



SIRIM QAS INTERNATIONAL SDN. BHD.  
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,  
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : ES10170012

RSPO PUBLIC SUMMARY REPORT

CLIENT : SIME DARBY PLANTATION SDN BHD – SOU 5 SELABA

PARENT COMPANY : SIME DARBY PLANTATION SDN BHD

RSPO MEMBERSHIP No.: 1-0008-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):  
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
SELABA Strategic Operating Unit (SOU 5)	Selaba Oil Mill	3° 59' N	101° 04' E	36000 Teluk Intan, Perak
	Bikam Estate	3° 45' N	101° 15' E	35600 Sungkai, Perak
	Cluny Estate	3° 32' N	101° 09' E	35800 Slim River, Perak
	Seri Intan Estate (Selaba Division)	4° 02' N	101° 01' E	36009 Teluk Intan, Perak

MAP : See Attachment 1

AUDIT DATE : 27 - 30 December 2016

DURATION : 14 auditor days

TYPE OF AUDIT :  Annual Surveillance Audit

Recertification Audit

STANDARD : RSPO PRINCIPLES & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using the Mass Balance Supply Chain Model

VALIDITY OF RSPO CERTIFICATE : 3/3/2016 – 2/3/2021

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

**Report by Audit Team Leader**

Name : MOHD ZULFAKAR KAMARUZAMAN

Signature : *Mohd Zulfakar*

Date : 23 May 2017

**Acknowledgement by Client's Representative**

SIME DARBY PLANTATION SDN. BHD.

Name : COMPANY NO. 647766-V  
SERI INTAN ESTATE

Signature : *Anin Bin Suwardi*

Date : (ANIN BIN SUWARDI)  
SENIOR MANAGER  
25.5.2017

## RSPO PUBLIC SUMMARY REPORT

### SUMMARY OF AUDITS

<b>Recertification audit</b>			
On-site audit date :	19-22 January 2016	No. of auditor days :	16 Auditor days
Audit team :	Mohd Razman Salim (LA), Dr. Zahid Emby, Mohd Zulfakar Kamaruzaman, Hazani Othman, Zulkarnain Abdullah (Supply Chain)		
No. of major NCR(s) :	4	Indicator: 2.1.1, 4.7.1, 4.7.3, 5.6.2	Closing date : 17/2/16
No. of minor NCR(s) :	4	Indicator : 2.1.3, 4.2.3, 5.2.4, 5.4.1	
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	x		x
	Contract workers	NGOs	Govt. agency
			x
	Indigenous people	Contractors	Others (Please specify)
		x	
Supply base sampled :	Sogomana Estate (Cashwood Division, Sg, Beruas Division) and Seri Intan Estate (Selaba Division).		

<b>Annual Surveillance Audit 1</b>			
On-site audit date :	27-30 December 2016	No. of auditor days :	16 Auditor days
Audit team :	Mohd Zulfakar Kamaruzaman (LA), Selvasingam T. Kandiah, Rozaimie Ab Rahman, Mohd Razman Salim		
No. of major NCR(s) :	3	Indicator: 2.1.1, 4.4.2, 4.7.2	Closing date : 28/2/17
No. of minor NCR(s) :	6	Indicator : 4.1.2, 4.5.2, 4.7.5, 4.8.2, 6.2.3, 6.5.4	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	x		x
	Contract workers	NGOs	Govt. agency
			x
	Indigenous people	Contractors	Others (Please specify)
	x	x	
Supply base sampled :	Cluny Estate and Bikam Estate		
Changes since the last audit :	The Sogomana Estate (Cashwood Division and Sg, Beruas Division) was transferred from SOU Selaba to SOU Seri Intan resulting in a reduction of the hectareage of the CU. The total certified area was further reduced due to the Government's acquisition of 26.22 ha from Cluny Estate and 2.01 ha from Bikam Estate for the purpose of TNB's Right-of-Way (ROW) for its power transmission lines and 167.26 ha from Seri Intan Estate (Selaba Div) for TNB's Right-of-Way (ROW) for its power transmission lines, for Sekolah Teknik and UPSI projects.		

<b>Annual Surveillance Audit 2</b>			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

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### Annual Surveillance Audit 3

On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Closing date :	
No. of minor NCR :			
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

### Annual Surveillance Audit 4

On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Indicator:	Closing date :
No. of minor NCR :		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractors	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			

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**SUMMARY OF INFORMATION**

<b>TYPE OF AUDIT</b>	<b>STAGE 2 / RA</b>	<b>ASA 1</b>	<b>ASA 2</b>	<b>ASA 3</b>	<b>ASA 4</b>
<b>Projection Period</b>	January 2016 – December 2016	December 2016 – November 2017			
<b>Certified Area (Ha)</b>	5,891.12	4,660.00			
<b>Production Area(Ha)</b>	5,606.80	3,560.49			
<b>HCV Area (Ha)</b>	41.26	41.26			
<b>Certified FFB Processed (MT)</b>	144,300.78	68,394.40			
<b>Production of Certified CPO (MT)</b>	21,952.00	14,752.67			
<b>Production of Certified PK (MT)</b>	6,632.00	3,631.74			
<b>REMARKS</b>	-	Refer to the above Summary of Audit table for the reduction in the certified areas.			

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## RSPO PUBLIC SUMMARY REPORT

### 1.0 AUDIT PROCESS

#### 1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification, inspection and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Service (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network comprising of leading certification bodies in Europe, North and South America, the Middle East and East Asia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and a large number of oil palm estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C standard. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

#### 1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Zulfakar Kamaruzaman	Lead Auditor / Social, Safety & Health and Supply Chain	<ul style="list-style-type: none"> <li>• Holds a B. Sc. Forestry degree from University Putra Malaysia. He has more than 4 years of working experience in the oil palm plantations.</li> </ul>
Mohd Razman Salim	Auditor, Social and Conservation scopes	<ul style="list-style-type: none"> <li>• Holds a B.Sc. Forestry (Hons) degree from University Putra Malaysia with more than 6 years of working experience in the forest management, HCVF and ecology.</li> </ul>
Rozaimie Ab Rahman	Auditor / Good Agricultural Practices (GAP) / Environment	<ul style="list-style-type: none"> <li>• Holds a B. Sc. in Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm plantations.</li> </ul>
Selvasingam T Kandiah	Auditor / Good Agricultural Practices (GAP), Health & Safety related to plantation operations	<ul style="list-style-type: none"> <li>• Holds a B. Sc. (Hons) degree in Agriculture. He has worked as a planter with Kumpulan Guthrie Berhad for more than 10 years including one year in Liberia and 2 years in the Estate Department in Kumpulan Guthrie Headquarters</li> </ul>

#### 1.3 Audit methodology

The audit covered the Selaba Palm Oil Mill and two out of three estates which formed its supply base. The sampling of the number of the estates in the supply base was based on the  $0.8\sqrt{y}$  formula. The two estates in the supply base which were covered during the audit are Bikam Estate and Cluny Estate. The audit included on-site audit of the estates, the mill and the settlers' houses to verify the implementation of the requirement of the standard. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

#### 1.4 Stakeholder Consultation

SIRIM QAS International initiated the stakeholder consultation process by announcing the invitation for comments in the the SIRIM QAS International website. No comments were received from any of the stakeholders for this Certification Unit.

#### 1.5 Audit plan : Refer to Attachment 2

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- 1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from the date of this audit.

### 2.0 SCOPE OF CERTIFICATION AUDIT

#### 2.1 Description of the certification unit

The Selaba Certification Unit (CU) is one of the Strategic Operating Units (SOU) of Sime Darby Plantation Sdn Bhd (SDPSB). The CU is located in Teluk Intan, Perak, West Malaysia and is also known as SOU 5. The CU was initially consisted of the Selaba Palm Oil Mill and the Sogomana Estate (Cashwood & Sg. Beruas Division), Seri Intan Estate (Selaba Division), Cluny Estate and Bikam Estate. All the estates belong to SDPSB. At the start of December 2016, the management of SDPSB had decided to transfer Sogomana Estate (Cashwood & Sg. Beruas Division) to SOU Seri Intan. This has resulted in the reduction of the certified area in the CU.

Further to that, some land acquisition by the Government was made at the Cluny Estate, Bikam Estate and Seri Intan Estate. The new total certified area of the three estates in the CU is 4660.00 Ha of which 4482.69 Ha was planted.

Selaba POM has a processing capacity of 40 metric tonnes of FFB per hour.

#### 2.2 Description of the Supply Base (including the planting profile)

The FFB is sourced from company owned estates that are certified as well as from others non-certified smallholders and outgrowers. Details of the FFB contribution from each source to the Selaba Palm Oil Mill are shown in the following tables:

Table 1: Actual FFB production by the supply base for the period from December 2015 – November 2016

Estates	FFB Contribution	
	Metric Tonnes	Percentage (%)
Bikam	13,655.04	11.45
Cluny	19,713.07	16.51
Sogomana Estate (Cashwood & Sg. Beruas Division)	347.55	0.29
Seri Intan Estate (Selaba Division)	21,987.81	18.42
Kinta Kelas (Certified by BSI)	486.50	0.41
Sg Wangi (Certified by SIRIM under SOU Seri Intan)	267.38	0.22
Sabrang (Certified by SIRIM under SOU Seri Intan)	235.04	0.20
<b>Total</b>	<b>56,702.39</b>	<b>47.49</b>
Non Certified FFB		
	Metric Tonnes	Percentage (%)
Smallholders and outgrowers	62,693.53	52.51
<b>Grand Total</b>	<b>119,395.92</b>	<b>100</b>

Table 2: Projected FFB production by the supply base for the next reporting period  
December 2016 – November 2017

Estates	FFB Contribution	
	Metric Tonnes	Percentage (%)
Bikam	27,382.46	19.91
Cluny	24,115.98	17.54
Cashwood & Sg. Beruas (Division of Sogomana)	-	-
Selaba (Division of Seri Intan)	16,895.96	12.29
<b>Total</b>	<b>68,394.40</b>	<b>49.73</b>
Other Supply Bases (Non-Certified FFB)		
Smallholders	69,131.62	50.27
<b>Grand Total</b>	<b>137,526.02</b>	<b>100</b>

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Table 3: Actual FFB received and CPO & PK dispatch by the Selaba POM for the last reporting period December 2015 – November 2016

	Total (MT)
FFB Received	119,395.920
FFB Processed	119,395.987
Certified FFB	56,702.390
Non Certified FFB	62,693.530
CPO Production	24,368.999
PK Production	5,983.956
CPO delivered as Mass Balance	14,236.180
CPO delivered as non-RSPO certified	10,238.63
PK delivered as Mass Balance	-
PK delivered as non-RSPO certified	5,749.85

Table 4 : Projected FFB production and CPO & PK dispatch by the Selaba POM for the next reporting period December 2016 – November 2017

	Total (MT)
FFB Received	137,526.02
FFB Processed	137,526.02
Certified FFB	68,394.40
Non Certified FFB	69,131.62
CPO Production	29,664.36
PK Production	7,302.63
CPO delivered as Mass Balance	14,752.67
CPO delivered as non-RSPO certified	14,911.69
PK delivered as Mass Balance	3,631.74
PK delivered as non-RSPO certified	3,670.89



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Table 5: New Planted and certified area of the Selaba CU

Estate	Planted (ha)	Certified (ha)
Bikam	1989.81	2075.16
Cluny	1459.91	1551.87
Seri Intan Estate (Selaba Division)	1032.97	1032.97
<b>Total</b>	<b>4482.69</b>	<b>4660.00</b>

Table 6: Planting profile for Bikam Estate

Year of planting	Planting cycle(1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2016A	3 <sup>rd</sup>	Immature	74.16	3.73
2015A	3 <sup>rd</sup>	Immature	51.04	2.57
2002	2 <sup>nd</sup>	Mature	50.65	2.55
2001	2 <sup>nd</sup>	Mature	122.84	6.17
2016B	3 <sup>rd</sup>	Immature	98.83	4.97
2008	2 <sup>nd</sup>	Mature	102.12	5.13
2015C	3 <sup>rd</sup>	Immature	60.73	3.05
2015D	3 <sup>rd</sup>	Immature	59.64	3.00
2010	3 <sup>rd</sup>	Mature	51.78	2.60
2010	3 <sup>rd</sup>	Mature	91.03	4.57
2010	3 <sup>rd</sup>	Mature	35.84	1.80
2011	3 <sup>rd</sup>	Mature	57.26	2.88
1999	2 <sup>nd</sup>	Mature	65.97	3.32
1997	2 <sup>nd</sup>	Mature	58.65	2.95
2014C	3 <sup>rd</sup>	Immature	70.87	3.56
2014A	3 <sup>rd</sup>	Immature	20.97	1.05
2005	2 <sup>nd</sup>	Mature	31.84	1.60
2003	2 <sup>nd</sup>	Mature	104.87	5.27
2001	2 <sup>nd</sup>	Mature	20.08	1.01
2001	2 <sup>nd</sup>	Mature	67.63	3.40
1999	2 <sup>nd</sup>	Mature	41.17	2.07
2015B	3 <sup>rd</sup>	Immature	56.10	2.82
1995	2 <sup>nd</sup>	Mature	17.85	0.90
2014B	3 <sup>rd</sup>	Immature	41.00	2.06
2007	2 <sup>nd</sup>	Mature	136.58	6.86
2003	2 <sup>nd</sup>	Mature	82.3	4.14
2001	2 <sup>nd</sup>	Mature	22.62	1.14
2010	3 <sup>rd</sup>	Mature	53.57	2.69
2010	3 <sup>rd</sup>	Mature	35.96	1.81
2011	3 <sup>rd</sup>	Mature	68.93	3.46
2011	3 <sup>rd</sup>	Mature	136.93	6.88
<b>Total</b>			<b>1989.81</b>	<b>100.00</b>

Table 7: Planting profile for Cluny Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2013	2 <sup>nd</sup>	Mature	81.70	5.60
2015	2 <sup>nd</sup>	Immature	105.49	7.23
2016	2 <sup>nd</sup>	Immature	133.60	9.15
1997	1 <sup>st</sup>	Mature	40.73	2.79
1998	1 <sup>st</sup>	Mature	162.49	11.13
1999	1 <sup>st</sup>	Mature	244.70	16.76
2000	1 <sup>st</sup>	Mature	414.65	28.40
2001	1 <sup>st</sup>	Mature	69.53	4.76

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2005	2 <sup>nd</sup>	Mature	35.63	2.44
2008	2 <sup>nd</sup>	Mature	104.02	7.13
2012	2 <sup>nd</sup>	Mature	67.37	4.61
<b>Total</b>			<b>1459.91</b>	<b>100.00</b>

**Table 8: Planting profile for Selaba Division of Seri Intan Estate**

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2016A	3 <sup>rd</sup>	Immature	65.22	6.31
2016B	3 <sup>rd</sup>	Immature	84.55	8.19
1996	2 <sup>nd</sup>	Mature	52.97	5.13
2000	2 <sup>nd</sup>	Mature	103.46	10.02
2001	2 <sup>nd</sup>	Mature	73.48	7.11
2005	2 <sup>nd</sup>	Mature	37.44	3.62
2007	2 <sup>nd</sup>	Mature	67.19	6.50
2007A	2 <sup>nd</sup>	Mature	86.40	8.36
2007B	2 <sup>nd</sup>	Mature	65.58	6.35
2007C	2 <sup>nd</sup>	Mature	75.62	7.32
2008	2 <sup>nd</sup>	Mature	70.62	6.84
2009A	2 <sup>nd</sup>	Mature	64.05	6.20
2009B	2 <sup>nd</sup>	Mature	68.79	6.66
2009C	2 <sup>nd</sup>	Mature	89.11	8.63
2013	3 <sup>rd</sup>	Mature	28.49	2.76
<b>Total</b>			<b>1032.97</b>	<b>100.00</b>

### 2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

#### SOU 5 Selaba

Name	: Mr Balachandrun Madhavan
Position	: General Manager, Perak South Zone
Address	: Perak South Zone Office, c/o Ladang Sungai Wangi, 32000 Sitiawan, Perak Darul Ridzuan
Phone no.	: +605-6221477
Fax no.	: +605- 6222434
Email	: <a href="mailto:balachandrun@simedarby.com">balachandrun@simedarby.com</a>

### 3.0 AUDIT FINDINGS

#### 3.1 Changes to certified products in accordance to the production of the previous year

Since November 2015 to November 2016, there were no changes to the certified products. Changes only occurred in December 2016 where the reduction in the certified area due to the transfer of Sogomana Estate (Cashwood Division, Sg, Beruas Division) from SOU Selaba to SOU Seri Intan and the government's acquisition of 26.22 ha from Cluny Estate and 2.01 ha from Bikam Estate for the purpose of TNB's Right-of-Way (ROW) for its power transmission lines and 167.26 ha from Seri Intan Estate (Selaba Div) for TNB's Right-of-Way (ROW) for its power transmission lines, Sekolah Teknik and UPSI projects.

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3.2 Time bound plans including changes and reasons for the changes see below:

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
- labour conflicts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____

The time bound plan for Sime Darby Plantation Sdn Bhd, which was updated in June 2016 is provided in Attachment 7 of this report.

3.3 Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed )  
There is no change to the time-bound plan (refer Attachment 7).

3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification.  Yes  No

If no, please state reasons N/A as there is no associated smallholders supplying FFB to the CU.

3.5 Any new acquisition which has replaced primary forests or HCV areas  Yes  No

3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.)  
No Changes.

The only change is the reduction in certified area due to the transfer of Sogomana Estate to the Seri Intan SOU and the acquisition of parts of the three remaining estates in the CU by the Government for various projects.

3.7 Status of previous non-conformities \*

Closed  Not closed

\* If not closed, minor non conformity will be upgraded to major non conformity

3.8. Complaints received from stakeholder (if any)

Several stakeholders were interviewed as part of this audit. These included workers, contractors and suppliers. In general, the comments made by all the interviewed stakeholders on the CU were positive.

#### 4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) (details refer to Attachment 4 ) List : 6 (STK-1.2016 and RR 02), STK-2.2016, MZK 02 2016, MRS 01 2016, MRS 02 2016, RR 01

Total no. of major NCR(s) (details refer to Attachment 4 ) List : 3 MZK 01 2016, STK-3.2016, RR 03

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s) List : 0

Total no. of major NCR(s) List : 0

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**5.0 AUDIT CONCLUSION**

The audit team concludes that the organisation has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to achieve the requirements of the criteria.

**6.0 RECOMMENDATION**



No NCR recorded. Recommended to continue certification.



Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

*Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs.*



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.



Recommended to continue certification.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

*Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.*

- 7. IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.**

Audit Team Leader :

MOHD ZULFAKAR  
KAMARUZAMAN

(Name)

*Mohd Zulfakar*

(Signature)

28/2/2017

(Date)

Location map of Selaba Certification Unit, Teluk Intan



## RSPO PUBLIC SUMMARY REPORT

### RSPO SURVEILLANCE AUDIT PLAN

#### 1. Objectives

The objectives of the audit are as follows:

- (i) To determine Certification Unit's conformance to the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of the last audit
- (iii) To make appropriate recommendations based on the audit findings

2. **Date of audit** : 27-30 December 2016

3. **Site of audit** : SOU 5 Selaba

- Selaba Palm Oil Mill
- Bikam Estate
- Cluny Estate

#### 4. Audit Criteria :

- RSPO P&C MYNI: 2014
- RSPO Supply Chain Certification Standard, 2014
- Applicable company documentation including Company's Manual/Procedures

#### 5. Audit Team

a) Audit Team Leader : Mohd Zulfakar Kamaruzaman  
b) Auditors : Mohd Razman Salim  
Selvasingam T. Kandiah  
Rozaimée Ab Rahman

#### 6. Audit Method

Site audits including observation of practices, interviews with company management and other interested parties (employees, contractors, suppliers, residents in surrounding areas etc.), documentation evaluation and evaluation of records.

#### 7. Audit Findings

Audit findings shall be classified as major and/or minor.

Major non conformities shall be addressed within 60 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 60 days, the certificate shall be terminated. Recurrence of major non-conformities on the same issues shall be recommended for immediate suspension. Minor non-conformities shall be upgraded to major non-conformities if the corrective actions taken are not satisfactorily and effective.

For minor non-conformities raised in the surveillance audit, corrective action plans shall be submitted within 60 days. Verification of implementation of corrective actions will be carried out during the next audit. If corrective action plans to address the minor non-conformities are not submitted within 60 days, the RSPO certificate will be recommended for suspension. If corrective action plans are not submitted within a further 60 days, the RSPO certificate will be recommended for termination.

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### 8. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information which is already in the public domain. In the event of legal compulsion requiring the disclosure of information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

### 9. Working Language : English and Bahasa Malaysia

### 10. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : Tentative date of issue of report not more than 30 days after the closure of the major NCR.
- d) Distribution list : Client file

### 11. Facilities Required

- a) Room for discussion
- b) Relevant document and record
- c) Personnel protective equipment if required
- d) Photocopy and printing facilities
- e) A guide for each auditor

### 12. Audit Programme Details: As shown below:

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Day 1: 27 December 2016 (Tuesday)					
Time	Activities / areas to be visited				
8.30 – 9.00 am	<b>Opening meeting at Selaba Palm Oil Mill</b> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes <b>Organization Representative to brief on the following :</b> <ol style="list-style-type: none"> <li>1) RSPO implementation at Selaba SOU (i.e. mill &amp; supply base) including changes</li> <li>2) Time bound plan for Sime Darby</li> <li>3) Significant changes on organization activities, machinery, supply bases capacity etc.</li> </ol>				Top mgmt & Committee Member
	<b>Zulfakar (Social and Supply Chain)</b>	<b>Razman (Social and HCV)</b>	<b>Rozaimie (Safety and Environment)</b>	<b>Selvasingam (GAP and Safety (Estate))</b>	
9.00 – 1.00 pm	<b>Selaba POM</b> Site visit and assessment on Supply Chain Implementation including the Model used : General Chain of Custody System Requirements for the supply chain <ul style="list-style-type: none"> <li>• Documented procedures</li> <li>• Purchasing and goods</li> <li>• Outsourcing activity</li> <li>• Sales and goods out</li> <li>• Processing</li> <li>• Records keeping</li> <li>• Registration</li> <li>• Training Claims</li> </ul>	<b>Selaba POM</b> Coverage of assessment: P1, P2, P4, P6, P7, P8 <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Consultation with relevant government agencies</li> <li>• Interview workers, Contractors, gender committee, local communities and stakeholders</li> <li>• Check payslip, Contract Agreement</li> <li>• Check Sundry Shop</li> <li>• Continuous improvement</li> <li>• Land titles user rights</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, Neighbouring land use.</li> <li>• Riparian Zone</li> <li>• Continuous improvement</li> </ul>	<b>Cluny Estate</b> Coverage of assessment: P1, P4, P5, P7, P8 <ul style="list-style-type: none"> <li>• OSH management – witness activities at site</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Interview with workers, safety committee and contractors</li> <li>• Facilities at workplace</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> <li>• Facilities at workplace</li> <li>• Continuous improvement</li> </ul>	<b>Bikam Estate</b> Coverage of assessment: P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to longterm economic and financial viability</li> <li>• Good Agricultural Practice- witness activities at site</li> <li>• EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• OSH management – witness activities at site</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	Guide(s) for each assessor
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide(s) for each assessor



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<b>Day 2: 28 December 2016 (Wednesday)</b>					
<b>Activities /areas to be visited</b>	<b>Zulfakar (Social and Supply Chain)</b>	<b>Razman (Social and HCV)</b>	<b>Rozaimée (Safety and Environment)</b>	<b>Selvasingam (GAP and Safety (Estate))</b>	
8.30 – 1.00 pm	<p align="center"><b><u>Cluny Estate</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8 Laws and regulations Social Impact Assessment (SIA), management plan &amp; implementation Complaints and grievances Consultation with relevant government agencies Interview workers, Contractors, gender committee, local communities and stakeholders Check payslip, Contract Agreement Check Sundry Shop</p>	<p align="center"><b><u>Cluny Estate</u></b></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Consultation with relevant government agencies</li> <li>• Interview workers, Contractors, gender committee, local communities and stakeholders</li> <li>• Check payslip, Contract Agreement</li> <li>• Check Sundry Shop</li> <li>• Land titles user rights</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, Neighbouring land use.</li> <li>• Riparian Zone</li> <li>• Continuous improvement</li> </ul>	<p align="center"><b><u>Bikam Estate</u></b></p> <p>Coverage of assessment: P1, P4, P6, P7, P8</p> <ul style="list-style-type: none"> <li>• OSH management – witness activities at site</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Interview with workers, safety committee and contractors</li> <li>• Facilities at workplace</li> <li>• Training and skill development programmes</li> <li>• Facilities at workplace</li> <li>• Continuous improvement</li> </ul>	<p align="center"><b><u>Bikam Estate</u></b></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to longterm economic and financial viability</li> <li>• Good Agricultural Practice- witness activities at site</li> <li>• EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• OSH management – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	Guide(s) for each assessor
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment ( <b>Selvasingam Going to Cluny Estate</b> )				Guide(s) for each assessor

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Day 3: 29 December 2016 (Thursday)					
Activities /areas to be visited	Zulfakar (Social and Supply Chain)	Razman (Social and HCV)	Rozaimée (Safety and Environment)	Selvasingam (GAP and Safety (Estate))	
8.30 – 1.00 pm	<p><b><u>Bikam Estate</u></b> Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Social Impact Assessment (SIA), management plan &amp; implementation</li> <li>• Complaints and grievances</li> <li>• Consultation with relevant government agencies</li> <li>• Interview workers, Contractors, gender committee, local communities and stakeholders</li> <li>• Check payslip, Contract Agreement</li> <li>• Check Sundry Shop</li> </ul>	<p><b><u>Bikam Estate</u></b> Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• OSH management – witness activities at site</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Facilities at workplace</li> <li>• Land titles user rights</li> <li>• Inspection of protected sites with HCV attributes</li> <li>• Forested area, plantation boundary, Neighbouring land use.</li> <li>• Riparian Zone</li> <li>• Continuous improvement</li> </ul>	<p><b><u>Selaba POM</u></b> Coverage of assessment: P1, P4, P6, P7, P8</p> <ul style="list-style-type: none"> <li>• OSH management – witness activities at site</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Waste &amp; chemical management</li> <li>• Interview with workers, safety committee and contractors</li> <li>• Facilities at workplace</li> <li>• Training and skill development programmes</li> <li>• Facilities at workplace</li> <li>• Continuous improvement</li> </ul>	<p><b><u>Cluny Estate</u></b> Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Commitment to long term economic and financial viability</li> <li>• Good Agricultural Practice- witness activities at site</li> <li>• EFB mulching, POME application</li> <li>• Chemical store/fertilizer</li> <li>• Plantation on hilly/swampy area</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers , safety committee and contractors</li> <li>• Training and skill development programmes</li> <li>• Continuous improvement</li> </ul>	Guide(s) for each assessor
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide(s) for each assessor

Day 4: 30 December 2016 (Friday)					
Activities /areas to be visited	Zulfakar (Social and Supply Chain)	Razman (Social and HCV)	Rozaimée (Safety and Environment)	Selvasingam (GAP and Safety (Estate))	
9.00 – 11.30 am	Continue assessment on unfinished area <ul style="list-style-type: none"> <li>• Verification on outstanding issues</li> </ul>				Guide(s) for each assessor

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	<ul style="list-style-type: none"><li>Audit Team discussion, preparation on audit findings and issuance of NCR (if any)</li></ul>	
11.30 – 12.30 pm	Closing meeting	Top management & Committee member

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**Attachment 3**

**RSPO P&C AUDIT CHECKLIST AND FINDINGS**

**Principle 1: COMMITMENT TO TRANSPARENCY**

Clause	Indicators	Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision-making.	1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	YES	Selaba CU continued to implement the procedure for responding to all communications as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records inspected were correspondences with the authorities and employees. The flow chart of the procedure was made available on notice boards in the Estate office and Muster Grounds.
	1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	YES	The estates had identified personnel responsible for complaints and records of internal & external communication were maintained in different files, depending on the stakeholder. Among the records inspected were correspondences with the authorities, local communities and employees. Both estates continued to maintain meetings with stakeholders such as contractors, vendors/suppliers, government agencies, schools, local communities etc. As verified through the complaints book and interviews with stakeholders (local communities, suppliers, contractors, local and foreign workers), there was no complaint received for year 2016.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1 Land titles/user rights (Criterion 2.2);	YES	Information relating to land titles is available at the SDPSB website at <a href="http://plantation.simedarby.com">http://plantation.simedarby.com</a> .
	Occupational health and safety plans (Criterion 4.7);	YES	Information relating to safety and health plans were maintained and were available through the SDPSB website at <a href="http://plantation.simedarby.com">http://plantation.simedarby.com</a>
	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	YES	A Social Impact Assessment and Management Plan on Social Impact Assessment FY2016/2017 for Selaba CU and the related action plans based on the SIA findings were made available to the auditors. Selaba CU documents related to environmental plans and impact assessments were also made available.
	HCV documentation summary (Criteria 5.2 and 7.3);	YES	HCV documentation summary is available in the 'HCV Re-Assessment for Strategic Operating Unit (SOU) 5 Seri Intan / Selaba – Table 8 Summary of HCV tasks'
	Pollution prevention and reduction plans (Criterion 5.6);	YES	Pollution prevention and reduction plans continued to be available at all assessed operating units.
	Details of complaints and grievances (Criterion 6.3);	YES	Complaints logbook for recording stakeholders' complaints was made available at the office.
	Negotiation procedures (Criterion 6.4);	YES	Negotiation procedures such as 'Procedures for Handling Social Disputes' was made available at the office for stakeholders.
Continual improvement plans (Criterion 8.1);	YES	Sime Darby Plantation Sdn.Bhd. is committed to utilising the established system to regularly monitor and review their key activities at the mill and estates. Relevant action plans were initiated for continuous improvement in its key areas of operations on environmental, safety, health and welfare of the workers as well as social contribution to the community.	

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		Public summary of certification assessment report;	YES	Public summary for RSPO certification assessment report can be assessed at the link below: <a href="http://www.sirim-qas.com.my/sirim/core-files/uploads/2017/02/12-Sime-Darby-Plantation-Sdn-Bhd-%E2%80%93-Selaba-Palm-Oil-Mill-Recertification-2016.pdf">http://www.sirim-qas.com.my/sirim/core-files/uploads/2017/02/12-Sime-Darby-Plantation-Sdn-Bhd-%E2%80%93-Selaba-Palm-Oil-Mill-Recertification-2016.pdf</a>
		Human Rights Policy (Criterion 6.13).	YES	In January 2015 SDPSB developed a Social & Humanity Management Policy. The policy is signed by SDPSB's Managing Director and is displayed on various notice boards at the mill and the estates' offices.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be doc. and comm. to all levels of the workforce and operations. Minor Compliance	YES	SDPSB has published and circulated a handbook on the company's code of ethical conduct. The code of ethical conduct was communicated to all level of the workforce through display on notice boards at the mill and estates, memos and morning briefings. This showed the company's commitment to proper disclosure of information in accordance with applicable regulations and accepted industry practices.

**Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	NO	<p>Generally, SOU Selaba has continued to comply with all applicable local, national and ratified international laws and regulations. The last update of legal register was in July 2016. The POM and both estates continued to comply with the applicable laws and regulations with regards their operations.</p> <ul style="list-style-type: none"> <li>• Factory and Machinery Act 1967 <ul style="list-style-type: none"> <li>○ <i>Person In Charge Regulation 1970</i></li> <li>○ <i>Steam Boiler and Unfired Pressure Vessel 1970</i></li> <li>○ <i>The Factories and Machinery (Notification, Certificate of Fitness and Inspection), Regulations, 1970 Regulation 10(2)</i></li> <li>○ <i>Noise Exposure Regulations 1989</i></li> </ul> </li> <li>• Environmental Quality Act 1974 <ul style="list-style-type: none"> <li>○ Section 49A of the EQA 1974 amendment 2014.</li> <li>○ EQ (Prescribed Premise) Crude Palm Oil Regulations 1977</li> <li>○ EQ (Clean Air) Regulations 2014 - Air monitoring, Black smoke, Stack sampling</li> <li>○ EQ (Scheduled Wastes) Regulations 2005</li> </ul> </li> <li>• OSHA 1994, Use and Standards Of Exposure of Chemicals Hazardous to Health Regulations 2000</li> <li>• Electricity Supply Act 2015</li> </ul> <p>During site review, noted that there were 8 types of SW generated (SW 102, SW 103, SW110, SW305, SW306, SW322, SW409, &amp; SW410). Generally, the SW containers were labelled according to SW Regulation 2005. However, at Bikam Estate, it was noted that the label for SW409 was not placed on the container. Name of the waste and date of first generation was not available. Hence, MAJOR NCR RR03 2016 was raised by the auditor</p>

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	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	The CU had identified, documented and maintained their legal register with written information on legal requirements related to their operation in legal register. The PSQM Department is responsible to track changes and the information disseminated to all its estates and mills.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	The CU had a documented system for identifying and updating the changes of legal requirements and to monitor the status of legal compliance. This was as documented in Estate & Mill Quality Management System under Standard Operation Manual. PSQM Department and respective operating units have undertaken the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. The compliance to legal requirements was evaluated on an annual basis. These were carried out via Internal & External Audits, PA and MA visits, RSPO Audits and periodic reporting from operating units to headquarters.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	The PSQM Department of HQ is responsible to track changes and the information was disseminated to all its estates and mills This mechanism was outlined in its Procedure for Legal and Other Requirements.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure recognised NCR land and the actual legal use of the land shall be available. Major Compliance	YES	Evidence of legal ownership of the land including history of land tenure was verified during this audit. Each estate had legal use of the land through an Ownership and Country Lease signed by the Director of Lands and Surveys of Perak following the payment of premium and Land fee.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	YES	In general, the estate boundaries were generally established. Boundary lines and stones were indicated on the maps. This was verified during the site review.
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with FPIC. Minor Compliance	YES	There was no record of disputes since the previous recertification audit.
	2.2.4	There be an absence of significant land conflict, unless req. for acceptable conflict resolution proc. implemented and accepted by the parties involved. Major Compliance	YES	There was no record of disputes since the previous recertification audit.

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	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped in a participatory way with inv. parties. Minor Compliance	YES	There was no record of disputes since the previous recertification audit.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	The audit team confirmed through Stakeholders' Meeting and interview with other oil palm plantation companies that Selaba SOU had not resorted to violence in order to maintain peace.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall dev. thru participatory mapping inv. affected parties. Major Compliance	YES	There was no record of disputes since the previous audit.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted	YES	There was no record of disputes since the previous audit

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		by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	There was no record of disputes since the previous audit
	2.3.4	Evidence shall be available to show that communities are rep. through institutions or representatives of their own choosing, incl. legal counsel. Major Compliance	YES	There was no record of disputes since the previous audit

**Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY**

Clause	Indicators	Comply Yes/No	Findings	
C 3.1 There is an implemented mgmt plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (min. 3 yrs) shall be documented that includes, where app, a business case for scheme smallholders. Major Compliance	YES	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2016/2017 to 2020/2021 were sighted. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT& per ha.
	3.1.2	An annual replanting prog. projected for a min. 5 yrs with yearly review, shall be available. Minor Compliance	YES	The long-range replanting programmes (LRRP) until 2031/2032 were sighted for both estates. This programme is reviewed once a year and is incorporated in their annual financial budget.

**Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS**

Clause	Indicators	Comply Yes/No	Findings	
C 4.1 Operating procedures are appropriately	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.	YES	The CU continued to refer to : - Plantations / Mill Quality Management System (PQMS / MQMS) Manual, - PQMS / MQMS Standard Operating Manual and Procedures (SOP),



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documented, consistently implemented and monitored		Major Compliance		<ul style="list-style-type: none"> <li>- Sustainable Plantation Management System (SPMS) Manual,</li> <li>- RSPO Supply Chain Manual,</li> <li>- ESH Management System Manual,</li> <li>- Occupational Safety and Health Manual,</li> <li>- Pictorial Safety Standards, and</li> <li>- Security Guidelines.</li> </ul>
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	NO	<p>Although it was generally observed that harvesting standards and guidelines on chemicals usage had been properly understood and implemented by the estate harvesters and sprayers respectively, the following deviations were noted during the visit:</p> <ul style="list-style-type: none"> <li>• The recommendation for use of goggles and respirators by sprayers made in the CHRA (2015) was not complied with in Cluny Estate. Workers carrying out P&amp;D spraying in Field 2015A were found not using goggles and respirators.</li> <li>• There were hardly any beneficial plants sighted in the young mature and immature areas</li> <li>• There were traces of oil spills in Cluny Estate (inside and outside workshop).</li> <li>• Oil trap at the parking bay and workshop in Cluny Estate and at the ramp and decanter cake storage at Selaba POM were not properly designed and maintained.</li> <li>• At the Bikam and Cluny Estates, water from the emergency showers were directed into field drains instead of sumps for reuse</li> </ul> <p>Thus, the Minor NCR STK 01 2016 &amp; RR 02 was issued.</p>
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Records of monitoring and the actions taken by the estates continued to be maintain. This is to ensure that the established procedures were consistently implemented.
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	YES	All certified FFB came from Selaba SOU 5's estates and non-certified FFB from independent FFB suppliers. All delivery documents of third party FFB were verified to ensure the certified status of the FFB.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in SOPs, are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Both estates practised the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention and EFB and application. Fertiliser application, which is of paramount importance for maintenance of soil fertility was carried based on the recommendation made by the agronomist from internal research centre. Annual fertiliser application recommendations were made based on annual foliar sampling and 5 yearly soil sampling. Fertiliser application program was monitored using records like program sheets.
	4.2.2	Records of fertiliser inputs maintained. Minor Compliance	YES	Fertiliser app. program was monitored using records like program sheets, bin cards, field cost book, etc. Records of programs and applications of fertilisers were made available to auditors. Records sighted showed that actual amounts applied in 2015/2016 were in line with program.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	From the agronomist's reports, it was established that both estates carried out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling for the nutrients N, P, K, Mg, Ca & B had been carried out in both estates and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. The latest foliar sampling was done in Dec 2016 in Bikam and in July 2016 for Cluny Estate.

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	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME and palm residues. Minor Compliance	YES	Both estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and by EFB application. There is no specific programme for EFB mulching for mature areas. Application was only based on wherever possible area to be applied. Priority was given for application on new replants. There was no pome or compost applied in both estates.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	Based on the soil maps provided, there was no fragile/marginal soils in both visited estates.
	4.3.2	A management strategy in place for plantings on slopes bet. 9 & 25° unless specified otherwise by the company's SOP. Minor Compliance	YES	SDPSB had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was in the ARM Manual. Both Estates had complied with this strategy.
	4.3.3	A road maint. prog. shall be in place. Minor Compliance	YES	During the field visit, it was noted that road conditions were well maintained in both estates. Accessibility were made possible by regular maintenance under its road maintenance programmes. The program had been supported by adequate provisions in the budgets.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover mgmt prog. shall be in place. Major Compliance	YES	There were no peat soils in both estates visited.
	4.3.5	Drainability assessments where necessary conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	Not applicable as there is no peat soils in both estates visited.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	Not applicable as there were no fragile and problem soils in both estates visited.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water mgmt plan shall be in place. Minor Compliance	YES	Both estates had implemented water management plans. Plans for 2016/2017 were sighted. The water management plans were more towards soil water conservation, pollution prevention and domestic use. The management plans also covered dry spell/shortage and in case of water pollution. Workers were advised to conserve water.
	4.4.2	Protection of watercourses and wetlands, incl. maintaining and restoring app. riparian and other buffer zones demonstrated. Major Compliance	NO	Protection of watercourses and wetlands were bserved. No chemicals used in their maintenance. However, during site visit at Bikam and Cluny Estate, auditor has found that the boundary mark was not maintained. There was also sign of palm tree planting in Bikam estate. Major NCR MZK 01 2016 was raised to address this.
	4.4.3	Appropriate treatment of mill effluent to req. levels and regular monitoring of discharge quality,	YES	Site visit to the effluent treatment plant and interview with the PIC revealed that the operation had been carried out in acc. with the established SOP and legal requirements. No sight of effluent over flow and flow meter reading recorded daily. Monitoring records on analysis of the

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		shall be in compliance with nat. reg. Minor Compliance		wastewater and submission report to DOE were available. Results were within limit.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	The water usage was monitored accordingly.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using app. IPM techniques.	4.5.1	Implementation of IPM plans shall be monitored. Major Compliance	NO	As for all SDPSB estates, both Bikam Estate and Cluny Estate had in place doc. IPM systems. The procedure referred was in the Agricultural Reference Manual (ARM). The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. The IPM technique for rats includes rearing barn owls ( <i>tyto alba</i> ), bagworm control includes the planting of beneficial plants and for rhino beetles is by using pheromone trap. At the time of visit to both Bikam and Cluny Estates there were hardly any beneficial plant sighted in the young mature and immature areas. This was found not to be consistent with the recommendation under Agricultural Reference Manual. Refer to Minor NCR STK-01 2016 under indicator 4.1.2.
	4.5.2	Training of those involved in IPM implementation demonstrated. Minor Compliance	NO	Noted that in Cluny Estate, there were no evidence to show that training of those involved in IPM was conducted. Thus, Minor NCR STK – 02 2016 was issued.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	The written justification in SOP of all agrochemical was available in the Agricultural Reference Manual and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. The use of selective products that are specific to the target pest, weed or disease were demonstrated in the Agricultural Reference Manual.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) provided. Major Compliance	YES	Both Estates had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. Both estates had documented programs for spraying pesticides and for rat baiting
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	Barn Owls was encouraged, as indicated by Barn Owl census records, to assist in reducing the use of rat baits. EFB applied in replants was applied in single layers and is not dumped in large amounts to prevent breeding of Rhinoceros Beetles. However, in replants prophylactic spraying using diluted cypermethrin for immature palms in zero burning of were carried out.
	4.6.4	Pesticides that are categorised	YES	Both estates only used pesticides that were officially registered under the Pesticides Act 1974

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		as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in acc. with USECHH Reg. (2000). Minor Compliance		(Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). The use of paraquat had been banned in all SDPSB estates. Most pesticides used were class III & class IV.
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	YES	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS of the pesticide. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they understood the hazards involved and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. Training on pesticide handling was last done at Bikam Estate in Apr & July 2016. At Cluny Estate, training was conducted in Feb 2016. The trainings included the safety aspects and usage of PPE when handling with pesticides. Record of training was available for verification.
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes. Pesticides shall be stored in acc to the Occupational Safety and Health Act 1994 (Act 514) and Orders, Pesticides Act 1974 (Act 149) and Reg. Major Compliance	YES	Usage and storage of agrochemicals including pesticides are in accordance with Pesticide Act 1974, Occupational Safety & Health Act 1994 and USECHH Regulations 2000. Empty chemical containers were triple rinsed, pierced and stored for disposal in accordance to the legal requirements. Updated records to show agrochemicals purchase, storage and consumption are available in SOU 5. All information regarding the chemicals and its usage, hazards, trade and generic names were available in both English & Bahasa Malaysia and understood by workers.

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	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	Pesticide applications were guided by SDPSB's ARM, Pictorial Guide, CHRA and by MSDS supplied by the manufacturer.
	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Comm. shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	YES	Aerial spraying was not practiced by both Bikam Estate and Cluny Estate. There was no evidence to show that any had been carried out.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling demonstrated/made available. Minor Compliance	YES	The employees such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner. Conduct of training was evident.
	4.6.10	Proper disposal of waste material, according to procedures that is understood by workers/ managers demo. Minor Compliance	YES	Proper disposal of waste material was done in accordance with the established procedure.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, demonstrated. Major Compliance	YES	For Selaba CU the last generic CHRA, which representing both estates was conducted in June and July 2015 by a JKPP registered assessors. Based on the recommendation of the CHRA, medical surveillance has been conducted for employees, such as estate sprayers and storekeepers, whose jobs require them to be exposed to chemicals.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	Both estates had Internal Memos "No Work with Pesticides for Confirmed Pregnant and Breast-Feeding Women" signed by the respective managers. List of sprayers were maintained by the HA/MA. Most sprayers were men with some women. There was no evidence that work with pesticides was undertaken by pregnant or breast-feeding women. This was confirmed by the interviewed Hospital Assistant/Medical Assistant and workers.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented. The occupational health and safety plan shall	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	YES	Both estates continued to adopt the SDPSB Occupational Safety and Health Policy. The policy is available in Bahasa and English. The policy has been communicated to all employees through briefings and displayed on the estates notice boards. It was also communicated to all employees through the employee's representative in the OSH committee. A safety and health plan for 2016/2017 had been implemented. At Bikam Estate and Cluny Estate, the plan was presented to the auditors. The plan covered ESH risk management, Chemical Safety management, Inspection, etc. The implementation was also monitored by internal audits conducted by OSH officers from PSQM Department. At the mill, Environment,

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cover the following:				Safety & Health Program dated in Jan 2016 has been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	NO	Selaba CU had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The HIRARC records, as well as CHRA reports were verified during the assessment. At the estates, among the HIRARC covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. HIRARC was reviewed in Oct 2016 for both Bikam and Cluny Estates, where replanting activities were included. However, on Bikam Estate the HIRARC was not assessed for bee stings even after a worker was stung by bees while working on de-creeping of covers on oil palms. With this, the Major NCR STK- 03 2016 was issued.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate and app. protective eq. shall be available to all workers at the place of work to cover all potentially haz. op., such as pesticide application, machine operations, and land prep. harvesting and burning. Major Compliance	YES	Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees were conducted from time to time based on needs and through various method such as on the job training, briefings, meetings, etc. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained on safe chemical handling. During the audit, observed that workers carried out spraying, pruning and harvesting at both estates were wearing the appropriate PPE. Interviewed were the workers confirmed that they were aware of all precautions and safety requirements. PPEs issuance and replacement records were made available to auditors.
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare discussed at these meetings, and any issues raised recorded. Major Compliance	YES	Safety & Health Committee has been established. The OSH safety committee organisation chart for 2016 / 2017 was reviewed. At the mill, the Mill Manager is the ESH Chairman and the 2 <sup>nd</sup> Clerk was appointed as the secretary. Periodic meetings were carried out accordingly. The OSH safety committee organisation chart for 2016 / 2017 was reviewed on both Bikam & Cluny Estates. At both estates, the managers were the chairman. The secretary on Bikam was HA while on Cluny it was the MA. Minutes on the meetings sighted.
	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	NO	The Selaba CU had adhered to the SDPSB policy on 'Crisis Management & Emergency Response' plan, PQMS, OSH manual and "Accident and Reporting and Investigation Procedure" of the same manual. Each estates and mill had procedures for Fire, Flood, Chemical spillage, Strikes and Emergency and Accident Response in both English and Bahasa. The procedures were displayed at the office, Muster Ground, Workshop and Dispensary. Names of the members of the Emergency Response Team and their contact number were communicated to all employees and displayed at notice boards. Telephone numbers of the nearest police station, Fire Brigade, Immigration Department and Hospital were also included.

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		both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and reviewed. Minor Compliance		In Clunny Estate all the ERP and first aid kits was available at all workplace area and was maintained properly. However, At Bikam Estate, these were noted - First aid box was not maintain, no record of usage is available and first aid box content was not in accordance with 4th schedule of Safety Health & Welfare Regulation 1970. It was found that only 9 items inside the box instead of 17 items as per requirement. Thus, a minor NCR RR01 2016 was raised.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	First aid boxes were available at worksites. First aid boxes were inspected on monthly basis by HA in the estate and head of first aid team in the mill. There were also estate clinics in both estates. For major accident, the case is referred to the nearest Government Hospital. Selaba CU foreign workers were covered with insurance policy provided for Foreign Worker Compensation Scheme Certificate of Insurance and the local workers was covered under SOCSO. Evidence of contribution was sighted.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	Accident investigation was carried out by the OSH committee and has been reported with the format standardised internally. Root cause of the accident has been identified and appropriate control measure has been implemented. The HIRARC was also updated to include either engineering control, administrative control or the used of PPE to be implemented and improved after the occurrence of accident. All Estate and Mill has sent JKPP 8 to DOSH in Jan 2016.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO P&C, and that incl. regular assessments of training needs and doc. of the prog. Major Compliance	YES	Formal training programmes for 2016/2017 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were presented to auditors by both estates and mill. Where relevant, the training programmes were also extended to the contractors and suppliers. Trainings were either conducted internally by its own staff or by other department within Sime Darby Group or consultant.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	NO	Selaba POM has conducted policy refreshment briefing and sexual harassment in Dec 2016. For Cluny Estate, training on HCV, sexual harassment, reproductive rights, and human rights, code of ethical conduct and whistle blowing was conducted in Oct 2016. Training on riparian buffer zone was conducted for sprayer workers in Aug 2016. Record of these training were maintained by the estate. During interviewed with staff and field workers at Bikam Estate, the workers have admitted that they had been briefed on GAP, HCV and social during morning muster. However, record of training for GAP, HCV and social aspect at visited estate was not evident: Thus, a Minor MRS 01 2016 was raised.

**Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY**

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill mgmt, incl. replanting, that have env. impacts are identified, and plans to mitigate the	5.1.1	An EIA shall be documented. Major Compliance	YES	The CU has established its environmental aspects / impacts register associated with their activities. For the mill, the EAI covers form upstream activities such as FFB reception until downstream processes was sighted during assessment. The record for 2016 / 2017 was updated in Dec 2016. Among the most significant environmental receptors are the boiler stack emission, which associated with air emission, palm oil mill effluent discharge) and land contamination which related to managing the scheduled wastes and also general wastes. For the estate operation, EIA for all activities from harvesting, pest and disease, upkeep

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negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.				programme until delivery to mill have been identified. An Aspect and Impact assessment has been carried out, latest performance monitoring was carried out in July 2016 for Clunny and Bikam Estate.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible persons. Minor Compliance	YES	Environmental Aspect and Impact Identification Form & Environmental Impact Evaluation Form used to identify Aspect & Impact and take necessary action. Reviewed in July 2016 and no changes on all operation for both estate. Pollution prevention Plan was identified and monitored, person in charge for all this plan also was made available during the audit. Implementation was satisfactory
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	YES	Pollution Identification Environmental improvement action plan' to monitor the effectiveness of the mitigation measures taken, are in place. The following indexes are being monitored: i) Fuel and Lubricant leakage discharged to the land ii) Chemical Spillage discharged to the land. iii) Waste water discharge FY2016 Performance verified, noted to be satisfactory.
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill mgmt, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.	5.2.1	Information collated in a HCV assessment that incl. both the planted area itself & wider landscape level considerations. Major Compliance	YES	Selaba CU has reviewed their HCV with new assessment conducted in Feb 2014. Cluny Estate has a HCV4. For Bikam Estate, there was no HCV area sighted within the estate.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	YES	Cluny Estate has established a HCV action plan for FY2016 such as briefing/training of workers on protection of river buffers. Communicating to all employees, contractors, suppliers and neighbours that encroachment and hunting are not allowed. Based on site review, there was no HCV area and RTE species found in the Bikam Estate. So, action plan for HCV and RTE was not required for this estate.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE	YES	Based on HCV assessment report and site review at Cluny Estate and Bikam Estate there was no RTE species found in both estate. However, Sime Darby still established their own disciplinary measures if found any staff or workers found to capture, harm, collect or kill the RTE species in



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		species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance		the estate.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>Outcomes of monitoring shall be fed back into the action plan.</li> </ul> Minor Compliance	YES	On-going monitoring for HCV areas at Cluny Estate has been verified. The monitoring was conducted on monthly basis. Latest monitoring was in Dec 2016.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	YES	Local community and Orang Asli nearing boundary Cluny Estate did not depend on HCV area for their survival. So, this indicator was not applicable.
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	The CU has identified and documented all waste product and sources of pollution from its activities. Among the significant environmental receptors for the estates and mill operations were: Air emissions from boiler stack, vehicle & generator, anaerobic processes and GHG. Water discharges from cleaning water/run-off/process station waters & boiler quenching water and blowdown. Land contamination – scheduled waste, domestic waste and industrial/process waste. Clinical waste – generated from Clinics.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Empty chemical containers were triple rinsed, punched with holes and disposed through approved licensed contractors.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be doc. and implemented. Minor Compliance	YES	For the identified waste and pollutants, the headquarters had established procedures and guideline to guide the disposal of the wastes so as to minimise pollution on the routine operation.
C 5.4	5.4.1	A plan for improving efficiency of	YES	A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated

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Efficiency of fossil fuel use and the use of renewable energy is optimised.		the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance		into the Environmental Aspect and Impact activities report for 2016 / 2017. The document was updated in July 2016.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Major Compliance	YES	Both estates and POM practiced zero burning. Visit to the sites with re-plants found that all palms were felled, shredded, windrowed and left to decompose.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Minor Compliance	YES	As mentioned under Indicator 5.5.1. SDPSB had a policy of zero burning during land preparation for replanting and both estates adhered to this policy.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of Dec 2016 for	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent .	YES	An assessment of identified polluting activities has been conducted and monitored. These include gaseous emissions, particulate / soot emissions and effluent. 'Pollution Identification Environmental improvement action plan' – is used to identify the waste and sources of pollution.
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	The CU has continued to maintain its documented plans to mitigate environmental pollution associates to its activities. Sighted the plan for GHG emissions reduction on the website Sime Darby. Among the objective is to aim reduce emission by the year 2020 via carbon reduction strategy. SDPSB have set individual reduction target by divisions.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	YES	GHG Emission calculation and monitoring is available at SOU Selaba level, using RSPO Palm GHG Calculator. The SOU has yet to submit the calculation on its GHG emission to RSPO due to calculation still in draft.

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<p>promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>				
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**Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS**

Clause	Indicators		Comply Yes/No	Findings
<p>C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>	6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	YES	<p>Social Impact Assessment (SIA) was prepared for the Selaba CU. The report completed in March 2014 by the Social and Environment Projects Unit, PSQM Department, SDPSB for the mill and all the estates under the CU. Besides providing socio-economic baseline data, the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of the respective estates and mill, action plans for handling the identified issues were also presented in the report.</p>
	6.1.2	<p>There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	YES	<p>As stated in the previous audit report, data was gathered from stakeholders who were interviewed through the application of an open-ended interview protocol. The stakeholders included estate employees, local community leaders, contractors, vendors and suppliers, and relevant government agencies. Attendance lists and minutes of meetings with various stakeholders during the assessment were available.</p>
	6.1.3	<p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified dev. in consultation with the affected parties, doc and timetabled, incl. resp. for impl. Major Compliance</p>	YES	<p>An updated Social Management Plan/Action Plan (FY 2016/2017) was made available to the auditors by every estate and mill audited. This consisted of a timetable with responsibilities for monitoring, mitigating and enhancing the positive and negative impacts of estate and mill operation identified through consultations with internal and external stakeholders. The status of the actions taken was also included in the Social Action Plan's timetable.</p>

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	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance	YES	Social Action Plan for Selaba CU was reviewed in June 2016.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	YES	There is no smallholder scheme in the CU.
C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be doc. Major Compliance	YES	Consultation and communication procedures for the estates and mill to follow and standard operating manuals for customer communications documented in the company manual. These procedures and manuals followed by the estates and mill as an examination of the records kept in the internal and external communication files showed.
	6.2.2	A mgmt official responsible for these issues shall be nominated. Minor Compliance	YES	A letter nominating a management official each in Selaba POM, Cluny Estate and Bikam Estate were dated in June 2016. Manager has appointed the Assistant Manager on behalf of management to handle any social issues in the mill and estates as well as between the mill and estates and external stakeholders.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders maintained. Minor Compliance	NO	The estates and mill audited had developed an updated list of stakeholders for FY 2015/16 dated Dec 2016, included local communities, contractors, vendors/suppliers, government departments/agencies and estate/mill employees. Records of action taken were found in the Complaints Book, the updated Action Plans and the communication files. Bikam Estate has conducted stakeholder meeting in July 2016. However, auditor has found that communication with stakeholders at Selaba CU for 2016 was not covered all affected parties. Thus, a Minor NCR MRS 02 2016 was raised.
C 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	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and app. manner, ensuring anonymity of complainants and whistle-blowers, where requested. Major Compliance	YES	The system was open to all aggrieved parties as evidenced by the existence of all complaints were recorded in the Complaints Book. The book was accessible to all aggrieved parties, internal as well as external. A review of the book showed that all the complaints were from internal stakeholders and mainly related to request to repair of their houses. There were no complaints from external stakeholders. The auditee also affirmed that complainants and whistle-blowers would be ensured anonymity if requested.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	The generic procedures for dispute handling as found in the Estate/Mill Quality Management Manual were applicable to all SDPSB estates and mills. As stated above in 6.3.1 the process by which a dispute/complaint was resolved and the outcome were documented in the Complaints Book and the Action Plan.

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C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	The procedure concerning legal and customary pertaining land issues, including compensation remain to be handled by Land Management Department of Sime Darby, if any, as stated in their procedure 'Appendix 3 - Flowchart and Procedures on Handling Land Disputes'. This procedure was applicable to all Sime Darby's CUs. Meanwhile, compensation concerning employee issues to be handled by human resources department.
	6.4.2	A procedure for calculating and distributing fair compensation shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	YES	The compensation procedure has been described in their SOP. Compensation on loss of legal rights will be determined according to the land authority.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	There was no case involving disputes of legal and customary rights over land, and as such there was no document related to the process and outcome of legal and customary rights claim and the associated compensation claims.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Pay and conditions for workers were spelled out in the Collective Agreement reached between the Malaysian Agriculture Producers Association and the National Union of Plantation Workers while pay and conditions for the administrative staff were laid out in the CA between MAPA and the staff union (AMESU). MAPA and NUPW reached an agreement in 2015 while MAPA and AMESU came to an agreement in 2014. Both CA will run for a three-year period. Employee's payslip and employment agreement had been checked and verified; The local workers contract states the monthly salary, working days, allowance, overtime, annual leave, public holidays, medical benefits, income tax and contributions to SOCSO. While for foreign workers, the contract states contract period, wage rate, working days and working hours, overtime, public holidays, house accommodation, medical benefits, sick leave, annual leave, insurance and in Bahasa Malaysia.
	6.5.2	Labour laws, union agreements or direct contracts of	YES	The Collective Agreement and the job offer letter detailed the payments and conditions of employment. The agreement had been translated into Bahasa Malaysia and English for workers

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		employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance		from Bangladeshi. According to the workers and staffs interviewed, when the current CA was first enforced the content of the agreement was also explained to them by the plantation management as well as union representatives.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible. Minor Compliance	YES	The housing and amenities provided by SDPSB to its workers and staff were adequate and in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There was no record of any complaint regarding this issue. All estates and the mill provided with either 3 or 2 bedroom houses for the workers and staffs. Free potable water, subsidised electricity, medical, educational and other basic amenities such as Muslim payer houses, Hindu temples, sundry shops and kindergartens were also provided. The staff and workers interviewed affirmed that they were satisfied with the housing and amenities provided.
	6.5.4	Growers/millers shall make efforts to monitor and where able, improve workers' access to adequate, sufficient & affordable food. Minor Compliance	NO	There are sundry Shop inside the Estates. Workers and staffs interviewed during the audit felt that even though food quality and variety is better outside and food prices higher in the mill/estates, the difference they felt is negligible and acceptable. However, there are no records or effort by management to monitor the price of raw material for food from Grocery Shop inside Cluny and Bikam Estate. Therefore, Minor <i>MZK 02 2016</i> was raised.
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of ind. and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	The freedom of association policy is documented in the Social Policy established by HQ. The policy is dated in Jan 2015 and is available in both Bahasa Malaysia and English. The policy is publicly displayed.
	6.6.2	Minutes of meetings with main trade unions or workers representatives documented. Minor Compliance	YES	As noted above, each estate/mill has two local unions, one for the workers and the other for the administration staff i.e. NUPW and AMESU, respectively. Meetings between estate management and the local union leaders were held regularly. The meeting record was kept in the JCC File or the RSPO P6 File, were made available to the auditor by the mill and estate management.
C 6.7 Children are not	6.7.1	There shall be documentary	YES	The Child Protection policy is publicly available at the visited estates and mill. The policy

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employed or exploited.		evidence that minimum age requirements are met. Major Compliance		statements emphasize on child under 18 years must not be employed to work in hazardous jobs. This policy is posted on notice boards for the understanding of the public and workers. This requirement was verified accordingly.
noC 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	The Social Policy (dated Jan 2015) is publicly available in the estates and POM. The policy statements emphasize on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards in Bahasa Malaysia and English for the understanding of the public and workers.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	An inspection of the employment offer letters revealed no case of discrimination based on race, religion, gender, national origin or any other form of discrimination as stated in Criterion 6.8. The payments and conditions of employment for foreign or local, male or female employees, were based on the MAPA-NUPW and MAPA-AMESU agreements and not decided arbitrarily by the estate/mill management. All workers, regardless of their socio-cultural and political backgrounds, were provided with the same housing and amenities as required by the law. Interviews with administration staff and workers confirmed the absence of any form of discrimination in the CU.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	YES	Recruitment and promotion observed were according to legal and industry standard as well as the CU criteria, including skills and medical fitness, Auditor has verified medical fitness record of new employee for position as General Worker. The recruitment and hiring process was based on education qualification and interview with manager. No issues concerning recruitment or promotion observed, which acknowledged by employees interviewed.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	As pointed out in reports of previous audits, this audit also found that SDPSB had continued to maintain its explicit policy statements on sexual harassment and violence against women. The Gender Committee Handbook First Edition produced in 2014 continued to provide the guidelines for taking action in cases related to sexual harassment and violence against women. The policy to prevent sexual and all other forms of harassment and violence were communicated to all employees through morning briefings, through displays on notice boards and gender committee meetings.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	The policy to protect the reproductive rights of all especially women were incorporated in the company gender policy and social policy and communicated to all employees through briefings, meetings and notice board displays.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, impl, and comm to all levels of the workforce. Minor Compliance	YES	A specific grievance mechanism for handling sexual harassment and violence against women established some years ago and found in the Gender Committee Handbook First Edition 2014 was communicated to all employees through morning briefings and by gender committee members. The mechanism respects anonymity and protects complainants where requested. This was confirmed by gender committee members and female employees interviewed during the audit.

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C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for FFB shall be publicly available. Minor Compliance	YES	Current and past prices paid for FFB were displayed at the weighbridge counter.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services documented. Major Compliance	YES	The pricing mechanism for FFB was found in the Third and Second Schedule attached to the contract between SDPSB and the suppliers of FFB. The pricing of other inputs/services was also found in the respective contracts and quotations. In addition, according to FFB suppliers and hardware suppliers interviewed, this was explained to them by the mill management
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	Contractual agreements entered into by the contractors and suppliers were sighted during the audit. The FFB suppliers and hardware suppliers were interviewed and they confirmed that they understood the contractual agreement that they entered into and that the contracts were fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	All FFB suppliers and hardware suppliers interviewed informed that the agreed payments were made in a timely manner. There was no case of delayed payments. An inspection of the invoices and payment records confirmed this.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local dev. that are based on the results of consultation with local comm. demo. Minor Compliance	YES	Records of contributions made to internal and external stakeholders were found in the CSR files. Among the contributions included the donation to the nearby schools, maintenance of estate/mill "surau", school, and temple, contribution during the workers' family day and other festive celebrations.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources allocated to improve smallholder productivity. Minor Compliance	YES	Not applicable as there were no scheme smallholders.
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	There was no trafficked labour used in the CU. This was verified through interview with several workers, verification of their passport, contract agreements and work permit. The interviewed workers mentioned that they were employed voluntarily and freely, without any threats of penalty.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	During the interview with foreign workers, it was confirmed that there are no contract substitution.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	Special labour policy for employment of foreign workers has been addressed in the Social Policy. It includes statement that all employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived for three months (for foreign workers).
C 6.13	6.13.1	A policy to respect human rights	YES	A Social and Humanity Management Policy was sighted. The policy was displayed on notice



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Growers and millers respect human rights		shall be documented and communicated to all levels of the workforce and operations. Major Compliance		boards at various strategic points in the estates and the mill. The policy was also communicated to employees through memos and morning briefings.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	YES	This Indicator is not applicable as is the CU is in Peninsular Malaysia.

**Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Clause	Indicators	Comply Yes/No	Findings	
C 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	7.1.1	An independent social and env. impact assessment, undertaken through a participatory methodology incl. the relevant affected stakeholders, shall be documented. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.1.2	Appropriate mgmt planning and operational procedures shall be developed and implemented to avoid/mitigate identified potential negative impacts. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.2 Soil surveys and topographic information are used for site planning in the	7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for cultivation available and in plans and op. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

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establishment of new plantings, and the results are incorporated into plans and operations	7.2.2	Topo info adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more HCV	7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more HCVs, since Nov 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.2	A comprehensive HCV assessment, incl. stakeholder consultation conducted prior to any conversion or new planting. This shall include a LUCA to determine changes to the vegetation since November 2005. This analysis used with proxies, to indicate changes to HCV status. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.3	Dates of land preparation and commencement shall be recorded. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.4	An action plan dev. that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting	NA	No new planting was observed. Thus, this principle is not applicable.

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		from proposed op., shall be identified in consultation with the communities and incorporated into HCV assessments and management plans. Minor Compliance		
C 7.4 Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.	7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other s/holders to express their views through their own representative institutions.	7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed by these local peoples. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

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<p>C 7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acq. and relinquishment of rights, subject to their FPIC and negotiated agreements.</p>	7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.2	A system for identifying people entitled to compensation shall be in place. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.3	A system for calculating and distributing fair compensation shall be in place. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.4	Communities that have lost access and rights to land for plantation expansion given opportunities to benefit from plantation development. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.5	The process and outcome of any compensation claims shall be doc. made publicly available. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.6	Evidence shall be available that the company has made adequate efforts to enable affected communities and rights holders to have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
<p>C 7.7 No use of fire in the preparation of new plantings other than in specific situations, as id in the ASEAN guidelines or other regional best practice.</p>	7.7.1	There shall be no land prep. by burning, other than in specific situations, as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> , or comparable guidelines. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

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	7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.8 <i>Preamble</i> New plantation developments are designed to minimise net greenhouse gas emissions.	7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

**Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY**

Clause	Indicators	Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		

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	a)	Reduction in use of pesticides (Criterion 4.6);	YES	Both Estates continued to manage pests, disease and weeds using appropriate IPM techniques. In order to reduce the use of rat baits to control rats, Barn Owls was encouraged as indicated by Barn Owl census records. Until to-date occupancy rate for Barn Owl boxes were also sighted in the fields. The Estates aimed to establish more Barn Owl boxes to ultimately achieve a ratio of 1 box to every 10 Hectares. To reduce the use of chemicals, the estates are implementing spray Circles (Strip) and noxious weeds. Soft weeds and Nephrolepis bisserata are maintained in the inter rows. Where possible, harvester's paths were grass cut. At the re-plants area noted that felled palms were chipped and cover crops were planted in order to minimise/prevent breeding of Rhinoceros Beetle. These actions help to reduce the use of chemical. EFB was applied in single layers and not dumped in large amounts to prevent breeding of Rhinoceros Beetles. To ensure efficient loose fruit collection and expedite circle raking to avoid VOPs and VOPs were manually removed.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	An Aspect and Impact assessment has been carried out and the significant Environmental Impacts have been identified. The following records were reviewed: i) Environmental Aspect Identification Summary FY 2016 / 2017; and ii) Environmental Impact Evaluation Summary FY 2016 / 2017. 'Pollution Identification Environmental improvement action plan' has been established and is being monitored. It consists of general time table with the identification of the necessary function responsible to carry out the tasks.
	c)	Waste reduction (Criterion 5.3);	YES	Waste products and source of pollution has been identified and included in the 'Pollution Identification Environmental improvement action plan'. This plan is being reviewed accordingly.
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	Pollution Identification Environmental improvement action plan' is used to identify the waste products and sources of pollution. GHG and its potential sources are being identified using Carbon Inventory Calculation Methodology and reported in the sustainability report.
	e)	Social impacts (Criterion 6.1);	YES	The continual improvement plan was similar with social action plan which was updated on yearly basis. For year 2016/2017, Selaba CU has come out with a few plan or activities such as to upgrade existing workers quarters from 2 bedrooms to 3 bedrooms, to construct car porch at workers quarters and to maintain surau and temple at linesite.
	f)	Encourage optimising the yield of the supply base	YES	Both estate are committed to implement best agricultural practices inclusive of timely and proper fertiliser application, improve accessibility to maximise crop evacuation, water management – to create water bodies and to block water conservation trenches.

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**Attachment 4**

**Details of Non-conformities and Corrective Actions Taken for RSPO P&C MYNI 2014**

<b>P &amp; C Indicator</b>	<b>Specific ation Major/Minor</b>	<b>Detail Non-conformances</b>	<b>Corrective Action Taken by the CU and Verification by Auditors</b>
Indicator 2.1.1	Major	<p><b>#NCR No : RR 03</b></p> <p>Finding : There was evidence that the Selaba Certification Unit has not complied with Environmental Quality (Scheduled Wastes) Regulations 2005</p> <p>Objective evidence : At the Bikam Estate, the labelling of SW409 had not included the name of waste and date of first generation.</p>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- To do immediate Labelling</li> <li>- To send store operator for schedule waste training or to request for qualified ESH representative to conduct such training</li> <li>- To make new monitoring book for schedule waste</li> <li>- To make sure competent person visit the estate and record in monitoring book.</li> </ul> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>- Auditor has received pictures of schedule waste labelling which indicated the labelling containing the name of the wastes and the date of first generation. Training record dated 17 January 2017 was also provided. Corrective action accepted.</li> </ul> <p><b>Status:</b> Closed</p>
Indicator 4.1.2	Minor	<p><b>#NCR No : RR 02</b></p> <p>Finding : Plan to avoid or reduce pollution not effectively implemented.</p> <p>Objective evidence :</p> <ul style="list-style-type: none"> <li>• Traces of oil spills were sighted at Cluny Estate workshop.</li> <li>• Oil traps were not properly designed and maintained in Cluny Estate (at the parking bay and workshop) and in Selaba POM (at the ramp and decanter cake storage).</li> <li>• At the Bikam and Cluny Estates, water from emergency showers was directed into field drains instead of sumps for reuse.</li> </ul> <p><b>#NCR No : STK-1.2016</b></p> <p>Finding:</p> <ol style="list-style-type: none"> <li>1. The recommendation for the use of goggles and respirators made in the CHRA (2015) for sprayers was not complied with.</li> <li>2. The recommendation to plant beneficial plants made under the Agricultural Reference Manual was not complied.</li> </ol>	<p><b>Corrective Action:</b></p> <p><b>NCR No : RR 02</b></p> <p>Cluny Estate</p> <ul style="list-style-type: none"> <li>- To provide adequate tray for vehicle maintenance work at workshop. To rebuild new oil trap and to construct sump as per recommendation target to completion month March 2017, Emergency Shower need to re-adjust the drain system, target completion dated on (March 2017)</li> </ul> <p>Selaba POM</p> <ul style="list-style-type: none"> <li>- To build new oil trap as per recommendation by April 2017</li> </ul> <p>Bikam Estate</p> <ul style="list-style-type: none"> <li>- To build new oil trap as per recommendation by April 2017, Emergency Shower need to re-adjust the drain system, target completion dated on (April 2017)</li> </ul> <p><b>#NCR No : STK-1.2016</b></p> <p>Cluny Estate</p> <ul style="list-style-type: none"> <li>- Mandores and staff to ensure each member of their gangs are provided with adequate PPE (during muster) and use while carrying out task and also stringent with the PPE monitoring form, target to completion month January 2017</li> <li>-</li> </ul>

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		<p>Objective evidence:</p> <ul style="list-style-type: none"> <li>• Cluny Estate – Workers carrying out P&amp;D spraying not using goggles and respirators.</li> <li>• In both Bikam and Cluny Estates there were hardly any Beneficial Plant sighted in the young mature and immature areas.</li> </ul>	<p>Bikam Estate</p> <ul style="list-style-type: none"> <li>- To incorporate Beneficial Plant planting in the IPM Plan target to completion month January 2017</li> </ul> <p><b>Auditor Verification:</b> Corrective action plan accepted <b>Status:</b> The effectiveness of the corrective action will be verify during next audit.</p>
Indicator 4.4.2	Major	<p><b>#NCR No : MZK 01 2016</b></p> <p>Finding: Management did not maintain their buffer zones and prevent from any activities.</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> <li>• During site review at buffer zone for stream in Bikam Estate, auditor has found that boundary mark (white paint) was not maintained and there was a sign of palm tree planting there.</li> <li>• Buffer Zone at Cluny Estate at Trolak Division and Sungai Bil Division auditor has found that boundary mark (white paint) was not maintained.</li> </ul>	<p><b>Corrective Action:</b> Bikam &amp; Cluny Estate</p> <ul style="list-style-type: none"> <li>- Not to conduct any chemical activities such as spraying and manuring in the buffer zone area.</li> <li>- To include in biodiversity plan</li> <li>- To do remarking the buffer zone and peg the signboard back immediately</li> <li>- To include monitoring of demarcation (signage/pegging/white paint in the monitoring form target to completion month January 2017)</li> <li>- To establish Do's and Don'ts and to be briefed to the contractor</li> </ul> <p><b>Auditor Verification:</b> - Auditor has received picture of Biodiversity Plan, form Do's and Don'ts and peg and signboard at both estate. Corrective actions accepted.</p> <p><b>Status:</b> Closed</p>
Indicator 4.5.2	Minor	<p><b>#NCR No : STK-2.2016</b></p> <p>Finding: 1. Training of those involved in IPM implementation was not demonstrated.</p> <p>Objective evidence: Cluny Estate – There were no evidence to show that training of those involved in IPM was conducted.</p>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- To brief staff and new staff that is responsible of maintaining the record on documentation and filing to ensure easy retrieval target to completion in month of January 2017.</li> <li>- To carry out training target to completion month January 2017</li> </ul> <p><b>Auditor Verification:</b> Corrective action plan accepted. <b>Status:</b> The effectiveness of the corrective action will be verify during next audit</p>
Indicator 4.7.2	Major	<p><b>#NCR No : STK-3.2016</b></p> <p>Finding: The HIRARC was not assessed for bee stings as per item 8, Chapter 6 PQMS-OSH Manual.</p> <p>Objective evidence: Bikam Estate –The HIRARC was not reassessed for Bee Stings after a worker was stung by bees while working on de-creeping of covers on oil palms on Oct 2016.</p>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- To re-assess immediately Bee Stings in the HIRARC</li> <li>- Assistant Manager will do the HIRARC and will be verify by the manager each time it has been reviewed.</li> <li>- To refer JKPP form and past incident or accident records when updating HIRARC.</li> <li>- To do HIRARC Immediately when Accident occurred.</li> </ul> <p><b>Auditor Verification:</b> Auditor has received HIRARC for Bee stings in Jan 2017 <b>Status:</b> Closed</p>
Indicator 4.7.5	Minor	<p><b>#NCR No : RR 01</b></p> <p>At Bikam Estate:</p> <ul style="list-style-type: none"> <li>• First aid box not maintained for future emergency use.</li> <li>• No record of usage was available.</li> </ul>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- To establish First Aid Box Monitoring Checklist and to do monitoring as per scheduled</li> <li>- To paste list of item in every First Aid Box</li> <li>- To brief staffs and workers on how to maintain the first aid box.</li> </ul>



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		<ul style="list-style-type: none"> <li>First aid box content was not in accordance with 4th schedule of Safety Health &amp; Welfare Regulation 1970. It was found that only 9 items were inside the box instead of 17 items as per requirement.</li> </ul>	<ul style="list-style-type: none"> <li>HA to conduct first aid checking periodically</li> <li>To send HA or other relevant staff for first aider training</li> </ul> <p><b>Auditor Verification:</b> Corrective action plan accepted <b>Status:</b> The effectiveness of the corrective action will be verify during next audit.</p>
Indicator 4.8.2	Minor	<p><b>#NCR No : MRS 01 2016</b></p> <p>Finding : Record of training on GAP, HCV and social were not maintained.</p> <p>Objective evidence : Record of training on GAP, HCV and social aspect at visited estate was not evident:</p> <ul style="list-style-type: none"> <li>Bikam Estate did not maintain record of training on riparian buffer zone, sexual harassment, reproductive rights, human rights policy and equal opportunities policy.</li> <li>Cluny Estate did not maintain record of training on GAP.</li> </ul>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>To brief staff that is responsible of maintaining the record on documentation and filing to ensure easy retrieval. Target to completion by end of January 2017</li> <li>Labelling to be done on the files as part of easy retrieval. File master list to be developed and displayed at each filing cabinet</li> </ul> <p><b>Auditor Verification:</b> Corrective action plan accepted <b>Status:</b> The effectiveness of the corrective action will be verify during next audit</p>
Indicator 6.2.3	Minor	<p><b>##NCR No : MRS 02 2016</b></p> <p>Finding : Records of all communication with affected parties / stakeholders, and records of actions taken in response to input from stakeholders was not evident during the audit.</p> <p>Objective evidence : Stakeholders meeting at Selaba CU for 2016 did not include all affected parties.</p>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>To re-identify stakeholder and update stakeholder list periodically</li> <li>To conduct new stakeholder meeting covering all affected parties target to completion Month January 2017.</li> <li>Annual Plan and Meeting schedule will be prepared and monitor by RSPO unit.</li> </ul> <p><b>Auditor Verification:</b> Corrective action plan accepted <b>Status:</b> The effectiveness of the corrective action will be verify during next audit</p>
Indicator 6.5.4	Minor	<p><b>#NCR No : MZK 02 2016</b></p> <p><u>Finding:</u> Bikam and Cluny estate management did not monitor the price of raw material for food.</p> <p><u>Objective evidence:</u></p> <ol style="list-style-type: none"> <li>No records of monitoring the price of raw material for food from Grocery Shop inside Cluny and Bikam Estate.</li> </ol>	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>To brief worker on how to channel their complaints.</li> <li>Estate manager to have a discussion with shop owner on item price and come to mutual agreement at least once a year target to completion month January 2017</li> </ul> <p><b>Auditor Verification:</b> Corrective action plan accepted <b>Status:</b> The effectiveness of the corrective action will be verify during next audit</p>

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**Attachment 5**

**RSPO Supply Chain at the Selaba Palm Oil Mill – Mass Balance Model – Module E**

Item No	Requirement NOV 2014	Findings Standard Nov 2014
E.1 E.1.1	<p><b>Defination</b></p> <p>To verify :</p> <p>a) the volume of certified and uncertified FFB entering the mill</p> <p>b) the volume sales of RSPO certified</p> <p>The claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p><b>Actual (December 2015 – November 2016)</b></p> <p align="right"><u>MT</u></p> <p>a) FFB Received <b>119,395.92</b></p> <p>    RSPO 56,702.39</p> <p>    Non-RSPO 62,693.53</p> <p>FFB Processed <b>119,395.92</b></p> <p>    RSPO 56,702.39</p> <p>    Non-RSPO 62,693.53</p> <p>CPO Production <b>24,368.999</b></p> <p>PK Production <b>5,983.956</b></p> <p>b) Delivery of CPO <b>24,474.81</b></p> <p>    RSPO(MB) 14,236.18</p> <p>    Non-RSPO 10,238.63</p> <p>Delivery of PK <b>5,749.85</b></p> <p>    RSPO (MB)</p> <p>    Non-RSPO 5,749.85</p>
E 2 E..2.1	<p><b>Explanation</b></p> <p>Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p><b>Projection (December 2016 – November 2017)</b></p> <p align="right"><u>MT</u></p> <p>(1) FFB Received <b>137,526.02</b></p> <p>    RSPO 68,394.40</p> <p>    Non-RSPO 69,131.62</p> <p>(2) FFB Processed <b>137,526.02</b></p> <p>    RSPO 68,394.40</p> <p>    Non-RSPO 69,131.62</p> <p>(3) CPO Production <b>29,664.36</b></p> <p>(4) PK Production <b>7,302.63</b></p> <p>(5) Delivery of CPO <b>29,664.36</b></p> <p>    RSPO(MB) 14,752.67</p> <p>    Non-RSPO 14,911.69</p>

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		(6) Delivery of PK RSPO (MB) 3,631.74 Non-RSPO 3,670.89	<b>7,302.63</b>
E.2 E.2.2	<b>Explanation</b> 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).	Selaba POM has registered itself in the RSPO palmTrace. The member ID is RSPO_PO1000000195	
<b>E 3</b> <b>E 3.1</b>	<b>Documented procedures</b> 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: a) Complete and up to date procedures covering the implementation of all the elements in these requirements  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 facilities procedures for the implementation of this standard.	<p>a) Selaba POM had revised their procedures titled '<i>Standard operating procedure (SOP) for Sustainable Supply Chain and Traceability</i>', version 2, dated Oct 2016. The procedure described the following:</p> <ul style="list-style-type: none"> <li>• Clause 4.0 ~ the responsibility of for the implementation of RSPO SCC i.e. head of operating unit</li> <li>• Clause 5.0 ~ Control of document &amp; records such as weighbridge tickets, consignment notes, training record &amp; contracts. Record retention for 10 years.</li> <li>• Clause 6.0 ~ Delivery of FFB from the estate – relevant record involved, flowchart for crop diversion, list of mill and their supply chain model i.e. IP or MB</li> <li>• Clause 7.0 ~ Receiving FFB at the mill – list of supply base, rules for determining diverted FFB destination</li> <li>• Clause 8.0 ~ process monitoring</li> <li>• Clause 9.0 ~ CPO and PK dispatch</li> <li>• Clause 10.0 ~ Non-conforming material / product</li> <li>• Clause 11.0 ~ product claim – shall follow RSPO rules on market communication &amp; claim</li> <li>• Clause 12.0 ~ Outsourced contractor - the mill has established list of outsourced contractor.</li> <li>• Clause 13.0 ~ Training.</li> <li>• Clause 14.0 ~ Reclassification of mill's supply chain model.</li> <li>• Clause 15.0 ~ Production volume</li> </ul> <p>The procedure was kept in file RSPO Supply Chain Manual (SCM/RSPO/SD) Appropriate changes were also made in the change from the previous Segregation to Identity Preserved model.</p> <p>b) The Assistant Mill Manager has been appointed as the person having overall responsibility for and authority over the implementation of the supply chain requirements.</p>	
<b>E 3.2</b>	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Selaba POM has implemented Clause 7.0 – Receiving FFB at the mill of Sime Darby Plantation, Plantation Quality Management System, Appendix 15 – " <i>Standard operating procedure (SOP) for Sustainable Supply Chain and Traceability</i> " dated March 2016 for receiving and processing certified and non-certified FFBs.	
<b>E.4</b> E.4.1	<b>Purchasing and goods in</b> The site shall verify and document the volumes of certified and non-certified FFBs received.	All certified FFB came from Selaba SOU 5's estates and non-certified FFB come from independent FFB suppliers. All delivery documents of certified FFB were verified to ensure the certified status of the FFB. Volumes of certified and non-certified FFBs received by the mill had been properly recorded and	

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		<p>monitored. All purchasing and sales activities were handled by Global Trading Marketing (HQ).</p> <p>Selaba POM has received 56,702.39 MT of RSPO FFB from its own estates for their processing activities.</p>
<b>E 4.2</b>	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction of certified CSPO during the period under review (Dec 2015 – Nov 2016).
<b>E.5</b> E.5.1	<p><b>Record keeping</b></p> <p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock)</p>	<p>a) Selaba POM had continued to keep record and balances all receipts of RSPO-certified FFBs and deliveries of RSPO-certified CPO and PK on a three-monthly basis in the table 'RSPO Records for Oil Mills'.</p> <p>b) Based on "RSPO Records for Oil Mills, noted that the accounting records were found to be consistent with each other. For the period from Dec 2015 to Nov 2016, Selaba POM had delivered a total of 14,236.18MT of RSPO-certified (MB) CPO and 0MT of RSPO-certified (MB) PK. All the certified CPO was delivered to their subsidiary - Jomalina Refinery and NURI Refinery Sdn. Bhd.</p> <p>c) The RSPO records for Selaba POM indicated both positive balances for the certified CPO and palm kernel.</p>
<b>E 5.2</b>	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.	Not applicable – no out sources activity.

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**Attachment 6**

**Status of Non-conformities Previously Identified**

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
Indicator: 2.1.1	Major	<p><b>NCR#: MRS 01 2016</b></p> <p>1. Noted that methamidophos (Multiphos 60) from Cashwood Division was transferred to other area without permission from Department of Agriculture:</p> <ul style="list-style-type: none"> <li>i) Based on bin card (Store Code: Multiphos; Item No:1600001049; Description:SR01) - 12 litres (3 bottles) of Multiphos 60 (Class 1b) was transferred to Sg. Beruas Division on 20 August 2015</li> <li>ii) 12 litres was transferred to Sogomana Estate (Main Office) – D/O 000302 as sighted in the bin card dated 18/08/2015</li> </ul> <p>2. No evident of record for 'Declaration of health status for entrance person' during the inspection of sand filter on 10-11/12/2015 and mud drum on 14/12/2015 at Selaba POM.</p> <p>3. Selaba POM had not inform DOSH Perak that the steam separator, PK PMT 103377 has not been used anymore, although had been requested by DOSH Officer during mill periodical inspection dated 14/12/2015.</p> <p>4. CSDS/MSDS for pesticides was not available during site review at chemical store, Sogomana Estate such as :</p> <ul style="list-style-type: none"> <li>i) Sg, Beruas Division – <ul style="list-style-type: none"> <li>a. Multiphos 60–methamidophos (Class 1b),</li> <li>b. Supresate 41 (Class III) and</li> <li>c. Hextar Cyper (Class III)</li> </ul> </li> <li>ii) Cashwood Division – <ul style="list-style-type: none"> <li>a. Multiphos 60–methamidophos (Class 1b),</li> <li>b. Kenlon (Class III) and,</li> <li>c. Primine 48 (Class III)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>i) Auditor has received permission letter from Agriculture Department to transfer 12 liters of methamidophos from Sogomana Estate (Cashwood Division) to Sogomana Estate (Sg, Beruas Division) dated 5 February 2016</li> <li>ii) The transfer of methamidophos was canceled by Assistant Manager from Sogomana Estate (Cashwood) to Sogomana Estate (Main Office) dated 18 August 2015 as verified from 'Stock Transfer Note'</li> </ul> <p>2. Form of 'Declaration of health status for entrance person' for any work conducted in the confined space at Selaba POM were made available</p> <p>3. Official letter from Selaba POM to DOSH Perak on the condition of steam separator was done on 22 January 2016.</p> <p>4. Auditor has received evidences that the MSDS for pesticides which also have been displayed at the Sg. Beruas and Cahswood Division at Sogomana Estate.</p> <p><b>Status: Closed</b></p>	<ul style="list-style-type: none"> <li>1. No such recurrence cases encountered during this audit. Related documents provided to the audit team during the closure of the NCs were kept in the files at respective sites.</li> <li>2. Declaration of health status for entrance person has been verified.</li> <li>3. There was no further request from DOSH.</li> <li>4. All CSDS/MSDS for chemicals was available in Bahasa Malaysia and English during visited.</li> </ul> <p><b>Status: Closed</b></p>

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Indicator: 2.1.3	Minor	<p><b>NCR#: HO-01-2016</b> There is no evident mechanism for ensuring compliance of the requirement of <i>Jadual Pematuhan</i> and “Garis Panduan Pelaksanaan Kerja-Kerja Desludging Bagi Kolam-Kolam Pengolahan Effluen Di Kilang Kelapa Sawit Dan Kilang Getah” (2015 publication) at Selaba POM been implemented.</p>	<p>1) New standard monitoring record will be implemented which including the requirement of <i>Jadual Pematuhan in ensuring the compliance.</i> 2) “<i>Garis Panduan Pelaksanaan Kerja-Kerja Desludging Bagi Kolam-Kolam Pengolahan Effluen Di Kilang Kelapa Sawit Dan Kilang Getah</i>” (2015 publication) has been kept for the record and instruction in “Garis Panduan “ had been followed in last desludging work.</p>	<p>Selaba CU has evaluated its compliance against the requirement of the <i>Jadual Pematuhan</i>. Sighted a letter from DOE for permission to “permohonan kebenaran untuk melepaskan enapcemar dari kolam-kolam sisitem pengolahan effluent (kolam 1,2,3,4,5,&amp; 78) kilang kelapa sawit Selaba”, dated 26/12/2014. <b>Status: Closed</b></p>
Indicator: 4.2.3	Minor	<p><b>NCR#: MZK 02 2016</b> Sogomana Estate: Found that the last soil analysis was carried out in May 2010. Seri Intan Estate: Found that the last soil analysis was carried out in June 2010</p>	<p>Auditor has verified Soil Analysis Test report for Sogomana Estate dated 21 October 2014.</p>	<p>Analysis for soil T was carried at 5 yearly intervals. The sampling on Bikam Estate was carried out in March 2014 while on Cluny Estate in July 2014. Soil Analysis Test Report for Sogomana Estate dated October 2014 and Seri Intan on September 2014. <b>Status: Closed</b></p>
Indicator 4.7.1	Major	<p><b>NCR#: MRS 02 2016</b> No documented and monitoring of occupational health and safety plan at Sogomana Estate (Cashwood and Sg. Beruas Division) sighted by auditor</p>	<p>Auditor has received documented occupational health and safety plan titled ‘OSH programmes FY 2015/2016’ and the plan had been reviewed and monitored through OSH meeting minute dated 11/12/2015.  <b>Status: Closed</b></p>	<p>A safety and health plan for 2016/2017 had been implemented. At Bikam Estate and Cluny Estate, the plan was updated on 5 July 2016 and was presented to the auditors. The plan covered ESH risk management, Chemical Safety management, Inspection, etc. The implementation was also monitored by internal audits conducted by OSH officers from PSQM Department. <b>Status: Closed</b></p>
Indicator 4.7.3	Major	<p><b>NCR#: MZK 01 2016</b> At Sogomana Estate (Sg. Beruas Division), sprayer in Field 2014B was not provided with proper cartridge respirator as per CHRA recommendation.</p>	<p>Training record on the use of respirator by sprayer (Respirator single 3M3200 Catridge) on 19 February 2016 at Sg. Beruas Division in Sogomana Estate was provided.  <b>Status: Closed.</b></p>	<p>During site visit at Cluny and Bikam Estate, pesticide sprayers were seen to wear proper PPE which is apron, nitrile gloves, goggles, wellington boot, and cartridge respirator. Harvesters in both Bikam and Cluny Estates and pruner in Bikam Estate were using the appropriate PPEs. Interviewed were the workers showed</p>

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				that the workers were aware of all precautions and safety requirements. PPEs issuance and replacement records were made available to auditors. <b>Status: Closed</b>
Indicator 5.2.4	Minor	<b>NCR#: MRS 03 2016</b> HCV action plan FY 2015/2016 for Sg. Bidor was made available at Seri Intan Estate (Selaba Division). However, record of monitoring of the HCV area was not evident.	Seri Intan Estate (Selaba Division) had developed monitoring records.	Auditor has verified on HCV monitoring at Cluny Estate during this audit. The monitoring was conducted by monthly basis at Cluny Estate. Latest monitoring was in Dec 2016. <b>Status: Closed</b>
Indicator 5.4.1	Minor	<b>NCR#: HO-02-2016</b> No evident that the CU has planned to improve efficient use of fossil fuels.	KKS Selaba has established Environmental Management Plan FY15/16 dated 18 March 2016 for improving efficiency of the use of fossil fuels.	A plan for improving the efficient use of fossil fuels has been established and incorporated into the Environmental Aspect and Impact activities report for 2016 / 2017. The plan was updated in July 2016. <b>Status: Closed</b>
Indicator 5.6.2	Major	<b>NCR#: HO-03-2016</b> No evident that the CU has planned and implemented greenhouse gas emissions reduction or minimisation.	Auditor has received the CU emission reduction plan and implementation for compost, EFB, POME, FFB and mulching including calculation of emission reduction (Mt CO2-e) for 2015. Sime Darby HQ also have planned and implemented for greenhouse gas (GHG) emissions reduction or minimisation. Detail of the plan and implementation have been published at Sime Darby's website. The link as stated below: <a href="http://www.simedarby.com/sustainability/minimising-environmental-harm/carbon/carbon">http://www.simedarby.com/sustainability/minimising-environmental-harm/carbon/carbon</a>	Sighted the plan for GHG emissions reduction on the Sime Darby's website. Among the objective is to aim emission reduction by 2020 via carbon reduction strategy. SDPSB have set individual reduction target by divisions. Detail of the plan and implementation have been published at Sime Darby's website. The link as stated below: <a href="http://www.simedarby.com/sustainability/minimising-environmental-harm/carbon/carbon">http://www.simedarby.com/sustainability/minimising-environmental-harm/carbon/carbon</a> <b>Status: Closed</b>

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Attachment 7

### SDP - RSPO Certification Status for Malaysia Operations

SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	Sg. Dingin	Karangan, Kedah	12 Aug '10	11 Aug '20	SPO 550179	
2	Chersonese	Kuala Kurau, Perak	5 Oct '11	4 Oct '21	CU-RSPO-815148, SPO 590800	
3	Elphil	Sg Siput, Perak	18 Jun '11	17 Jun '21	SPO 550180	
4	Flemington	Teluk Intan, Perak	5 Oct '11	4 Oct '21	CU-RSPO-819144, SPO 590802	
5	Seri Intan	Teluk Intan, Perak	3 Mar '11	2 Mar '21	CU-RSPO-811218, RSPO 0015	
5	Selaba	Teluk Intan, Perak	3 Mar '11	2 Mar '21	CU-RSPO-819142, RSPO 0016	
5a	Sg Samak		3 Mar '11	NA	NA	Withdrawn. Ceased Operation.
6	Tennamaram	Bestari Jaya, Selangor	3 Mar '11	2 Mar '21	CU-RSPO-819143, RSPO 0014	
7	Bkt Kerayong	Kapar, Selangor	15 Apr '11	14 Apr '21	RSPO 550181	
8	East	Carey Island, Selangor	19 May '10	18 May '20	SPO 543543	
9	West	Carey Island, Selangor	19 May '10	18 May '20	SPO 543594	
9a	Sepang	Sepang, Selangor	19 May '10	NA	NA	Withdrawn. Ceased Operation.
10	Bukit Puteri	Raub, Pahang	7 Jul '16	6 Jul '21	CU-RSPO-815147, 18502206 001, 854 502 14020	
11	Kerdau	Temerloh, Pahang	7 Jul '16	6 Jul '21	CU-RSPO-819155, 18502207 001, 854 502 14019	
12	Jabor	Kuantan, Pahang	7 Jul '16	6 Jul '21	CU-RSPO-819156, RSPO 928288, 854 502 14049	
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29 Dec '16	CU-RSPO-819163, SGS-RSPO/PM/MY13/01284, 854 502 14039	Recertification of Labu POM is in progress. PalmTrace License is valid till end of March 2017 in the PalmTrace system.
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18 May '20	SPO 541905	
15	Sua Betong	Port Dickson, Negeri Sembilan	18 Feb '14	17 Feb '19	SPO 600305, 824 502 16032	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill.



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16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '16	6 Jul '21	CU-RSPO-819157, RSPO 928188, 824 502 16051	
17	Kempas	Jasin, Melaka	19 May '10	18 May '20	RSPO 005	
18	Diamond Jubilee	Jasin, Melaka	5 Oct '11	4 Oct '21	CU-RSPO-819146, RSPO 591224	
19	Pagoh	Muar, Johor	28 Jan '14	27 Jan '19	SPO 600305	Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill.
19a	Yong Peng	Yong Peng, Johor	20 Oct '10	19 Oct '15	SPO 550182	Withdrawn. Ceased Operation.
20	Chaah	Chaah, Johor	18 Nov '10	17 Nov '20	RSPO 548299	
21	Gunung Mas	Kluang, Johor	19 May '10	18 May '20	RSPO 901888	
22	Bukit Benut	Kluang, Johor	5 Oct '11	4 Oct '21	CU-RSPO-819147, RSPO 591229	
23	Ulu Remis	Layang-layang, Johor	11 Apr '16	10 Apr '21	SGS-RSPO/PM-00722, 824 502 16042	
24	Hadapan	Layang-layang, Johor	29 Mar '11	28 Mar '21	824 502 16040	
25	Segaliud	Sandakan, Sabah	20 May '10	19 May '15	SPO 547123	Withdrawn. Ceased operation.
26	Sandakan Bay	Sandakan, Sabah	1 Oct '08	30 Sep '18	SPO 537872	
27	Melalap	Tenom, Sabah	21 Jan '11	20 Jan '21	SPO 547124	
28	Binuang	Kunak, Sabah	16 Jan '09	12 Jul '20	RSPO 001	
29	Giram	Kunak Sabah	16 Jan '09	12 Jul '20	RSPO 002	
30	Merotai	Tawau, Sabah	16 Jan '09	12 Jul '20	RSPO 004	
30a	Jeleta Bumi	Kunak, Sabah	24 May '10	NA	NA	Withdrawn. Ceased operation.
30b	Mostyn	Kunak Sabah	16 Jan '09	NA	NA	Withdrawn. Ceased operation.
31	Lavang	Bintulu, Sarawak	30 Dec '11	29 Dec '21	CU-RSPO-819166, MUTURSPO/053	
32	Rajawali	Bintulu, Sarawak	30 Dec '16	29 Dec '21	CU-RSPO-819167, RSPO 0020	
33	Derawan	Bintulu, Sarawak	30 Dec '11	29 Dec '21	CU-RSPO-819169, RSPO 0019	
34	Pekaka	Bintulu, Sarawak	30 Dec '11	29 Dec '21	CU-RSPO-815150, MUTURSPO/054	

## RSPO PUBLIC SUMMARY REPORT

### SDP- RSPO Certification Status for Indonesia Operations

NO	Name of PT	Name of Mill	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	PT LAHAN TANI SAKTI	ALUR DUMAI	Bagan Sinembah/Tanh Putih, Pujud, Rokan Hilir, Riau	16 Jan '12	16 Jan '17	MUTU-RSPO/011	
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6 Jul '11	6 Jul '16	MUTU-RSPO/006b	Mill closed down.
3		MUSTIKA OIL MILL		3 Jul '13	3 Jul '18	MUTU-RSPO/027	
4	PT LADANGRUMPUN SUBURUBADI	ANGSANA	Sebamban, Indonesia	9 Nov '16	8 Nov '21	MUTU-RSPO/006a	
5	PT LANGGENG MUARAMAKMUR	BEBUNGA	Pamakan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur	16 Mar '12	16 Mar '17	MUTU-RSPO/014	
6	PT KRIDATAMA LANCAR	SUKAMANDANG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	2 Sept '16	1 Sept '21	MUTU-RSPO/003	
7	PT BAHARI GEMBIRA RIAU	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9 Jul '12	9 Jul '17	MUTU-RSPO/019	
8	PT TUNGGAL MITRA PLANTATIONS	MANGGALA	Riau, Indonesia	25 Nov '10	24 Nov '20	MUTU-RSPO/002	
9	PT PARIPURNA SWAKARSA	PONDOK LABU	Pamakan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/016	
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	5-Jul-11	5-Jul-16	MUTU-RSPO/005	
11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16 Mar '12	16 Mar '17	MUTU-RSPO/017	
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30 Dec '11	30 Dec '16	MUTU-RSPO/009	Recertification of Rantau POM is in progress. PalmTrace License is valid till end of Feb 2017 in the PalmTrace system.
13		BETUNG OIL MILL		1 Apr '14	1 Apr '19	MUTU-RSPO/035	

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14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23 Nov '10	22 Nov '20	MUTU-RSPO/001	
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16 Mar '12	16 Mar '17	MUTU-RSPO/015	
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11 Sep '12	11 Sep '17	MUTU-RSPO/020	
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9 Sept '16	8 Sept '21	MUTU-RSPO/004	
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg.Guntung, Indragiri Ilir, Riau	1 Dec '16	30 Nov '21	MUTU-RSPO/008	
19		MANDAH OIL MILL		1 Apr '14	1 Apr '19	MUTU-RSPO/036	
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	8 Dec '16	7 Dec '21	MUTU-RSPO/007	
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10 Jul '12	10 Jul '17	MUTU-RSPO/018	
22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18 Jul '16	17 Jul '21	MUTU-RSPO/088	
23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3 May '13	3 May '18	MUTU-RSPO/026	
24	PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3 Jul '14	2 Jul '19	MUTU-RSPO/044	
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab.Sanggau, Kalimantan Barat	NA	NA NA		Pending certification by RSPO EB.