organized. All Pesticides is stored according to the Color Coding (OSHA 1994). There is an evidence showing that the empty containers are properly stored at the Chemical Storage Area. Based on the site visit at field and disposal area, there is no evidence that pesticide containers are disposed and used for others purposes. All estate were held pesticide handling training on 20 September 2017 in Kelida Estate, dated 15-18 September 2017 in Lavang Estate and dated 12 September 2017 on Dulang Estate.

Indicator 4.6.8.

According to interview with Estate Manager in Kelida Estate, Lavang Estate, Dulang Estate, and PSQM Manager there are no aerial spraying during year 2015 – September 2017.

Indicators 4.6.10.

The company had developed the Standard Operation Procedures SOP for the disposal of waste materials (Scheduled waste: procedure of handling scheduled waste section VII – Handling of environmental Aspect scheduled waste) Issued on 1/11/2008. The SOP had been developed by the company and the responsibility of each representative of the mill has been clearly stated in the SOP e.g: Oil Mill EMS Team, TQEM Department and research centre, Manager, Assistant Manager, and Laboratory Supervisor. The certificate for competent person of scheduled waste has been made available

at the estate and date of validity from 2nd February 2017 to Mr Azhanizan (Mill Manager). During the field verification, the company had setup a Proper waste disposal and has been implemented a proper storage room made (refer: store room for schedule waste). The scheduled waste has been properly stored in a designated store and the license collector had taken the scheduled waste dated 24/7/2017 (E- concern Sdn, Bhd).

Indicator 4.6.11

List of pesticide sprayer available in all estates. Annual medical surveillance performed for all pesticide operators. All medical surveillance record available for all pesticide sprayers 17 workers for Lavang Estate, 9 workers for Kelida Estate, and 10 workers for Dulang Estate. Relevant report reviewed and found appropriate action performed according to doctor recommendation. According to interview with pesticide operators in estates, there is no skin disorders, breathing difficulties or nail problems. All pesticide operators that been listed have been to do the Annual Medical Surveillance Report on Medical Examination Report and Occupational Medical Surveillance Program. Medical check-up is performed by the Klinik Medan Sentral Sdn Bhd and Klinik Masniah Sdn Bhd. Based on interview with pesticide applicators on each estates, they were known about cholinesterase. All of pesticide applicators on good condition without low blood cholinesterase level.

Indicator 4.6.12.

SOP pesticide spraying observed with prohibition of pregnant and breast-feeding mother work as sprayer. During the site observation, female sprayer observed. No pregnant and breast-feeding female observed. Thru interviewed, female sprayers understand the prohibition of pregnant and breast feeding female to become spryer. There is there is internal memo (15 February 2016) on No Work With Pesticide for Confirmed Pregnant and Breast-Feeding Women and According to interview with spraying workers and interview with medical assistant in clinic in each estate that known there are no pregnancy and breast – feeding women spraying workers during last year. The company have a system to identify pregnancy spraying workers through monthly general medical checkup.

Status:

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

Indicator 4.7.1

Safety & Health Policy available and written in English and Bahasa Malaysia. Approval from MD, Datuk Franki Anthony Dass dated January 2015 observed. Commitment for preventing injury and ill health observed in the policy. Policy Briefing performed to worker during daily briefing. Briefing record available for POM and estates. Displaying of policy at relevant information board observed at POM and estates. During site audit, sample interview performed and found all understand with the policy. Latest OSH meeting for Lavang POM on 18 May 2018 (Mesyuarat Siasatan Kemalangan Sifar KKS Lavang). Attendance list for worker observed with 16 participants, Latest OSH meeting for Kelida Estate on 28 August 2017 (Mesyuarat Jawatan Kuasa Keselamatan dan Kesihatan Pekerjaan). Attendance list for worker observed with 24 participants, Latest OSH meeting for Dulang Estate on 22 August 2017 (Mesyuarat Jawatan Kuasa Keselamatan dan Kesihatan Pekerjaan). Attendance list for worker observed with 25 participants

Environment, safety and health program for year 2017/18 observed. Relevant programs defined with responsibility and planning date. 14 program were listed including

- i) SW management
- ii) awareness and competency training

Monitoring of program implementation observed with relevant information:

- ESHC meeting performed on quarter yearly basis – meeting minutes observed.
- Perform yearly inspection of Lavang Estate observed.

Effectiveness of the health and safety plan monitored. Safety & health plan was not available publicly at the moment. All targets achieved at the moment.

Indicator 4.7.2

HIRARC performed on yearly basis for POM and estates. HIRARC year 2017 observed with relevant operation covered for POM and estates. No high risk identified. Medium risk identified with proper counter measure.one accident reported

at Lavang POM on 16 May 2017 a report for Class ii accident have been reported to the JKPP. The corrective action and preventive action has been taken and documented. Relevant actions performed such as conduct safety awareness training for specific job function. HIRARC reviewed after occurrence of incident.

Indicator 4.7.3

Relevant OSH training program performed:

- Chemical Handling Training 21 August 2017 and PPE training on 22 May 2017
- Hearing Conservation training provided on 2/9/2016 in mill. The hearing conservation training performed by Mr Mohd Firdaus as the Noise Competent Person.

Sufficient PPE provided for the staff a record of PPE monitoring and PPE replacement record is sighted during the audit. According to the interview if there is damage PPE will be replace accordingly. There is an evidence of PPE monitoring book at POM and Estate. Yearly OSH training program observed with qualified trainer appointed. Site assessment performed and found sufficient PPE (rubber boots, Apron, Plastic Goggles, Rubber Glove, Mask, ear plug, safety helmet) wore by the workers in mill and estates. PPE will be replaced to the workers when damaged; there is an evidence of PPE Issuance Records at POM and all estates.





Indicator 4.7.4

Safety and Health Committee formed in mill and estates. Relevant personnel appointed as safety and health committee members. Generally, Manager appointed as chairman and assistant manager act as secretary. Safety & Health meeting conducted at least on quarter yearly basis and comply with legal requirement. Safety and health related issue discussed during the meeting and proper action plan observed for outstanding issue. Safety and health meeting minutes observed at mill and estates. Relevant issues discussed during the meeting:

- Accident report
- Unsafe condition report
- HIRARC review
- ESH Training
- Medical surveillance report
- Audit report

4 workers from Lavang POM, 5 workers from Kelida Estate, 3 workers from Lavang Estate and 5 workers from Dulang estate were interviewed to verify the health, safety and welfare of workers.

Indicator 4.7.5

There is an SOP for Emergencies Response Plan established at Lavang POM and all estates.

The SOP covers the relevant emergency situation:

- Workplace accident
- Flood
- Oil spillage
- Fire accident
- Animal attack
- Worker strike
- Night time emergency

There is one accident reported on 16 May 2017 at Lavang POM and all documentation and copy or report to DOSH is documented. Emergency response plan defined and understood by all workers. Fire drill performed on annual basis. First aid box content observed during site observation and found sufficient according to legal requirement at POM and estates. First aid content inspected on monthly basis by Medical Assistant. Sufficient first aider available at POM and estates. First aid training provided to all appointed first aider Checklist 12 first aid are available at the Lavang POM, 13 first aid kit are available at Kelida Estate latest checklist on 29 September 2017, 10 first aid kit are available at Lavang Estate latest checklist on 25 September 2017 and 10 first aid kit are available at Dulang Estate latest checklist on 27 September 2017. Fire extinguisher assessed during the site observation and found all available and within expiry date. Emergency eye wash facility available at chemical store.

**Indicator 4.7.6**

There is an evidence in contract workers is provided medical care covered by insurances in item 7 (7.1-7.4). For local employees covered by SOCSO and for Foreign Worker Compensation Scheme Certificate of Insurance (RHB Insurance Berhad). Also covered by SSPA (Skim Pampasan Pekerja Asing) for death maximum benefits up to RM 25,000. An evidence of affected workers received appropriate medical treatment from Bintulu Hospital (Minor Injuries) Sunardi (AS 271936). Validity of insurance policies for Lavang POM Foreign Worker Compensation Scheme Certificate of Insurance (RHB Insurance Berhad) Policy No. FW199024. Period cover 14 Dec 2016 – 13 Dec 2018, Kelida Estate Foreign Worker Compensation Scheme Certificate of Insurance (RHB Insurance Berhad) Policy No. FW199024. Period cover 23 March 2016 – 24 March 2018, Dulang Estate Foreign Worker Compensation Scheme Certificate of Insurance (RHB Insurance Berhad) Batch No. EC-278 6544. Period cover 3 November 2016 – 2 November 2018 and Lavang Estate

	Status: Comply	
4.8 All staff, workers, smallholders and contractors are appropriately trained.		
Indicator 4.8.1		
<p>There is training for all staff and workers for Lavang POM, Lavang, Kelida and Rasan Estate for 2017 and for external stakeholder (stakeholder consultation meeting on 29 September 2017).</p> <p>List of training is</p> <ul style="list-style-type: none"> • OSH Act & Regulation 1994 • Environment Quality Act and Regulations 1974 • Factories & Machineries Act 1967 • Environmental, Safety & Health Policy • Understanding of Group Policy & Authority (GPA B.4) • Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000 • HIRARC • Notification of Accidents and Dangerous Occurrence • Accident Investigation Techniques • Chemical & Spraying Safe Operating Procedures • Guidelines (highly Toxic Pesticides) Reg 1996 • Emergency Response Plan • Scheduled Waste Management – Inventory, labelling, disposal, handling. • Environmental Responsibility & Biodiversity • Occupational, Health, Safety, Assessment (18001) • RSPO training <p>Relevant training programs planned and cover the health and environmental risks of pesticide exposure, recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women), Ways to minimise exposure to workers and their families and also productivity and best management practice.</p>		
Indicator 4.8.2		
<p>Relevant training records such as training attendance list, training evaluation record, training certificate, etc available during the audit for mill and estates.</p> <p>Relevant training programs record observed latest in 2017</p> <ul style="list-style-type: none"> • HCV Briefing • Water Treatment Training • Chemical Handling Training • LOTO Training • PPE Training • First Aid Training • Spraying Training • Grass and weed spraying • Code of Business Conduct • Fire drill and firefighting • Manuring Training • Training Frequency is conducted from monthly to annually. 		
	Status: Comply	
PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity		
5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.		
Indicator 5.1.1		

The company had developed an Environmental Aspect and impact identification, FY 17/18 for the operation of Mill and Estate and its impact to the environment (document no: EAI / 2017 /001-1). Mill does not involve in new planting neither replanting therefore EIA report is not related. However SIA and EIA are available and updated accordingly. EIA evaluation is complete covering the whole estate activities. Sighted the impact evaluation form for Sime Darby Plantation Sdn Bhd for Dulang Estate and Master List EMS /01/5.4.3 related to Environment Aspect and Impact Identification, review on 8/8/2017 and verified by Mr Zulfadli. The aspect of environment has been recorded into the activities EIA / 2016/08-01 which comprising the estate activities such as :

- Workshop – Discharge to land : solid consumption : / spillage / grinding /tyre servicing / power consumption / electricity
- FFB transportation
- FFB Stacking
- FFB Loading Loose Fruits loading
- Harvesting FFB
- Harvesting collection
- Field FFB Chute
- Road maintenance – release to air and exhaust gas contribute to air pollution
- Fixing bridges and culverts – used raw materials, timber and cement iron
- Drains and pits constructions – noise from machine operation sound

Indicator 5.1.2

Environmental Aspect & Impact Identification (EAI) is prepared according to Mill activities. Action plan is prepared to mitigate the negative impact registered. Main impacts such as water pollution, air pollution and schedule wastes are the on-going actions taken. Dulang , Lavang and Kelida Estate, mitigation against negative impacts identified in EAI report was done through Environmental Management Plan (EMP). The EMP made in place for year 2017 and 2018 related to environmental issues , mitigating measures , action by person in charge and time frame of the action.

Impact registered was evaluated, suitable mitigation measures implemented with time frame included. There were evidences where EMP was implemented through scheduled waste storage and disposal record.

Indicator 5.1.3

Action Plan prepared is inclusive of monitoring protocol either physical notification or by scientific measurement. Improvement plan is prepared to mitigate negative impacts. Lavang, Kelida and Dulang estate, had establish the Pollution Preventive Management Plan prepared for 2016/17 which included action plan, person in-charge and implementation status. Monitoring protocol was undertaking by physical inspection and parameters measurement to ensure conformity. The monitoring protocol also has been developed by management unit including the evaluation of matrix criteria , weightage and operating condition (Normal , Abnormal, Emergency)

Sighted the review of PPR date 9/1/2015 prepared by Mr Mengga Narok , assistant manager , Mr Asmawi Hangsor, and approved by estate manager, Mr Muhammad Fairuz Nadzir.

Status: Comply

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

Indicator 5.2.1

The company had developed a HCV asesement report for sarwak region HCV Assesment has been conducted on June 2017 and guided by the the HCV Asesment report template provided HCVRN Dated 1/6/2015. Lavang Estate assessment area include sg Tangsi (11.6 Ha), Bund of Sg Labang (0.37ha) , and water catchment area located at P97BC , P97A1A, P12B, P97B1 present HCV 4. HCV 4 in SOU 31 (Lavang), 32 (Rajawali), 33 (Derawan), 34 (Pekaka) Estates is referring to a. water catchment area (4.1); providing daily basic needs or emergency water use. This water catchment is also providing water for domestic use at workers housing area b. river reserve (4.2); where the areas are to comply to DID reserve guideline to ensure protection of soil and prevention of bank erosion c. areas > 25° slope and isolated remnant forest (4.2); where the areas are occupied by natural vegetation in which keeps significant protection of soil and prevention of slope erosion. Total of HCV area for SOU 31 (Lavang) 219.93 hectare

Total of CSA area for SOU 31 53.36 hectare and Total of HCV area for SOU 34 (Pekaka) 137.43 hectare
Total of CSA area for SOU 34 are 89.05 hectare. The HCV assessment has been done by registered ALS assessor Ms Aida Ghani and Ms Nor Syamimi Saifulizam, from Sime Darby PSQM department. The HCV assessment had been done including the local community and neighbouring stakeholder. From the HCV document, the company had done the consultation with governing body e.g : NREB registered EIA Consultant, Consultation with Sarawak Natural resources and Environment Board, consultation with Sarawak forestry corporation at similajau National Park Office, and consultation with forest department at Bintulu office. Sighted also the stakeholder consultation with SOU Pekaka Longhouse Community and SOU Rajawali Longhouse Community.

Indicator 5.2.2

Several bird species were recorded during the surveys. The common bird species recorded are *Aerodramus fuciphagus* (Edible-nest swiftlet), *Halcyon smyrnensis* (White-Throated Kingfisher), and *Acridotheres tristis* (Common Myna). Based on the HCV report interview has been made with random senior workers has been conducted in each operating unit to measure their level of awareness on conservation of flora and fauna. For that purpose, the interviewee were asked about their knowledge on species of protected animals, forest tree species that exist within the study area as well as in the forest, human-wildlife conflicts and cultural values practise by the community. The interview session was conducted in random people of various working experience and job background. Sighted a training of HCV has been conducted in the estate Dulang and Kelida to the workers, field staff and mandore that have been done by PSQM department assisted by assistant manager of each estate that have introduction to the HCV, Dos and Don't on HCV Areas , and species conservation status related to the area.:

- Stream – Sg Dulang
- Mill water catchment
- Water catchment area
- River reserve sg Paruh (demarcation)
- Stream
- Water catchment area
- Isolated remnant forest
- Water catchment area

Indicator 5.2.3

The company had developed a policy related to the environment and protection of wildlife policy such as Environment & Biodiversity Policy, Slope & River Protection Policy, and Saving the Orang Utan Policy. It content related to the employees and contractors should be fully aware, educated and committed to the policy and it should be available to the public. Sighted the policy that has been published at the estate and mill office at the notice board. There is a training on 18 Sept 2017 on HCV training for Kelida Estate trained by Mohd Aizil Nashaiq (Assistant of Kelida Estate), and the objective of the training is to introduce and give a briefing related to protection of HCV area. The training has been attended by 19 workers including field staff, mandore, and workers. Based on the report, the RTE has not been encountered in the SOU Lavang and Pekaka and field verification shows that there is no RTE species has been endangered. Based on the audit findings and interview, there are no RTE at the estate as the estate is surrounded by nearby plantations and adjacent estate. There is no evidence of any RTE being harmed by the workers or people surrounding the area.

Indicators 5.2.4 and 5.2.5

The management had set aside the HCV value for SOU 31: Total of HCV area for SOU 31 is 219.93 hectare and total of CSA area for SOU 31 53.36 hectare. Sighted also the biodiversity and conservation management plan for Kelida estate Fy 2016 and 2017 The plan had been done starting from July 2016, October 2016, Janaury 2017 and April 2017.:

River reserve/ water → to ensure the signage is maintain at site and retrievable on map → marking of river reserve (erosion prone area) on the map and in the field.

HCV has been documented in HCV report by PSQM department produced on month June 2017. The Identified HCV Area has been mapped. There is no local community had been effected on the HCV report. Where HCV set-asides co-exist with local communities' rights, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration. Based on the field visit and interview, assessment found that none of the local communities' dependence on direct forest produce and services for basic subsistence / health

needs within the boundary of Sarawak Zone Estates.

Status: Comply

5.3

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

Indicator 5.3.1.

The company had produced a list of pollution and sources of it recorded in waste management plan FY 2016/2017 in the mill and estate. This list included the scheduled waste (SW) and non SW :

- SW 305 :
- SW 409 ALLY CONTAINERS
- SW 410 – spent filters (29 August 2017)
- SW 102 – spent batteries – date 22/8/017
- Sw 409 – empty chemical containers (20 ltrs kenlon)
- Dulang estate – SW 410 used filters
- Contaminated rags
- Empty lubricant, grease, hydraulic
- Hexane
- Spent isopropanol (SW)
- Spent chloroform (SW)
- Empty chemical containers (SW)
- Clinical waste (SW)
- Rubbish – to landfill area
- Sewage – to landfill area
- Used tyre – collection by Sime Darby Industries
- Scrap iron – collected on scrap yard

Indicator 5.3.2.

Sighted the inventory chemical/ Lubricant had been stored on site: Hydraulic 460, Omala 320 (Gearbox Oil), ISOPROPRANOL (FFA test) at the mill. The container store and scheduled waste has been kept on site : Sighted the scheduled waste item code :

- SW 410 : Spent Filter and rags
- SW 409 : Disposed containers/ contaminated container.
- SW 429 – isopropanol and hexane

During the audit sighted the evidence of the inventory been updated on scheduled waste (ESWIS System) for Department of Environmental recording on October 2017 : Dated 3/10/2017

- SW 102 = 0.2 MT
- SW 3015 = 1.36 MT
- SW 306 = hydraulic 1.70 MT
- SW 324 = 0.00
- Sw 409 = Bekas Botol Kaca IsoOctane = 0.02 MT
- SW 409 = Bekas drum 44 Gal – 1.088 MT
- SW 409 = Bekas tong Plastic : 0.054 MT
- SW 410 = Kain SW Buruk, Plastic = 0.00
- SW 429 = Bahan kimia = 0.297

Sighted the e-swis inventory had been updated and recorded by Mr Azhanizan R Deni.(Mill Manager)

License collector has been made available until 30 April 2018 = E- Concern (M) Sdn Bhd

The consignment note has been made available at the estate from E concern M Sdn Bhd : dated 26/4/2017 (from Miri Srawak) amounted :

- SW 305 – 7.5 drums
- SW 410 Used Oil filters – 3 drums
- SW 410 Used Cotton rags – 2 drums
- SW 409 Used empty Drums – 11 drums

- SW 429 Chemical discarded - NA

During Observation at Lavang estate, sighted the document of Lavang estate scheduled waste dispatched to Environ Waste management : SW 409 (Contaminated Container) dated 17/5/2017 147 PCS and Used Oil (2 drums) dated 17/5/2017 for SW 305, Lubricant oil

The inventory of scheduled waste on 30th September 2017 for Kelida estate and has been kept at the scheduled waste store include :

- SW 409 – Container with chemical Glyphosate (4 Nos) at store Kelida Estate
- SW 409 – Containers with chemical – cypermethrin (1 Nos) store Kelida Estate

Sighted the SW has been dispatched to Environ waste management dated 16/8/2017

The disposal of waste material has been done according to national best practices and according to national regulation.

Indicator 5.3.3.

Sighted the waste management and disposal plan for year 2017 and 2018: including the type of waste, item description, location, action to be taken and person in charge. The documented scheduled waste has been disposed of properly. Sighted the scheduled waste location and action taken by the management as per regulation. Rubbish on domestic waste has been made properly managed: linesite, Mill, office, Mill plant = allocate landfill area 3km Away from natural waterways and residential area. The company had a proper waste management disposal plan and scheduled including:

- Provide adequate dustbin at mill and linesite, establish collection / landfill Sop
- Establish Collection Schedule
- Create awareness on hygiene amongst employees
- Regular monitoring cleanliness and hygiene

To handle the domestic waste, the site had managed the procedure according to the company SOP of segregation :

Domestic waste → rubbish → Linesite office → workshop , store , shop, → prepare landfill area away from water course and residential area → SOP of landfill application → establish collection schedule and person in charge

Recycled waste → compost, reuse empty container → store → compost plant → monitoring on field application record → labelling the reuse empty container with X → dispose all items through registered purchaser

During Observation at field P94DB at landfill area, the waste produced by the estate has not been segregated according to procedure Sime Darby Plantation ‘ Sustainable Plantation Management System’ Procedure for handling of Domestic waste “all domestic waste produced at the line sites and offices of the estates and mill are to be separated for recycling and regular hauling or landfilling” according to the diagram :

- 1) Recyclable waste (paper , plastic, glass aluminium)
- 2) Other wastes (regular hauling , municipal landfill – landfill within estate)

The implementation of each of the domestic :

- i) Recycling paper, plastic, glass and metal
- ii) Disposal of non recyclable wastes
- iii) Composting of organic waste

Based on the observation at Landfill area Dulang Estate, the company had not done the segregation of waste material according to company standard operating procedure. **It was raised as non-conformance No. 2017.2.**

5.3.3.	Status: Nonconformance No. 2017.2 with minor category
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5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

Indicator 5.4.1.

The company had developed a plan to improve fossil fuel efficiency including usage of fiber as fossil fuel in the boiler, for mill operation. The unit also had developed a plan to reduce diesel consumption on 2017 from July to September 2017:

2017 : FFB processed : 23734.91 , 24341.06, 24155.59
 Total CPO produced : 4859.69 , 5139.38, 4937.55
 Total Diesel Consumed : 88425, 88325, 80412,

Diesel consumption liters : 18.20, 17.19, 16.29 / ton CPO
 Renewable Energy Per ton FFB July 2017 to September: 4.88 → 4.74 → 4.89 (Renewable Energy Usage for year 2017 /2018 for fibre per ton CPO). The company had also recorded the electricity usage per ton FFB as per details :
 Use electricity per ton FFB : From January to September 2017 :

- January 2017 : 57.88
- February 2017 : 52.79
- March 2017 : 50.67
- April 2017 : 44.6175
- May 2017 = 50.34
- June 2017 = 46.83
- July 2017 = 50.77
- August 2017 = 52.36
- September 2017 = 45.25

Status: Comply

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

Indicators 5.5.1 & 5.5.2.

There is a SOP in Standard Operating Procedure, Section B2, Felling / Clearing & Land Preparation year 2008. Environmental Management – Zero Burning Technique (The zero burning technique of land clearing basically involves felling the original stands, shredding them, and leaving the remnant in windrows or between terraces to decompose naturally.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Indicator 5.6.1

Sime Darby Plantations SOU Lavang had an analysis of aspect impact assessment from the activity and record the mitigation plan from the impact for the mill :

- Dust emission from 0.4g/Nm³
- Steam usage
- Diesel usage for the vehicles
- Black smoke emission when starting the engine
- POME effluent being utilized as compost
- Engine operational – smoke emission
- Diesel spillage at diesel tanks
- Noise pollution at kernel
- Vehicle smoke entering the weighbridge
- Lubricant oil at Store
- Smoke from prime mover

There is documented list of fertilizer being used FY 2016 from January to December regarding type of fertilizer being used :

- Rock Phosphate Egyptian ; 132,800
- Kieserite : 116,400
- Mag Granular : 191,900
- Mixture NK : 56,550
- NX Mixture : 559,100
- NPK Mixtures : 784,400

The company had also recorded all the data including FFB crops that being send to the mill for all the estate including :

- Lavang estate [24192 tonne/ year]
- Lavang Special [19016 tonne / year]
- Rasan estate [51751 tonne/year]
- Belian estate [28918 tonne/year]
- Kelida estate [20724 tonne/year]
- Chartquest Estate [1277 tonne /year]
- Dulang Estate [786 tonne/year]
- Paroh Estate [570 tonne/year]
- Pekaka Estate [298 tonne/year]
- Ruai Estate [2017 tonne / year]
- 3rd Party Sources [7250 tonne/year]

Indicator 5.6.2

Sighted a document of plan to reduce the 'Green House Gas' for year 2017 Lavang Mill, Kelida and Lavang Estate. . There is a document listed down the activities in the estate that contribute to green house gas e.g: diesel usage, pesticide usage, chemical fertilizer usage, domestic waste usage, organic waste domestic usage. There is also action plan been documented to reduce the pollution and activity that contribute to GHG emission as per flow chart :

- Estate activity that release GHG → Action plan to reduce the emission → program to reduce GHG Emission → person in charge → Status of the action plan

Indicator 5.6.3

GHG monitoring include the record of tonnage fertilizers, and diesel usage in the estate and mill. The reporting GHG has been made through PALM GHG toolkit as per evidence sighted. Sighted the evidence of the Palm GHG calculation has been submitted to Ms Devaladevi Sivaceyon (RSPO personnel GHG).

Summary of Net GHG Emissions :

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	6.17	OER	20.09	FFB Processed	156,799.00
PK	6.17	KER	5.46	CPO Produced	31597.25

Land Use	ha
OP planted area	23,180.56
OP Planted on peat	4085.77
Conservation (forested)	0
Conservation (non-forested)	0

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	98932.69	9.88	3008.29	9.01	-	-		
CO ₂ emissions from fertilizer	6447.57	0.64	274.91	0.89	-	-		
N ₂ O emissions	30710.48	3.06	463.92	1.92	-	-		
Fuel consumption	1859.98	0.19	83.51	0.31	-	-		
Peat Oxidation	161893.65	16.2	1818.62	5.19	-	-		
Sinks								
Crop sequestration	-93775.06	-9.36	2851.46	-8.54	-	-		
Conservation Sequestration	0	0			-	-		
Total	206069.31	20.6	2797.79	8.25				

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	24895.56	0.16
Fuel consumption	3311.44	0.02
Grid Electricity Utilisation	0	0
Credits	0	0
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	28207	0.18

Palm oil Mill Effluent (POME) Treatment

Divert to compost	19% %
Divert to anaerobic digestion	81.0 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	81.0 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

Aspects of plantation and mill management, including replanting, that have social impacts 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 the continuous improvement.

Indicator 6.1.1

The company has document of Social Impact Assessment Report. The SIA was conducted on 17 June 2009 (Lavang, Kelida, Dulang and Lavang POM). External Stakeholder Meeting “Majlis Perjumpaan Muhibbah” Sarawak Zone has been conducted on 31st July 2009. There was also on September 20 – 27, 2016, Plantation Sustainability and Sustainability Management (PSQM) of Sime Darby was carry out in the early Social Impact Assessment. These Report was covered an issues that been covered in the Health and education facilities, Pollution issues, Workers Union, Boundary Issues, Foreign Workers and Social Safety Issues.

Indicator 6.1.2

The results of the stakeholder meeting are documented in the Social Management plan and all of the issues are listed and resolution are documented with the Persons in Charge is stated. The contractors and teachers of school in Lavang complex have express their views with consultative process. There was showed the sample of consultation process:

- Road safety with regards to transpotation lorries
- Additional building for SK Desa Lavang

Indicator 6.1.3

There is no community settlement or smallholder group in surround of Lavang complex. However, the management is paying attention to a positive and negative impact for the internal stakeholder have been identified. The company has improved the living standards and increase of health, education facilities and cultural and religious values for their workers. There Social Management Plan was available based on the SIA that been conducted. The related party consist of employee from each estate and school teachers in Lavang Complex. There was attendant list of participant on discussion process with employee from each estate and school teacher in Lavang Complex since 20 till 27 September 2016.

Indicator 6.1.4

The company has Management Plan On Social Impact Assessment. Discuss in each estate, 21 till 27 September 2016. These latest plan was evaluated based on input by related party. Record sample of meetings between the company and the related party was available for year 2017/2018.

Indicator 6.1.5

There was no smallholders scheme surround of SOU 31 Lavang and until present there was not yet smallholder supplied FFB to Lavang POM.

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Indicator 6.2.1

The mill and estates have maintained the list of stakeholder from the internal and external parties lasts updated on September 2017. During the audit there is SOP available for communication at the estate dated issue: 01/11/2008 – sub section (5.5) (appendix) : 5.5.3.1 for internal communication and 5.5.3.2 external communication and being disseminated through all the mill and operation unit. Based on the interview, the SOP made has taken into account the company policy and the operational staff which has different gender as the women play an important role in operation of SOU Lavang.

Indicator 6.2.2

There is an appointed person for handling the communication and co procedure raised in the field. The role has clearly shown the appointed person responsibility and task description if there any issues raised in the management unit. The procedure has been communicated internally by method of muster morning briefing and training to the workers.

Indicator 6.2.3

The list of stakeholder has been maintained by the management unit FY 2017/2018 for each estate and mill. There was a stakeholder meeting together with social impact assessment evaluation being held at Desa Lavang Complex gathering all the internal and external feedback dated: 20th September 2016. There is also available record of request from the workers regarding the issue of housing area, repairing and those request has been attended efficiently

Status: Comply

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

Indicator 6.3.1

The company has system for dealing the dispute and complaint receive. This system was refered to Procedure and flowchart for Handling Social Issues, and also has Procedure for External and Internal Communication. This procedure was explained that the company will protect the whistleblower and there is no sanction for them. When the cases did not handled properly in estate unit, the cases will continue to next level of management, including to jurisdiction level or another way, based on the agreement each parties. These procedures were completed with flow chart of Form of Complaint Handling Data. The Sime Darby Plantations also has Group Policies and Authorities (GPA. No. 85), this policy covers the oversight and responsibilities, reporting process, protection to whistleblowers and confidentiality. There was also available Sime Darby Agriculture Chapter on Point 4 Corporate Integrity Commitment sub point 4.1 Protect Ethical Standards (III) explained that Providing an internal mechanism for reporting and investigating any claims of dishonesty, bribery or corruption, and outlining how whistleblowers are protected from negative repercussions. The complaint will be processed through to the RSPO if needed.

Indicator 6.3.2

Based on document verification of Complaint log book, there was no significant complaint by related party. Each of the management unit of estates will follow up and process if any complaint. According to Flowchart and Procedure Handling Social Issues and Procedure for External and Internal Communication, the estate manager will confirm to related staff if any complaint from another party. Based on the interview with the several local workers in office (Gender Committee) and migrant workers from Indonesian, they are aware with the procedure and know how to make complaints.

Status: Comply

6.4

Any negotiations concerning compensation for loss of legal or customary 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.

Indicator 6.4.1 & 6.4.2

The company has a procedure and system for land dispute in Sime Darby Sustainable Plantation Management System-Flow Chart and procedure on handling social issues and handling land dispute appendix 3. The company also has Social Policy that explain on Point 3 : To ensure that any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express theirs view through their own representative institution. All the estates as supply base of Lavang POM are a leased land by Sarawak State Relevant land title available. The original copies are maintained by the Corporate Head office. Memorandum of agreement with land owner observed. Legal ownership – summary of land title, lease agreement, temporary holdings document. Letter from Jabatan Tanah & Survey. Boundary identification was provided with GPS survey map. There was no community settlement surrounding plantation area of Sou 31. All plantation boundaries was separate with the same holding of Sime Darby (SoU 34) and another plantation company.

Indicator 6.4.3

The land of SoU 31 Lavang Complex was not obtain from compensation process. However the company land are a leased land by Sarawak State Relevant land title available. The original copies are maintained by the Corporate Head office. Memorandum of agreement with land owner observed. Legal ownership, summary of land title, lease agreement, temporary holdings document. Letter from Jabatan Tanah & Survey.

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Indicator 6.5.1

The agreements made was contractual between the workers (TKI- Tenaga Kerja Indonesia) and Sime Darby berhad – refer: Kontrak Pekerjaan – Tenaga Kerja Asing Sarawak Malaysia. And offer letter (Tawaran Pekerjaan) for local workers. The employment for the company was made through the contract: General workers for 2 years compulsory + 1 year extension period.

Based on the audit, all workers have an agreement based on Contractual for 2 years 1 year option to extend the contract with management and been signed by the foreign workers Indonesia regarding the labor laws, union agreements including (working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal. All workers are given the pay slips and the minimum basics salary is RM 30.77 per day based on (Sekim Saraan semasa amalan Syarikat bagi Negeri Sarawak) and Sarawak Labor Ordinance (Sarawak Capter 76) amended as at 10th February 2005 by Act A 1237. 3 employees been checked (lavang POM) Mr. SY (Indonesian) RM 1,869.09, Mr. MB (Local) RM 1,056.45 and Mr. MM (Indonesia) 1,821.54, 2 employees been checked (Kelida Estate) Mrs. GAM RM 969.98 and Mrs. RAK RM 1200, 5 employees been checked (Lavang Estate) Mrs. Ar RM 1,980.91, Mr. MH RM 1,843.79, and Mr. HP RM 1,133.49 and 3 employees (Dulang Estate) Mr. HA RM 1,205.18, Mr. PN RM 1,216.22 and Mrs. PZ RM 2,472.38. Based on interviews with harvester as well as a document review of Kelida, Lavang and Dulang Estate. Harvesting wage system in accordance to quantity system RM 25/MT. However on peak crop condition, their will transfer to pruning activity. Average wage of harvesters are RM 1500 – 2000 per month. They were worked since 07.00 am until 02.00 pm.

Indicator 6.5.2, 6.5.3 & 6.5.4

Based on the pay slip available: there was a pay condition made available including the basic pay, FWDOR wages, PHOL wages, Normal Days Overtime, FWDOR Overtime, Holiday Pay and Phone Reimbursement – Foreign Workers. The contract prepared available in the languages that been understood by the workers and contract and based on the interviewed, the workers understood the contract. The management have complied workers Minimum Standards of Housing and Amenities Act 1990 (Act 446).

All workers are provided with adequate housing and were observed in very good conditions. Foreign workers housing are free provided with 24 hours electricity and clean water with subsidies 35 gallon of water for every each workers. Medical are provided based on (Akta Pekerjaan 1955/Ordinan Buruh Sarawak). For family workers, 3 rooms housing were provided. Based on the observation there is a groceries (*Kedai Runcit*), Community Hall (Dewan Lavang) and Mosque.

Also indicated in the employment contract workers are provided with food subsidies 5 kg of rice and 5 kg of cooking oil once in two month. Based on the observation all facilities are in good and satisfactory. There were also available clinic at the housing complex providing medical for the workers and staff. The school was available at Lavang complex (primary school) providing education for the children until standard 6. There was available community school for Indonesian and been properly maintained by the management together with Indonesian ambassador office.



During the audit it was sighted that the management has provide the basic amenities and needs to the staff and workers by providing café, shop and grocery stores. On the other hands, there is also transportation provided by the management to send the workers to the nearby town.

Status: Comply

6.6
The employer respects the right 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.

Indicator 6.6.1 & 6.6.2

The company had provide a policy to the rights of employees for freedom of association by implementing the social policy: 'the company shall respect the right of all personnel to form and join trade unions of their choice and to bargain collectively. Based on the interview the workers allowed to form an association (based on the policy) however there is no workers union at the mills and estate. No active association in the company. There is law of contract and agreement and been understood by the workers based on the interview. Before working, they had been explained what happens in the contract. There is no formal union or workers representative established. Based on interview with the foreign workers from Indonesia at Lavang POM, Lavang, Kelida and Dulang Estate, they inform that there is any informal workers associate according to solidarity among them as migrant workers and has informal meeting depend on their need. The company was supporting if the migrant workers need the place for meeting or likewise any event of sport competition (football, etc) and another activities for the workers.

Status: Comply

6.7
Children are not employed or exploited.

Indicator 6.7.1

The Sime Darby Plantations has Child Protection Policy ((Signed by Managing Director on January 2015). The policy was explained that to set up appropriate channels for individual to report any concerns relating to Child maltreatment. All employees and individuals working with the company on contractual, voluntary and / or unpaid basis have the

responsibility to uphold the highest standards of integrity and conduct in safeguarding the rights of the child. Based on field visit to plantation area and interview with the workers, there was no indication of child workers. For Lavang POM, Lavang, Kelida and Dulang Estate there is a list of local and foreign workers list shows that there is no under age workers. Based on the observation and interview the management unit of SoJ 31 were consistent for implemented the Policy of Child Protection Policy.

Status: Comply

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.

Indicator 6.8.1 & 6.8.2

The Sime Darby Plantations has the document of Social Policy. These document was explained in Point 1 that All employee should be treated fairly in terms of recruitment, progression, term and conditions of work and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and/or age. These document was signed by managing Director on January 2015. The policy is made publicly available for the relevant stakeholder through workers handbook and Sime Darby website.

According to interview with several foreign workers from Indonesia for Lavang POM Mr. MM and Mr. SH (Indonesia), Kelida Estate: Mr. S (Indonesia), Mr. ST, Mr. MT (Myanmar), Mrs. DI and Mrs. RN (Local) they informed that there was no discrimination among others. Dulang Estate: Mrs. YS, Mr. AM, and Mr. TB (Indonesia). Lavang Estate: Mrs. AR and Mrs. HS (Indonesia). The recruitment for foreign workers was open access for all, however they must comply to Malaysian regulation.

Indicator 6.8.3

The company was filled on each estate office the records of each individual with respect to competence requirements for various categories of jobs, identification of training needs, training provided, and assessment for effectiveness. These document was explained in point 1 that All employee should be treated fairly in terms of recruitment, progression, term and conditions of work and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and/or age. These document was signed by managing Director on January 2015. The policy is been reviewed twice since year 2010. The company has recorded and filled of each employee personnel document and was promote based on their capability and performance. an evidence Has been showed the personnel assessment and evaluation of the employee (categorized as confidential document)

Status: Comply

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

Indicator 6.9.1

The company has provide and develop the policy related to all form of sexual harassment and refer : Social and Humanity Management Policy clause : In fulfilling our Social and Humanity commitments we shall : preventing sexual harassment and other forms of violence against women and protect their reproductive rights (management Policy) For the operational policy the Gender Policy has been developed on clause; Endeavour to prevent sexual harassment and all other forms of violence against women workers and community. Policy has been documented based on the display and have been communicated through all the workforce based on the interview and displayed on the workers quarters. There is a Gender Committee Handbook (First Edition 2014) distributed to all employees. There is a policy to prevent the sexual harassment and violence stated in the Social Policy (to developed and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights) There is SPMS (Flowchart and Procedure on Handling Social Issues) there is a gender committee handbook first edition 2004. In chapter 3 (Type of Gender-Based Violence & Grievance Procedures.

List of awareness programs or training has been made available during the meeting and social assessment. There is a gender committee have been made in Lavang POM, Lavang, Kelida and Dulang Estate. For the operational policy the Gender Policy has been developed on clause; Endeavour to prevent sexual harassment and all other forms of violence against women workers and community. Based on the interview, there is available documented the organizational chart for each estate and mill comprising the coworkers and staff especially for gender committee. The woman workers are understand their rights including the time for breastfeeding policy and it was stated in the clause that protecting the 'safeguards our operation from employing forced labor and child labor.

Indicator 6.9.2

There is a policy has been developed by Sime Darby Bhd related to human right especially on women to protect their reproductive rights signed by Managing Director (Datuk Franki Anthony Dass) dated January 2016. The policy has been developed by the management and has been clearly distributed to all level of workforce. Based on the interview Lavang POM with Assessor (Mrs. M26 years old) and Store keeper (Mrs. CT 36 years old) Kelida Estate: Mrs. DR 35 years old and Mrs. GN 47 years old, Lavang Estate: (Mrs. NY 35 years old, Mrs. SS 27 years old, and Mrs. MR 36 years old); Dulang Estate Mrs. MR 24 years old, Mrs. YS 37 years old and Mrs. PT 30 years old the female workers understood there was a policy available related to reproductive of human rights. The policy communicated to all level of workforce by method of speech during the muster ground training and displayed on the office. And the policies is displayed on the workshop and mess office (mill)

Indicator 6.9.3.

There is Grievance Redressal Procedure to recognizing the value and importance of discussion there is SPMS (Flowchart and Procedure on Handling Social Issues) Sustainable Plantation Management System, Appendix 5. Upon arising social issues, the matter shall be brought forward to the respective estate management, initial negotiation process shall be carried out, upon any failure, the pending issues shall be reported to the Head Office. The head office shall send forth the investigation team an independent body to gather sufficient information (timeframe on dispute, area involved, parties / people involved and outstanding issues) in the case through interviews and focused group discussion.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

Indicator 6.10.1 & 6.10.2

The FFB price based on standard from Malaysia Palm Oil Board (MPOB). The FFB price list was shown and update till October 2017. Based on observation at weight bridge was showed that FFB price was put in the front window of the weight bridge room. The Lavang POM only received outside FFB from one plantation company. There was a contract with FFB Supplier and local contractor namely Subis Plantations Sdn. Bhd and Medan Mestika Sdn Bhd. Until present, there is no contract between millers and smallholders because there was no smallholder surround of SOU 31 area.

Indicator 6.10.3

There was showed Contract Form between Sime Darby Plantations, Sdn.Bhd (Serawak) with Local Contractors related to FFB transport. These document contract explained several point, consist of: Health and safety (Personnel Protective Used/PPE) on Payment process in Point 1, Point g, etc. Based on document verification, interview with company representation and the local contractor at stakeholder consultation process, they was understand of contract before signed. Both of parties, the company and the local contractor was filled the agreement.

Indicator 6.10.4

The payment process to local contractor was transferred via Bank according to clause related to payment process in Point 1 of Document Contract. The local contractors have informed that the payment process was well implemented. Sample of Payment Vouchers was also shown from Sime Darby Head office to local contractor.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Indicator 6.11.1

There was no community settlement surround of plantation area, overall the area of Lavang complex was within boudary with another plantation of Sime Darby (Pekaka Complex) and another plantation company. The management unit of Lavang has carried out the program for school (foreign school Indonesian People namely Community Learning Center (CLC) and Sekolah Kebangsaan Desa Lavang. The contributions were implemented according to proposed by the related party surround of Lavang complex (workers and teachers committee).

Indicator 6.11.2

There were no independent smallholders for FFB supplied to Lavang POM. Until now, there was no independent smallholders surround of Lavang Plantation area.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

Indicators 6.12.1

There is a Social & Humanity Management Policy stated that "Safeguard our operations from employing forced labour and child labour to ensuring that they are socially beneficial and do not infringe on basic humans rights, such as recognize the right of their employees. Foreign workers is employed directly and there is an evidence of contract employment between foreign workers and Sime Darby. There is no restriction to the foreign workers from leaving the mill or estate or their housing facilities outside working hours.

If the workers want to terminate their employment before contract expires the workers have to write a letter to the Sime Darby Management to terminate their service before the expiring of the contract. based on interview to the workers in manure, spraying and harvesting activities, they was informed that they has earn they salary base on standard of minimum wage in Serawak (RM 920), the foreign workers from Indonesia in area of manure, spraying and harvesting activities, there was known that they are earn salary is average of 1,000 till 3000 in a month. Sime Darby will provide the transportation cost from the estate/ mill to the foreign workers centre to ensure the safety of the workers, and the flight ticket cost is bare by the workers. No penalty imposed but Sime Darby will get back the Levi of workers from the originated country of the workers. The foreign workers is signed the passport retaining form (Borang Penyerahan Passport) and signed by the workers and the manager. No restricted to access the passport and the copy of passport is given to the workers. Based on the sampling of workers contract that has been signed by both of migrant workers and the company representative if early period of the contract will valid for three years. The company will bear the cost of return your country of origin when the Fixed Term or Extended Term expires, as per Clause 1 in the contract. According to field observation to harvesting activity on each estates, there are no family gank system/force labour. If any workers took a wife to Sarawak, they will working on other activity as spraying or manuring. Their sons will school in Community Learning Centre. Their also explain about freedom to resign before 3 year/ expiring of work permit.

Indicator 6.12.2

Seen there is no contract substitution. All workers [local and foreigners] are compulsorily to sign work or contract agreement. A copy also been provided to workers. Based on interview with migrant workers, there was no issue related workers right abused (forced labor).

Indicator 6.12.3.

There is a Social Policy signed by Datuk Franki Anthony Dass January 2015, all employees should be treated fairly in terms of recruitment, progression, terms and conditions of works and representation regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. all foreign workers get the benefits of The terms of conditions of Service is comply accordance the Minimum Wages Order 2016 P.U. (A) 116 29 April 2016. There is gender committee meeting, OSH meeting and RSPO awareness training as a mechanism to implement the policies and procedures.

Status: Comply

6.13

Growers and millers respect human rights

Indicators 6.13.1 & 6.13.2.

There was available policy of human rights available at the Lavang POM, Kelida, Lavang and Dulang Estate and being distributed to the workers and staff. There is a method of communication through the muster in the morning (based on the workers interview) through their local languages that has been understood by the workers. The human right policy have been displayed at the office and workers quarters. The training is conducted annually the responsible person to communicating the policy internally and externally is the Manager, Senior Assistant, and Assistant Manager.

Based on the site visit location, the children in Sabah and Sarawak have been provided school by initiative from Sime Darby in which the company had provided building for the children and the teachers are from government of Malaysia. There is elementary (*preschool*) and Primary school (from standard 1-6) for Lavang Complex and provide the education for the staff and worker's children. As for the international student, children of foreign workers are provided a learning centre (Community Learning Centre) to provide a basic education preschool before they continue the primary school. The basic necessities was provide by management of SOU 31 Sime Darby.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings	
7.1	
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	
Indicator 7.1.1, 7.1.2 & 7.1.3	
There was no new planting in area of SOU 31 Lavang and SOU 34 Pekaka, this area was established on 1996 and did not extend new plantation area. Only any replanting program has been done since March 2015.	
	Status: Compliance
7.2	
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	
Indicator 7.2.1 & 7.2.2.	
Until Recertification process, the SOU 31 Lavang and SOU 34 Pekaka did not extend their area for new plantation. The company just was carried out replanting since 2015.	
	Status: Comply
7.3	
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
No new planting sighted after January 2010 as the plantation estate was established on 1996.	
Untill this assessment, the SOU 31 & SOU 34 did not extend new plantation area. Replanting program has been done since March 2015.	
Based on Disclosure Areas Cleared without Prior HCV Assessment since November 2005, there is no cleared area in this term. There was sighted Letter on date 30 September 2014 issued by Sabarinah Marzuky (Head of RSPO & Certification Unit PSQM Department, Sime darby Plantation) to RSPO Secretariat in related to Progressive Submission of Land Use Change Analysis Results for Areas Cleared without Prior HCV Assessment since November 2005.	
	Status: Comply
7.4	
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
Indicator 7.4.1	
Until Recertification process, the SOU 31 Lavang and SOU 34 Pekaka did not extend their area for new plantation. The company just was carried out replanting since 2015.	
	Status: Comply
7.5	
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
Indicator 7.5.1.	
Until Recertification process, the SOU 31 Lavang and SOU 34 Pekaka did not extend their area for new plantation. The company just was carried out replanting since 2015.	
	Status: Comply
7.6	
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
Indicator 7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5 & 7.6.6	
Until Recertification process, the SOU 31 Lavang and SOU 34 Pekaka did not extend their area for new plantation. The company just was carried out replanting since 2015.	
	Status: Comply

<p>7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>	
<p>Indicator 7.7.1&7.7.2, Until Recertification process, the SOU 31 Lavang and SOU 34 Pekaka did not extend their area for new plantation. The company just was carried out replanting since 2015.</p>	
<p>Status: Comply</p>	
<p>7.8 New plantation developments are designed to minimise net greenhouse gas emissions.</p>	
<p>Indicator 7.8.1&7.8.2, Until Recertification process, the SOU 31 Lavang and SOU 34 Pekaka did not extend their area for new plantation. The company just was carried out replanting since 2015.</p>	
<p>Status: Comply</p>	
<p>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</p>	
<p>8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p>	
<p>Social impacts Social Impact Assessment was conducted On 17 June 2009 and also on September 20 – 27, 2016 carry out by Plantation Sustainability and Sustainability Management (PSQM) of Sime Darby. The document of SIA Report has covered issues such as Safety (Health and education facilities), Pollution issues, Workers Union, Boundary Issues, Foreign Workers and Social Safety Issues. There was available also Social management plan based on the SIA that been conducted. The results of the stakeholder meeting are documented in the Social Management plan and all of the issues are listed and resolution are documented with the Persons in Charge is stated.</p>	
<p>Lavang POM Kaizen Charter: Too improve road safety by construct road hump at workers housing area, kelida estate since July 2016 – April 2017. To do labelling based on type of schedule waste at Kelida schedule waste store since July 2016 – June 2017. Improve road safety by providing Convex Mirror since July 2016 – June 2017. To increase Sime Card issuance in kelida Estate from 10 pcs to 15 pcs every month since January – June 2017. Provide Tyre Bay in Kelida Workshop to increase efficiency during working since June 2016 – June 2017.</p>	
<p>Internal Audit RSPO on 14 August 2017, there are several Non conformity such as: - Major 4.6.11. Medical surveillance was last conducted 28 July 2016 Kelida Estate to immediately arrange. - Major 4.7.1. Sighted the availability of previous ESH management plan for FY2016/2017 but OU couldn't prove the actual activity done. OU also need to establish the FY2017/2018. All NCR was closed by management unit.</p>	
<p>Lavang Kaizen Charter To increase life span of wheel barrow in harvesting operation from 3 month to more than 6 month at Lavang Estate by end June 2017. To increase issuance of Sime Card in Lavang Estate is very low due to lack commitment from estate management team. To minimize working days for landscaping using hedge trimmer at Lavang Estate by June 2017. To improve road safety by provide convex mirror at Lavang Estate by February 2017 To reduce turn around walking time for harvester during evacuation FFB by additional foot bridges at field 97B1B. To improve 5 'S' for schedule waste at Lavang Estate by March 2017</p>	
<p>Lean Six Sigma (LSS) project To reduce OER penalty form above 0.20% to below 0.1% from March 2017 to June 2017. To reduce number of workers sending for loose fruit collection for flood prune area by desiting main drain.</p>	

Internal Audit RSPO on 22 August 2017, there are several Non conformity such as:

- Major 2.1.1. Sighted that no evidence of JTK approval for workers wage deduction (Electricity). LVE to request for approval from JTK.
- Major 4.7.3. Sighted only training needs analysis updated in Oct 2015. There is no record evidence for training conducted in FY2016/2017. Upon reviewing spraying activity, all sprayers not wearing eye protections. Harvesters on the side not use the latest sickle cover.

All NCR was closed by management unit.

Dulang

RSPO Internal Consultative Assessment Report dated 6 August 2017, there are several Non conformity such as:

- 6.12.3. Ffor newly recruit, there is lack of evidence on orientation session to explain their term of employment and conditions. OU management is advised to document the session.
- 4.6.11. Noted the medical surveillance conducted date 4 March 2017. Records show all fit. However, Dulang Estate is advised to ensure store keeper and fogger need to conduct medical surveillance as per CHRA report.

All NCR was closed by management unit.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements																																												
E.1	Definition																																												
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>The Lavang Palm Oil Mill has have a record mechanism on FFB's acceptance in Lavang Oil Mill, by separating FFB from own estate that being identified as certified FFB (RSPO certified) and from other sources that not being certified (<i>RSPO non-certified</i>). Certified FFB will be processed and claimed as certified CPO and PKO. The table below is certified and non-certified FFB was recorded in summary monthly FFB received.</p> <table border="1"> <thead> <tr> <th rowspan="2">Month / 2017</th> <th colspan="2">FFB Received</th> </tr> <tr> <th>RSPO Certified</th> <th>Non Certified</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>20,711.64</td> <td>587.35</td> </tr> <tr> <td>February</td> <td>23,851.34</td> <td>398.32</td> </tr> <tr> <td>March</td> <td>27,267.02</td> <td>893.65</td> </tr> <tr> <td>Sub total</td> <td>71,830.00</td> <td>1,879.32</td> </tr> <tr> <td>April</td> <td>24,199.57</td> <td>837.41</td> </tr> <tr> <td>May</td> <td>23,574.64</td> <td>1,235.90</td> </tr> <tr> <td>June</td> <td>23,170.61</td> <td>837.41</td> </tr> <tr> <td>Sub Total</td> <td>70,944.82</td> <td>2,911.23</td> </tr> <tr> <td>July</td> <td>22,385.15</td> <td>757.99</td> </tr> <tr> <td>August</td> <td>23,780.32</td> <td>385.35</td> </tr> <tr> <td>September</td> <td>25,254.27</td> <td>11.29</td> </tr> <tr> <td>Sub Total</td> <td>70,419.74</td> <td>1,154.63</td> </tr> <tr> <td>Total</td> <td>213,194.56</td> <td>5,945.18</td> </tr> </tbody> </table> <p>Since July 2017 the Lavang POM was received FFB from own estate: SOU 31 (Lavang Estate, Lavang Special, Kelida, Rasan, & Belian) and SOU 34 (Pekaka Estate, Dulang, Ruai, Paroh, and Chartquest Estate). While according to interview with Sortation Officer and Weight Bridge Operator there are two Outsider as: Subis Sdn Bhd and Medan Mestika Sdn Bhd.</p> <p>The management unit was shown contract between Company and Independent FFB Suppliers such as:</p> <ol style="list-style-type: none"> 1. Agreement No. P/K/0916/FFB00742L between Sime Darby Plantation and Medan Mestika Sdn Bhd (Lot No. 85, Sawai Land District-Sungai Kabulu Suai, Niah 96007 Miri, Sarawak) dated 19 September 2016 until 31 December 2017. Payment of the remaining outstanding Monthly Purchase Price shall be made by the Purchaser to the supplier on or before the 10th day the following month. 2. Agreement No. P/K/1116/FFB00753L between Sime Darby Plantation and Subis Plantations Bhd (Lot No. 3, Mukim Sawit, Daerah Suai, 98000 Miri, Sarawak) dated 1 November 2016 – 31 December 2017. Payment of the remaining outstanding Monthly Purchase Price shall be made by the Purchaser to the supplier on or before the 10th day the following month. The Subis Plantation Sdn Bhd Area is 700 Ha. 	Month / 2017	FFB Received		RSPO Certified	Non Certified	January	20,711.64	587.35	February	23,851.34	398.32	March	27,267.02	893.65	Sub total	71,830.00	1,879.32	April	24,199.57	837.41	May	23,574.64	1,235.90	June	23,170.61	837.41	Sub Total	70,944.82	2,911.23	July	22,385.15	757.99	August	23,780.32	385.35	September	25,254.27	11.29	Sub Total	70,419.74	1,154.63	Total	213,194.56	5,945.18
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E.2	Explanation																																												

E.2.1

The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.

The Lavang Palm Oil Mill has record of actual tonnage produced of CPO and PK (RSPO certified). Based on data of certified products of CPO and PK, the actual tonnage produced on January until September 2017 (current audit ASA-1) and estimation certified product are description on table below.

Products	Actual certified products Period of January until 30 September 2017 (tonnes/year)	Estimate Tonnage Products Certified Period 30 December 2017 to 29 December 2018 (Ton / Year)
Production of CPO	46,793.41	74,546.03
Production of PK	11,720.22	18,222.36

The FFB CPO and PK estimate being increased because the Sime Darby plan to decommission of Pekaka POM since July 2017 and all FFB from SOU 34 Pekaka was supply to Lavang POM-SOU 31.

Status: Comply

E.2.2

The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

The Lavang POM – SOU 31 (Sime darby Plantations) has registered the RSPO certified Product that is CSPO and CSPK trough RSPO IT Platform with the member registration form sub license with ID Number [RSPO_PO 100000304](#), will Expire on 29 December 2017.

Based on the data by Lavang POM management and explaining from related staff it was shown that there is CSPK sold in January – September 2017. However there are no CSPO sold, The products (PK) was sold described on table below :

Non Certified CPO Sold

Month (2017)	Buyer	Volume (Ton)
January	Sime Darby Austral Edible Oil Sdn Bhd	3,168.49
February	Sime Darby Austral Edible Oil Sdn Bhd	4,912.78
March	Sime Darby Austral Edible Oil Sdn Bhd	3,695.56
April	Sime Darby Austral Edible Oil Sdn Bhd	7,407.55
May	Sime Darby Austral Edible Oil Sdn Bhd	4,746.61
June	Sime Darby Austral Edible Oil Sdn Bhd	2,305.83
	Bintulu Edible Oils Sdn Bhd	3,557.52
July	Sime Darby Austral Edible Oil Sdn Bhd	4,117.57
August	Sime Darby Austral Edible Oil Sdn Bhd	4,075.83
September	Sime Darby Austral Edible Oil Sdn Bhd	6,121.58
Total		44,739.32

Certified Sustainable PK Sold

Month (2017)	Buyer	Volume (Ton)
January	Sime Darby Austral Edible Oil Sdn Bhd	1,070.74
Februari	Sime Darby Austral Edible Oil Sdn Bhd	1,380.32
March	Sime Darby Austral Edible Oil Sdn Bhd	1,553.65
April	Sime Darby Austral Edible Oil Sdn Bhd	1,095.97
May	Sime Darby Austral Edible Oil Sdn Bhd	1,436.51
June	Sime Darby Austral Edible Oil Sdn Bhd	1,314.82
July	Sime Darby Austral Edible Oil Sdn Bhd	1,400.62
August	Sime Darby Austral Edible Oil Sdn Bhd	1,160.90
September	Sime Darby Austral Edible Oil Sdn Bhd	1,1163.89
Total		11,577.42

	Status: Comply
E.3	Documented procedures
<p>E.3.1</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	
<p>The Pekaka Oil Mill SoU 31 – Sime Darby Plantation has work procedure as guideline to ensure the implementation for the entire required elements. The procedure is Standard Operating Procedure for Supply Chain and Traceability (SD/SDP/PSQM/002 revision version, October 2016). These procedure is aim to identifying product's traceability with supply chain Identity Preserve Model (IP), Segregation Model (SG), Mass Balance (MB) and Book&Claim (BC) for SCCS, ISCC, and MSPO. Critical Control Points (CCP):</p> <ul style="list-style-type: none"> - Estate-Weighbridge - Mill- Auxiliary Police Post, Weighbridge, Administration Office, Ramp, CPO Dispatch area, CPO storage tanks and Kernel Silo/Bunkers. - Record are maintained for a period of ten years. <ul style="list-style-type: none"> • Mill can process FFB from both certified and non-certified estates together in the production line. • The site can only deliver RSPO Mass Balance sales from a positive stock. Positive stock can include ordered for delivery within three months. • For RSPO MB supply chain, the quantity of physical RSPO mass balance products inputs and outputs (volume or weight) at the physical site are monitored on real time basis. • RSPO certified CPO and PK in the RSPO IT Platform or the book and claim. • Reclassification of a mills supply chain model may be determined by GTM. • CB shall be note feed by PSQM on the reclassification (upgrade/downgrade of certificate) of supply chain model and further certification requirement shall be agreed upon. • Sales of RSPO products shall be limited to the certificate amount reported to the Certification Bodies. <p>There has been showed of SCCS training for the personnel in charge and related staff for implemented the supply chain system. The evidence of training material by Assistant Engineering to Critical Control point (Transporter, Weighbridge operator, and Kernel Silo, Attendant List and pictures of training process, dated September 28, 2017.</p> <p>Based on field visit observation and interview with staff in weighbridge operator and grading operator in Loading Ramp that indicated the personal in charge was understood the mechanism to handle of supply chain system they can demonstrated of grading mechanism and through make daily report.</p> <p>There are also record of CPO and PK Dispatch, such as:</p> <ol style="list-style-type: none"> 1. Contract No. S/KSK/1709/CPO0091 dated 5 September 2017 to Sime Darby Austral Sdn Bhd with Quantity: 4,500 MT. 2. Weight Bridge Ticket No. 012143 (Dispatch) dated 5 September 2017 to Sime Darby Austral KCP with Quantity: 40.170 MT with transporter Pengangkutan Bumi Sdn Bhd No. Vehicle: QSN 5185. 3. Contract No. S/KSK/1709/PK0094 dated 30 September 2017 to Sime Darby Austral Sdn Bhd with Quantity: 1,300 MT. 4. Weight Bridge Ticket No. 012324 (Dispatch) dated 30 September 2017 to Sime Darby Austral KCP with Quantity: 30.170 MT with transporter Pengangkutan Bumi Sdn Bhd No. Vehicle: QSN 5285. 	
	Status: Comply
<p>E.3.2</p> <p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	

The Lavang Palm Oil Mill has had of mechanism for accepting fruit by driver to show FFB Consignment Note from each nucleus estate of SOU 31-Sime Darby (Certified FFB) and FFB Dispatch Chit (non Certified FFB) from the other source. Both of document are explain the origin of fruit and quantity, etc. In every document FFB Consignment Note from each nucleus estate there is a stamp for certified product for FFB from certified estate, meanwhile for non-certificate source of FFB there are no certificate stamp. Certified FFB that has been processed will be claimed as certified CPO and PKO. Sample of records such as:

Certified FFB

- FFB Consignment Note from Dulang Estate (No. 064762) on 30 August 2017, vehicle number TF012, driver's name is Wahab with number of bunches is 647 with weigh estimation is 3,150 Kg (estate weigh before recheck at mill weighbridge).
- FFB Receive Ticket (No 223958) on 30 August 2017, vehicle number TF012, driver's name is Wahab with number of bunches is 647 with weigh estimation is 3,430 Kg (after recheck at mill weighbridge)
- FFB Consignment Note from Lavang Estate (No. 053186) on 30 August 2017, vehicle number HM 203 B, driver's name is Lalu Zakaria with number of bunches is 933 with weigh estimation is 7,480 Kg (estate weigh before recheck at mill weighbridge).
- FFB Receive Ticket (No 223968) on 30 August 2017, vehicle number HM 203 B, driver's name is Lalu Zakaria with number of bunches is 933 with weigh estimation is 7,270 Kg (after recheck at mill weighbridge)
- FFB Consignment Note from Kelida Estate (No. 001427) on 30 August 2017, vehicle number QRK 566L, driver's name is Alimudin with number of bunches is 1,132 with weigh estimation is 14,510 Kg (estate weigh before recheck at mill weighbridge).
- FFB Receive Ticket (No 223968) on 30 August 2017, vehicle number QRK 566L, driver's name is Alimudin with number of bunches is 1,132 with weigh estimation is 14,510 Kg (after recheck at mill weighbridge)

Non Certified FFB

- FFB Dispatch Chit (No. 14823) on 7 September 2016, vehicle number QTL 7685, driver's name is Nicholas with number of bunches is 645 (before recheck at mill weighbridge).
- FFB Receive Ticket (No. 224476) on 7 September 2017, vehicle number QTL 7685, driver's name is Nicholas with number of bunches is 645 with weight estimations is 11,290 Kg (after recheck at mill weighbridge)
- FFB Despatch No. 06852 on 10 May 2017, vehicle number QSV 7842, driver's name is Sirajudin with number of bunches is 1,745 (before recheck at mill weighbridge).
- FFB Receive Ticket (No. 213794) on 7 10 May 2017, vehicle number QSV 7842, driver's name is Sirajudin with number of bunches is 1,745 with weight estimations is 19,400 Kg (after recheck at mill weighbridge)

Status: Comply

E.4 Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

The Lavang Palm Oil Mill has have a record mechanism on FFB's acceptance in Lavang Oil Mill, by separating FFB from own estate that being identified as certified FFB (RSPO certified) and from other sources that not being certified (*RSPO non-certified*). Certified FFB will be processed and claimed as certified CPO and PKO. The table below is certified and non-certified FFB was recorded in summary monthly FFB received.

Month / 2017	FFB Received	
	RSPO Certified	Non Certified
January	20,711.64	587.35
February	23,851.34	398.32
March	27,267.02	893.65
Sub total	71,830.00	1,879.32
April	24,199.57	837.41
May	23,574.64	1,235.90
June	23,170.61	837.41

Sub Total	70,944.82	2,911.23
July	22,385.15	757.99
August	23,780.32	385.35
September	25,254.27	11.29
Sub Total	70,419.74	1,154.63
Total	213,194.56	5,945.18

Since July 2017 the Lavang POM was received FFB from own estate: SOU 31 (Lavang Estate, Lavang Special, Kelida, Rasan, & Belian) and SOU 34 (Pekaka Estate, Dulang, Ruai, Paroh, and Chartquest Estate). While according to interview with Sortation Officer and Weight Bridge Operator there are two Outsider as: Subis Sdn Bhd and Medan Mestika Sdn Bhd.

The management unit was shown contract between Company and Independent FFB Suppliers such as:

1. Agreement No. P/K/0916/FFB00742L between Sime Darby Plantation and Medan Mestika Sdn Bhd (Lot No. 85, Sawai Land District-Sungai Kabulu Suai, Niah 96007 Miri, Sarawak) dated 19 September 2016 until 31 December 2017. Payment of the remaining outstanding Monthly Purchase Price shall be made by the Purchaser to the supplier on or before the 10th day the following month.
2. Agreement No. P/K/1116/FFB00753L between Sime Darby Plantation and Subis Plantations Bhd (Lot No. 3, Mukim Sawit, Daerah Suai, 98000 Miri, Sarawak) dated 1 November 2016 – 31 December 2017. Payment of the remaining outstanding Monthly Purchase Price shall be made by the Purchaser to the supplier on or before the 10th day the following month. Plantation Area is 700 Ha.

Status: Comply

E.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

The reason being that there has been diversion of crops from the supply base of SOU Pekaka as Pekaka oil mill is mothballed at the moment, hence the volume extension is to cater for the expected increase in crop processed by Lavang oil mill. The certified FFB volume for Lavang oil mill is now approaching 90% of the volume forecasted and reported in their certificate dated 18 July 2017.

Status: Comply

E.5

Record keeping

E.5.1

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

The Lavang Oil Mill has have a Monthly Summary of Sustainable FFB, CPO & Kernel and was recorded into three-monthly basis. Based on monthly summary of Sustainable FFB, CPO & Kernel Period of January – September 2017.

Period	FFB Received		CPO Produced		CPO Dispatched		PK Produced		PK Dispatched	
	RSPO	Non Certified	RSPO	Non Certified	RSPO	Non Certified	RSPO	Non Certified	RSPO	Non Certified
Jan-Mar	71,830.00	1,879.32	15,496.82	406.82	-	11,778.83	3,931.82	100.95	1,480.00	2,524.71
Apr- Jun	70,994.82	2,911.23	15,506.09	636.87	-	18,017.51	3,453.18	139.86	2,000.00	1,847.30
Jul-Sep	70,419.74	1,154.63	15,790.49	235.66	-	14,944.98	3,785.22	59.05	-	3,725.41

Total	213,194.56	5,945.18	46,793.41	1,299.34	-	44,739.32	11,720.22	299.87	3,480.00	8,097.42
Status: Comply										
E.5.2										
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.										
Until the ASA-1.1 2017, Lavang POM – SOU 31 & SOU 34 (Sime Darby Plantations) not to cooperate with the independent outsource palm kernel crushers.										
Status: Comply										

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1.1	Lavang POM – SOU 31 has had approval / permit the use of the certificate with the number Certificate MUTU – RSPO/053	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.1	Lavang POM – SOU 31 does not use the logo both in the on-product and off-product.	√
	Status:	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1.1	Lavang POM – SOU 31 does not use the logo both in the on-product and off-product.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1.1	Lavang POM – SOU 31 does not use the logo both in the on-product and off-product.	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the certification unit internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified certification unit partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. The companies ensuring</p>

		reporting of disclosure of liability progress to RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities <p>PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification:</p>

		Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>

3.5. Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1.a. Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	: 2016.02 (SOU 31)	Issued by	: Mohd Nizam
Date Issued	: October 21, 2016	Time Limit	: ASA-1.1
NC Grade	: Minor	Closing Date	: 4th October 2017
Standard Ref. & Requirement	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		
Non-Conformance Description & Evidence observed :			
Drainability assessment was not conducted on replanting field, for example on Field 98C (replanting program 2016) which is 100% peat soil (Estate involve: Lavang Special)			
Root Cause Analysis:			
There are one Justification email from Drainability assessment Committee (Dr Shahrakbah), as per now Drainability studies still in discussion stage in the RSPO working group level and not materialize yet into the RSPO P&C.			
Correction:			
Estate already email and inform R&D (GPS team) to survey and do the drain ability assessment for peat replanting area as soon as possible and come out with the report.			
Corrective Action:			
Any replanting on the peat area, R&D will do the drain ability assessment and estate will inform and remind to ensure get better two-way communication to comply with RSPO requirement.			
Assessor Evaluation and Conclusion:			
Verification on 4 October 2017			
The Lavang and Belian management unit were conducted peat depth investigation and measurement of topography level during May – July 2017. There also water levels monitoring record on each estates to be used to determine the drainability class for the study area. However since the RSPO P&C via PLWG-2 is still developing the specific guidance on drainability classification is still pending. For the Sime Darby R&D, the findings from this assessment will be submitted to collaborate with Sarawak Tropical Peat Institute (STROPI) for review and technical advice.			
There are also communication and clarification record between Sime Darby and Javin Tan (RSPO) dated 3 October 2017 said that the PLWG-2 recognised the challenges of applying the current methods, which is ‘Duflow Model’ as recorded within RSPO BMPs for Existing Oil Palm Cultivation on Peat (Page 95), hence the current development of specific guidance. Please allow me some days to gauge agreement from PLWG-2 on the interim measures for the criteria.			
Auditor Conclusion:			

According to root cause analysis, correction and corrective action. This NC was closed with observation. Result of Drabinability Assessment will be verified on the next surveillance.

Verified by : Trismadi N

NCR No.	: 2016.04 (SOU 31)	Issued by	: Oktovianus Rusmin
Date Issued	: October 20, 2016	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 6 th October 2017
Standard Ref. & Requirement	: 5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species		
Non-Conformance Description & Evidence observed:			
There was not yet evidence of training and another activities in related to educate the workforce (employee) after the HCV/Biodiversity was identified.			
Root Cause Analysis:			
The assessment of Biodiversity have been done a week before the RSPO audit and we have the limited qualified trainer.			
Correction:			
To conduct training or other activities for employee in purpose of educate workface to identifying and maintaining HCV/Biodiversity area.			
Corrective Action :			
To establish and implement HCV training in the Training Plan/Program, review and establish periodically basis.			
Assessor Evaluation and Conclusion:			
Verification on 6th October 2017			
Sighted the evidence of Lavang and Kelida Estate had done the HCV training been done on 18 th September 2017. The attendees for Lavang Estate of 19 Peoples including mandore, field staff and workers being trained by Assistant Managers(Mr Aizil Nashaiq) of Kelida Estate			
The training in Dulang Estate has been done on 26 September 2017, sighted 18 Nos of people including mandore, sprayer and field staff that attend the training. The training and monitoring program have been done according to the biodiversity and conservation management plan of HCV area timeframe FY 2016/2017.			
Auditor Conclusion:			
According to root cause analysis, correction and corrective action. This NC was closed.			
Verified by	: Ebnu H Shawal		

NCR No.	: 2016.05 (SOU 31)	Issued by	: Oktovianus Rusmin
Date Issued	: October 20, 2016	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 5 th October 2017

Standard Ref. & Requirement	5.2.4 Where an action plan has been created there shall be ongoing monitoring
Non-Conformance Description & Evidence observed:	
There was showed document of Biodiversity and Conservation Management Plan in several estates, however there was no details and consistent evidences of implementation according to Management Plan.	
Root Cause Analysis:	
The assessment of Biodiversity have been done a week before the RSPO audit and management team still in progress to finalize the report.	
Correction:	
To implement all the action plan according to Management Plan in line with the time frame.	
Corrective Action:	
Establish and implement the standard management plan with details document and evidences, and consistently maintain the Biodiversity / Conservation area.	
Assessor Evaluation and Conclusion (filled by auditor):	
The units had shown a biodiversity and conservation management plan for year 2016/2017. The monitoring, training and socialization amongst the workers and field staff had been implemented based on the training records. The table of monitoring for HCV had been divided into :	
<ul style="list-style-type: none"> • Scope of HCV • Objectives of monitoring • Programme will be carried out • Timeframe for year 2016/ 2017 • Person in charge • Records of monitoring 	
The timeframe for year July 2016, October 2016, and January 2017 and April 2017. The plan has been approved and verified by assistant manager, Mr Azail Isahak.	
Auditor Conclusion:	
According to root cause analysis, correction and corrective action. This NC was closed	
Verified by	Ebnu H Shawal

NCR No.	2016.02 (SOU 34)	Issued by	Mahas Maliyapan
Date Issued	21 October 2016	Time Limit	ASA-1.1
NC Grade	Minor	Date of Closing	5th October 2017
Standard Ref. & Requirement	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.		
Non-Conformance Description & Evidence observed:			
Estate's legal boundaries have been marked in the boundary stone map. There are currently 13 boundary stones that been identified in the boundary stone map. During filed visit, sampled boundary stones that are well maintained. This estate connected to own estates Dulang Estate, Gayanis Estate owned by KTS Group, Sarimas Estate owned by Wilmar Group, Suai River and Rumah Panjang Edward Tengam. There is no ground verification / census record available to justify regular monitoring being conducted in accordance to documented procedure "Boundaries" page 2 -			

Section B7, bullet e). [Paroh Estate]	
Root Cause Analysis: Not aware regarding to census of boundary stone	
Correction: To remark of boundary stone with GPS coordinate	
Corrective Action: To ensure of monthly inspection by Field Conductor and recorded	
Assessor Evaluation and Conclusion: Document Verification and Field Observation result on ASA-1 (3-5 October 2017) Paroh Estate has shown photographic evidence of the 13 boundary stones that have been marked with painted iron pipes. Regular (monthly) monitoring record was available. Therefore NCR: 2016.02 (SOU 34) can be considered close. <ol style="list-style-type: none"> 1) Surveillance audit conducted on 4/10/2017 at Lavang Estate observed that there were 5 boundary stones with GPS coordinates marked on the Estate map. Ground verification showed 5 stones with pipe marking. Regular monitoring record was available. 2) Surveillance audit conducted on 4/10/2017 at Kelida Estate observed that there were 5 boundary stones with GPS coordinates marked on the Estate map. Ground verification showed 5 stones with pipe marking. Regular monitoring record was available. 3) Surveillance audit conducted on 5/10/2017 at Dulang Estate observed that there were 24 boundary stones with GPS coordinates marked on the Estate map. Ground verification showed 24 stones with pipe marking. There was regular monitoring record available. 	
Auditor Conclusion: Based on root cause analysis, correction, corrective action and field observation result, this NC was closed.	
Verified by	: Mohd Nizam

NCR No.	: 2016.04 (SOU 34)	Issued by	: Trismadi Nurbayuto
Date Issued	: 21 October 2016	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 5 th October 2017
Standard Ref. & Requirement	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.		
Non-Conformance Description & Evidence observed: <ol style="list-style-type: none"> a. According to field observation at Field 92RL that known harvesting foreman was no took first aid kit. [Ruai Estate] b. In chemical store, the description of items in the first aid box are different from log book. [Pekaka POM] c. First aid box seen not regularly checked for the availability condition during emergency. [Paroh Estate] 			
Root Cause Analysis: <ol style="list-style-type: none"> a. The first aid kit is in progress renew b. Medical Assistant do not change name of the chemical because the function is same c. The plastic for Iodin is not change during renew first aid kit 			

Correction: To review back first aid box and monitored every month by Medical Asisstant.
Corrective Action: To retrain the first aider and Medical Assistant regarding to First aid and Law, and also first aid contains w.
Assessor Evaluation and Conclusion: Verification on 8 November 2016 The management unit was show first aid inspection in Paroh Estate on October 2016 at 21 location dated 25 October 2016. Based on inspection result that known some item was no comply with potential hazard and risk. For example: eye drop was no available on harvesting mandore 1 and mandore 2.
Document Verification and Field Observation result on ASA-1 (3-5 October 2017) Based on document verification there are first aid monitoring record in Paroh, Ruai, Kelida, Lavang, Dulang Estate and Lavang POM. All first aid usage and contain has well monitored, therefore according to field observation to several activity in Lavang POM [grading, workshop, engine room]; Kelida Estate [Harvesting on P98C2, Manuring on P10A], Lavang Estate [Harvesting on P97AC, Replanting on 2017A], and Dulang Estate [Manuring on P92DA, Spraying on P93DD, and Harvesting on P94D3] all first aid well monitored.
Auditor Conclusion: Based on root cause analysis, correction, corrective action and field observation result, this NC was closed.
Verified by : Trismadi Nurbayuto

NCR No. : 2016.05 (SOU 34)	Issued by : Mahas Maliyapan
Date Issued : 21 October 2016	Time Limit : ASA-1.1
NC Grade : Minor	Date of Closing : 5 th October 2017
Standard Ref. & Requirement : 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.	
Non-Conformance Description & Evidence observed: Based on the record file, there is no external complaint or feedbacks. As for internal, seen the estate kept a file consisted of request on maintenance issues. However, the "Surat Aduan Kerosakan Perumahan" not recorded of dates of complaint and responded. This not allows to track whether the action taken to complaints been responded within stipulated time frame. [Paroh Estate] [Ruai Estate]	
Root Cause Analysis: They did not alert regarding to respond time as per our SOP.	
Correction: To check and verify back the complaint book	
Corrective Action: To conduct training and monitored regarding to complain and respond procedure.	
Assessor Evaluation and Conclusion: Verification on 5th October 2016 Paroh and Ruai Estate have shown documented evidence (record of complaints and record of action taken) for 2017.	
Auditor Conclusion:	

Based on root cause analysis, correction, corrective action and field observation result, this NC was closed.

Verified by : Mohd Nizam

3.5.1.b Identification of Findings, Corrective Actions and Observations at ASA-1.1.

NCR No.	: 2017.01	Issued by	: Ebnu H Shawal
Date Issued	: 6 October 2017	Time Limit	: ASA – 1.2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.4.1. An implemented water management plan shall be in place.		
<p>Non-Conformance Description & Evidence observed: During the audit verification at Dulang Estate, sighted the document of water sample had been send to the R and D unit at Carey Island dated 6th April 2017 however the sample had been rejected. The unit management unable to show the water analysis result for year 2017 regarding the clean access water consumption for the local stakeholders.</p>			
<p>Root Cause Analysis: The Water sampling point previously done by Pekaka Mill however not handing over to DUE. The sampling point that we submitted to Carey Island were rejected due to follow spec.</p>			
<p>Correction: To conduct water sampling analysis frequency as per Sustainable Plantation Management System (SPMS) appendix 7.</p>			
<p>Corrective Action: To make schedule taking water sampling, appoint the person in charge on the water sampling and establish location map of sampling point.</p>			
<p>Assessor Evaluation and Conclusion: The company had send an evident related to water analysis for drinking water standard for Ladang Dulang: [date received sample : 25th October 2017, date tested : 31st October 2017, and Date issued the result on 3rd November 2017] Sighted the result of water analysis test report at Sime Darby Research Sdn Bhd [lab services laboratory R&D Center Carey Island] that include :</p> <ul style="list-style-type: none"> • PH 7.4 [6-9] • TDS Mg/l 28 [1000] • Turbidity NTU 1.4 [5] • Chloride mg/l 4 [250] <p>Sighted 3 sample had been sent for water testing that parameters is according to World Health organization drinking water standard.</p> <p>Based on the evidence verification, the auditor is satisfied with the evidence and recommend for the NCR to be closed</p>			
Verified by	:	Ebnu H Shawal	

NCR No.	: 2017.02.	Issued by	: Ebn H Shawal
Date Issued	: 6 October 2017	Time Limit	: ASA – 1.2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.3.3. A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
Non-Conformance Description & Evidence observed: During the field verification at landfill area P94DB in Dulang Estate, it was found that the waste segregation has not been implemented. It is contradict with the SOP company, Sime Darby Quality Plantation Quality Management system Appendix 9, Procedure of Handling of Domestic Waste "all domestic waste produced at the line-sites and offices of offices and mill area to be separated for recycling and regular hauling according to domestic waste management procedure".			
Root Cause Analysis: Person in charge on the solid waste management not aware on the segregation of waste required before dumping at landfill. Does not have training about domestic waste management procedure Not monitoring the mechanism of waste management.			
Correction: Ldg Dulang to get quotation and tender from third party recycle center in Bintulu area to collect recycle waste and improve on the solid waste minimization.			
Corrective Action: Operation management to conduct awareness on the waste management and include in the training management plan every yearly.			
Assessor Evaluation and Conclusion: The client had send an evidence related to training on waste segregation at Dulang estate Muster Ground dated 16/11/2017 at 0600 am Sighted the client had segregate the waste at the landfill area and place it according to the recycling class items. The manager has been in charged related to the waste management procedure and waste management program. However there is no appointed third party recycle center and contractor appointed by Dulang estate to collect the recycle waste for improving solid waste managment.			
Hence Auditor Concluded that the Minor NC is still open.			
Verified by	:	Ebn H Shawal	

2.5.2. Opportunity for Improvement

No		Description
1	4.3.5	Consideration to follow up the Drainability Assessment Report to R&D Department.

2.5.3. Noteworthy Positive Components at ASA-1.1

No	Description
1	Company has commitment to implement the principle of sustainable palm oil management.
2	Has earned RSPO certificate in 2011.
3	The use of Lean Six Sigma to improve productivity and reduce wastages.
4	Company use of Prestige Center Management to recycling POME.
5	The Lavang POM has acquired 5S Award from Malaysia Productivity Corporation (MPC)
6	Implementing practices of 5S (<i>Sisih, Susun, Sapu, Seragam, Sentiasa amal</i>) system in the workshop and storage area

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Headmaster of Sekolah Kebangsaan Desa Lavang (Kerdline Pepetchua), GPKHem (Miechael) & GPK Pen(Johnrise) The school representative raise the following issues:-</p> <ol style="list-style-type: none"> 1) Smell from the mill has reached the residence complex. 2) Lorries and tankers are moving relatively fast. 3) Need more building for school 4) Wish to build teachers quarters within school area 	<p>It has been verified on indicator 1.1.1.</p>
<p>Teacher of Sekolah CLC (Abdul Kadir) Teacher of Sekolah only raise about space constraint face by them to accommodate 97 children and 5 teachers.</p>	<p>It has been verified on indicator 1.1.1.</p>
<p>Contractor (Mr Hardy) No issue and everything is satisfactory</p>	<p>-</p>
<p>Lavang Community/ Workers (Normadila) No issue and everything is satisfactory</p>	<p>-</p>
<p>Gender Committee No issue and everything is satisfactory</p>	<p>-</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table data-bbox="478 761 1276 1075"><tr><td data-bbox="478 761 766 1075"><p>SOU 31 Lavang Management Representative</p><p>Rajan A. Rajaratnam Friday, 13 October 2017</p></td><td data-bbox="766 761 1276 1075"><p>Mutuagung Lestari Lead Auditor</p><p>Trismadi N Friday, 13 October 2017</p></td></tr></table>	<p>SOU 31 Lavang Management Representative</p>  <p>Rajan A. Rajaratnam Friday, 13 October 2017</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p>Trismadi N Friday, 13 October 2017</p>
<p>SOU 31 Lavang Management Representative</p>  <p>Rajan A. Rajaratnam Friday, 13 October 2017</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p>Trismadi N Friday, 13 October 2017</p>		

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Malaysian Nature Society (MNS)	-	mns@mns.org.my	Email	22 September 2017		√
2	UNION – AMESU (All Malaysian Estates Staff Union)	-	amesu@amesu.org.my	Email	22 September 2017		√
3	Center for Environment, Technology and Development Malaysia - CETDEM	-	ed@cetdem.org.my	Email	22 September 2017		√
4	National Council of Welfare & Social Development Malaysia - NCWSDM	-	makpem@gmail.com	Email	22 September 2017		√
5	Head Master Sekolah Kebangsaan Desa Lavang	-	-	Interview	3 October 2017	√	
6	Teacher CLC/International School	-	-	Interview	3 October 2017	√	
8	Local Contractor	-	-	Interview	3 October 2017	√	
9	Gender Committee	-	-	Interview	3 October 2017	√	
10	Lavang POM <ul style="list-style-type: none"> • 5 workers from Indonesia (grading officer) • 5 workers from Indonesia (operator) • 1 worker from Sarawak (operator) 	-	-	Interview	3 October 2017	√	
11	Lavang Estate <ul style="list-style-type: none"> • 3 workers from Indonesia (Harvesting) • 16 workers from Indonesia (LCC Planting) 	-	-	Interview	4 October 2017	√	
12	Kelida Estate <ul style="list-style-type: none"> • 2 workers from Myanmar (Nursery) • 3 workers from Indonesia (Harvester) • 3 women workers from Sarawak (Fertilizer) 	-	-	Interview	4 October 2017	√	
13	Dulang Estate	-	-	Interview	5 October 2017	√	

	<ul style="list-style-type: none"> • 10 women workers from Indonesia (Spraying) • 5 women workers from Indonesia (Fertilizer) • 3 workers from Indonesia (Harvester) 						
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Appendix 2. Assessment Program

DATE		Monday to Saturday, 2 – 7 October 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 2 October 2017			
04.25 – 07.25	04.25 – 07.25	Jakarta → Kuala Lumpur (Malaysia Airlines MH 726)	<ul style="list-style-type: none"> • TNB • All Team • All Team • All Team • All Team
08.25 – 10.45	08.25 – 10.45	Kuala Lumpur → Bintulu (Malaysia Airlines MH 2742)	
11.00 – 13.00	11.00 – 13.00	Bintulu → Lavang complex	
13.00 – 15.00	13.00 – 15.00	Break	
15.00 – 16.00	15.00 – 16.00	Opening Meeting	
Tuesday, 3 October 2017			
08.30 – 12.30	08.30 – 12.30	Field observation to Lavang POM. <ul style="list-style-type: none"> • Supply Chain, Mill Operational, Safety and Health • Effluent Treatment Plant, Hazardous Waste Management • Stakeholders Meeting with Internal Stakeholders (Worker Union, Gender Committee) & external stakeholders (Local Contractor & Surrounding communities) 	<ul style="list-style-type: none"> • TNB • MHA • MNZ/EHS
12.30 – 13.30	12.30 – 13.30	BREAK	• All Team
13.30 – 17.00	13.30 – 17.00	Document review and Review of Previous Visit Non-conformance (Re-Certification)	• All Team
Wednesday, 4 October 2017			
08.00 - 12.30	08.00 - 12.30	Field Observation to LAVANG Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) • Fire Fighting facilities, Storage, etc.. • Hazardous Waste Material management Field Observation to KELIDA Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) • Fire Fighting facilities, Storage, etc.. • Hazardous Waste Material management 	<ul style="list-style-type: none"> • TNB • TNB • MHA • MHA • MHA • MHA • MHA • EHS • EHS • MNZ • MNZ • MNZ • MNZ
12.30 – 13.30	12.30 – 13.30	BREAK	
13.30 – 14.30	13.30 – 14.30	Continous Document Verification and clarification of Field Observation in Kelida Estate	<ul style="list-style-type: none"> • TNB/MHA • EHS/MNZ
14.30 – 17.00	14.30 – 17.00		
Thursday, 5 October 2017			
08.00 – 12.30	08.00 – 12.30	Field Observation to DULANG Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) • Fire Fighting facilities, Storage, etc. • Hazardous Waste Material management 	<ul style="list-style-type: none"> • TNB/MHA • TNB/MHA • MNZ/EHS • MNZ/EHS • MNZ/EHS • MNZ/EHS

DATE		Monday to Saturday, 2 – 7 October 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.30 – 13.30	12.30 – 13.30	BREAK	
13.30 – 14.30 14.30 – 17.00	13.30 – 14.30 14.30 – 17.00	Continue Field Observation to DULANG Estate Document review and Clarification of Partial Certification	<ul style="list-style-type: none"> • All Team • All Team
Friday, 6 October 2017			
08.00 – 12.30	08.00 – 12.30	<ul style="list-style-type: none"> • Continuous Document Verification and clarification of Field Observation in Lavang Estate 	<ul style="list-style-type: none"> • All Team
12.30 – 14.30	12.30 – 14.30	BREAK	
15.00 – 16.00	15.00 – 16.00	Closing Meeting	<ul style="list-style-type: none"> • All Team
Saturday, 7 October 2017			
08.00 – 10.00 11.20 – 15.30 19.10 – 20.00	08.00 – 10.00 11.20 – 15.30 19.10 – 20.00	Lavang complex to Bintulu Bintulu to Kuala Lumpur Travel to Bintulu Airport & Return to Kuala Lumpur Kuala Lumpur to Jakarta Garuda Indonesia (GA 817)	<ul style="list-style-type: none"> • All Team • All Team • All Team • TNB