

RSPO PRINCIPLES & CRITERIA
PUBLIC SUMMARY REPORT
ANNUAL SURVEILLANCE ASSESSMENT 4

Malaysia
SOU 15 SUA BETONG
Sime Darby Plantation Berhad
2017

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Certifying Office		
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Control Union Certifications	
<p>Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CUC performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.</p> <p>CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and GLOBALGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.</p> <p>Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.</p>	
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Affiliate Membership	http://www.rspo.org/en/member/339

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

Company Name:	Sime Darby Plantation Berhad
Business Address:	PSQM, Level 3A Main Block, Plantation Tower, No.2, Jalan PJU 1A/7 Ara Damansara, 47301 Petaling Jaya, Selangor
Contact Person:	Mdm. Shylaja Devi Vasudevan Nair
Office Telephone:	03-78484000
E-Mail:	shylaja.vasudevan@sime-darby.com
Web Site:	www.sime-darbyplantation.com
Other Certifications Held:	MSPO

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	100080400000
Registered Client Name:	Sime Darby Plantation Berhad – SOU 15 Sua Betong
Certificate Number:	CU-RSPO-855718
Start Date Of Certificate:	18 Feb 2014
End Date Of Certificate:	17 Feb 2019
Date Of Original Certification:	18 Feb 2014
Scope:	Certification of the Palm Oil Mill and Supply Bases
Type Of Certification:	Single site <input checked="" type="checkbox"/>
Duration Of Certificate:	5 Years from date of certification

1.3 Annual Surveillance Assessment Details

Dates of This Audit:	23 rd – 27 th October 2017
Audit Number:	ASA04

1.4 Assessment Type

The scope of certification includes the production of CPO and PK at Sua Betong Palm Oil Mill and its supply base according to the standard of Malaysia National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production Endorsed by RSPO Board of Governors on 6 March 2015 and RSPO Supply Chain Certification Standard dated 21 November 2014.

1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	GPS Reference	
			Longitude	Latitude
KKS Sua Betong	60	Kilang Kelapa Sawit Sua Betong, KM 22, Jalan Linggi, 71050 Sirusa, Port Dickson, N. Sembilan.	E 101°53'43'	N 2°31'42''

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:

- PART 1, Section 1.7 – General Description of Supply Base,
- PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
- PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT)			Actual Production for this Audit Year 2016/2017 (MT)			Projected 12 Months (MT) Forecast Volume in this Report		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
288,071.18	62,919	15,843	279,826.38	54,420.86	11,923.35	297,638	65,500	16,370

1.7 General Description of Supply Base

Sime Darby Plantation Sdn Bhd Strategic Operating Unit (SOU) 15 Sua Betong is located Port Dickson, Negeri Sembilan, Malaysia. More detailed information on the estates location and layouts is shown in tables below. The GPS locations of the mill shown in table 1.5 above.

1.7.1 Location of the Supply Base

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
OPP 1	Ldg PD Lukut	Ladang PD Lukut, Bt. 2½, Jalan Pantai, 71000 PD, NS	E 101° 50' 17"	N 2° 31' 42"	1,408.93	1,289
OPP2	Ldg Salak	Ldg Salak, 71100 Siliau, NS	E 101° 53' 38"	N 2° 30' 59"	3,868.86	3,050.81
OPP3	Ldg Bradwall	Ldg Bradwall, 71200 Rantau, NS	E 101° 54' 55"	N 2° 34' 54"	3,830.36	3,218.11
OPP4	Ldg Sengkang	Ldg Sengkang, 71259 Pasir Panjang, NS	E 101° 57' 72"	N 2° 33' 28"	2,831.51	2,446.47
OPP5	Ldg Sungei Bahru	Ldg Sungai Baru, 78300 Masjid Tanah, Melaka.	E 102° 5' 44"	N 2° 26' 18"	1,438.67	1,001.63
OPP6	Ldg Tampin Linggi	Ldg Tampin Linggi, 71209 Rantau, NS	E 101° 59' 20"	N 2° 30' 52"	2,106.71	1,802.05
OPP7	Ldg Sua Betong	Ladang Sua Betong, 71000 Port Dickson, NS	E 101° 53' 43"	N 2° 31' 42"	2,870.75	2,482.23
TOTAL					18,355.79	15,290.30

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year

OPP	Oil Palm Plantation	Estimated FFB/Year (MT)	Planting Years	Cycle (Years)
OPP 1	Ldg PD Lukut	29,838.35	2011 – 1996	25
OPP2	Ldg Salak	69,723.06	1994 - 2014	25
OPP3	Ldg Bradwall	73,195.41	2016-1997	25
OPP4	Ldg Sengkang	59,676.00	1996 - 2014	25
OPP5	Ldg Sungei Bahru	23,061.37	2003/2005/2006/2011/2012	25
OPP6	Ldg Tampin Linggi	41,601.26	2014-1994	25
OPP7	Ldg Sua Betong	58,841.45	2016-1993	25
TOTAL		355,936.90		

1.7.3 Conservation and HCV Area (Ha)

OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Ldg PD Lukut	0	0	
OPP2	Ldg Salak	0	0	
OPP3	Ldg Bradwall	0	9.79	Yes
OPP4	Ldg Sengkang	0	9.12	Yes
OPP5	Ldg Sungei Bahru	0	0	
OPP6	Ldg Tampin Linggi	0	0	
OPP7	Ldg Sua Betong	0	6.06	Yes
TOTAL		0.00	24.97	

* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

1.7.4 Percentage of Planted Oil Palm by different Age Ranges					
OPP	Planting Years by 5-year Ranges				
	1996-2000	2001 -2005	2006 – 2010	2011 – 2015	Total
OPP 1	42.4%	32.0%	8.8%	16.8%	100
OPP2	32.83%	26.84%	18.60%	21.70%	100
OPP3	14.07%	27.75%	15.80%	42.38%	100
OPP4	25.88%	40.26%	19.30%	14.53%	100
OPP5		18.58%	45.41%	36.01%	100
OPP6	28.52%	53.77%	14.35%	3.36%	100
OPP7	3.02%	31.87%	41.30%	23.81%	100

1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill			
N = 0.8vY, where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed			
For the Mill, how many units make up the production base?			
Owned estates (Y)	N = 0.8vY	Smallholders (Z)	N = 0.8vZ
7	3	-	-
Explanation as to the selection of estates sampled			
N = 0.8vY, where “7” is result to 3 supply bases been audited during this assessment.			

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment
Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan, if applicable to this assessment
Not applicable

1.9 Location Map for this Certification Unit (See Appendix 1)

PART 2: PARTIAL CERTIFICATION
The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure				
Section	Criteria	Yes/No	If “Yes”	If “No”
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies: a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?	-	Go to 2.1.4	Go to 2.2.1
2.1.4	b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil?	-	Go to 2.4	Go to 2.2.2
2.1.5	Is there a time bound plan in place for all subsidiaries,	Yes	Go to 2.3	2.2.3

	estates and palm oil mills?			
2.1.6	Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO.	Yes		

2.2 Non-compliance Identified with 2.1 Above			
Section	Non-compliance findings	NC raised	Category
2.2.1	There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification.	-	Major
2.2.2	There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure.	-	Major
2.2.3	There is no time bound plan in place for the certification for all subsidiaries, estates and mills.	-	Major
2.2.4	No applicable membership of the RSPO.	-	Major

2.3 Summary of the Time Bound Plan			
Section	Requirement	Findings and any action required	Compliance
2.3.1	Does the plan include all subsidiaries, estates and mills?	Time bound plan consist of all units includes un-certified units which is Sime Darby Plantations – Liberia, PT. Mitra Austral Sejahtera, West Kalimantan and Bintang Palm Oil Mill, Talisman Estate and Lian Seng Estate in Johor in April 2017.	Yes
2.3.2	Is the time bound plan challenging? ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law.	The plan is achievable unless otherwise with unforeseen circumstances. The risk involves varies from: • To engage certification bodies and their availability. • PT. MAS progress with communities and RSPO. • In Liberia sites, findings from pre-assessment found there is lacking of implementation and this issue is under discussion with RSPO.	Yes
2.3.3	Have there been any changes since the last audit? Are they justified?	No changes. There is additional of units Bintang Palm Oil Mill, Talisman Estate and Lian Seng Estate in Johor in April 2017.	Yes
2.3.4	If there have been changes, what circumstances have occurred?	No changes.	Yes
2.3.5	Have there been any stakeholder comments?	None received.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	There is newly acquired units Bintang Palm Oil Mill, Talisman Estate and Lian Seng Estate in Johor in April 2017.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	The target date for certification for PT. MAS is by 2017 subject to the progress of the matter being resolved. PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and	Yes

		<p>Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Ongoing and regular (bi-monthly) discussions is ongoing between Sime Darby Plantation and the project affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012.</p> <p>The latest progress report submitted to RPSO dated 30th June 2016. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p> <p><u>Liberia</u> Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011.</p> <p>In Sept 2017, pre-assessment has been done by BSI and found the units still not ready to undergo certification. This issue has been brought and discussed to RSPO.</p>	
2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	PT. MAS has undergone RSPO Main Assessment in July 2011. However, until now the process still ongoing between Sime Darby, Communities and RSPO Secretariat.	Yes
2.3.9	General statement as to progress made since the last audit?	No changes. There is additional of units Bintang Palm Oil Mill, Talisman Estate and Lian Seng Estate in Johor in April 2017.	Yes

2.4 Un-Certified Units or Holdings			
Section	Requirement	Findings and any action required	Compliance
NOTE: Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)			
2.4.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Ongoing and regular (bi-monthly) discussions is ongoing between Sime Darby Plantation and the project affected communities.	Yes
2.4.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> Primary forest. Any area identified as containing High Conservation Values (HCVs). Any area required 	<p>All new plantings in SDP operation (including uncertified units in Liberia and Indonesia operation) were in accordance to New Planting Procedures (NPP) and Principle 7.3:</p> <p>For Liberia operation, RSPO NPP process has been completed in 2011 which cover the HCV area. Internal assessment against the generic P&C has been completed and closing of gaps is in progress.</p>	Yes

	to maintain or enhance HCVs in accordance with RSPO criterion 7.3.	For Indonesian operation, HCV assessment completed for all operations (including un-certified units) in 2009. Any affected areas that falls under the RSPO Remediation and Compensation Procedures is being addressed accordingly	
2.4.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?	Yes
2.4.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No stakeholder comments or complaints received.	Yes
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No pending legal non-compliance	Yes

TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES				
Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Targeted RSPO Certification Year	Current Certification Status as per this Audit
MAS POM	Indonesia	PT. Mitral Austral Sejahtera Estate	Status as above	Not certified
Sime Darby Plantations – Liberia	Liberia	TBC	Status as above	Not certified

With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable	
Name of Mill or Plantation	*Area of concern (See examples below)
PT. Mitra Austrial Sejahtera	Pending compensation panel status.
<p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes 	

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

Under partial certification the main company and all its subsidiaries has been certified according to the initial time bound plan.

2.6 Partial Certification Audit Agenda

Date	Location	Agenda
-	-	-

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

Lead auditor:	Muhd Jamalul Arif
Team member 1:	Mohd Razaleigh Mohamad
Team member 2:	Mohd Ezani Abd Aziz
Team member 3:	Fadly Ahmad

3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Graduated in Plantation Management and Cargo Surveying from local university.

At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	Experience in auditing since 2011 in RSPO P&C, SCCS, ISCC, GMP B2 & B3, ESCAS Animal Welfare and Global Gap standards. Working experience in handling Q&Q survey for agricultural products such palm oil.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and middle east country.
Successfully completion of an ISO 9000:19011 lead auditors course;	Completed ISO 9001:2008 Lead auditor in 2011, trained in ISO 19011 & 17021 requirements in 2014.
Training in the practical application of RSPO certification systems.	Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and middle east country.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	Involved in RSPO assessment since 2011. Has conducted RSPO P&C audit for more than 250 days in more than 5 various oil palm companies.
RSPO endorsed lead auditors course.	Yes, successful passed on 2013 and 2016
Signed code of conduct.	Yes
General knowledge of:	Yes
• RSPO P&C standards.	Yes
• CUC organizational structure.	Yes
• CUC quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• RSPO SCCS program manual.	Yes
• CUC filing systems.	Yes
• Correct use of RSPO trademarks.	Yes
• History and objectives of RSPO.	Yes
• CV available.	Yes
Completion of CUC RSPO lead auditor training.	Yes

3.2.2 Qualifications of the Assessment Team

RSPO Requirement	Team Member Name	Qualifications
Fluent in main local languages and English.	Mohd Razaleigh Mohamad	Fluent in English and Bahasa
	Mohd Ezani Abd Aziz	Fluent in English and Bahasa
	Fadly Ahmad	Fluent in English and Bahasa
Field working experience in the palm oil sector, or a demonstrable equivalent.	Mohd Razaleigh Mohamad	Post graduate qualification in agriculture with more than 6 years working experience in various Oil Palm Plantation Industry. Trained in in Good Agriculture Practices (GAP), Integrated Pest Management (IPM) and all plantation operation activities such replanting, mature upkeeping and harvesting. Fully trained in similar agriculture certification programs such as MSPO, Organic & Global Gap. Completed and certified ISO 9001:2015. He has experience in OSH

		implementation in his previous jobs and has been trained internally for OSH in RSPO 4.7 requirements.
	Mohd Ezani Abd Aziz	Graduate qualification in Bachelor Eng. (Agriculture & Biological). Working experience in various oil palm plantation companies for more than 10 years. He is trained in ISO 9001:2015 CQI & IRCA Lead Auditor and trained in Social Compliance for Sustainability in equivalent certification such RSPO P&C. He has completed 15 days auditing under supervision and been qualified for auditor in CUC.
	Fadly Ahmad	Graduated qualification in Plantation & Management with more than 5 years working experience in oil palm plantation company as estate assistant as responsible for crop production, documentation, general estate appearance, man power sufficiency, costing, good agricultural practices, security, mechanization, special project and OSH. He has passed the CQI & IRCA Certified ISO 14001:2015 Lead Auditor and complete the 15 days supervision as MSPO auditor.
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Mohd Razaleigh Mohamad	Post graduate qualification in agriculture with more than 6 years working experience in various Oil Palm Plantation Industry. Trained in in Good Agriculture Practices (GAP), Integrated Pest Management (IPM) and all plantation operation activities such replanting, mature upkeeping and harvesting. Fully trained in similar agriculture certification programs such as MSPO, Organic & Global Gap. Completed and certified ISO 9001:2015. He has experience in OSH implementation in his previous jobs and has been trained internally for OSH in RSPO 4.7 requirements.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	Mohd Razaleigh Mohamad	Post graduate qualification in agriculture with more than 6 years working experience in various Oil Palm Plantation Industry. Trained in in Good Agriculture Practices (GAP), Integrated Pest Management (IPM) and all plantation operation activities such replanting, mature upkeeping and harvesting. Fully trained in similar agriculture certification programs such as MSPO, Organic & Global Gap. Completed and certified ISO 9001:2015. He has experience in OSH implementation in his previous jobs and has been trained internally for OSH in RSPO 4.7 requirements.
Workers welfare issues and social auditing	Mohd Ezani Abd Aziz	Graduate qualification in Bachelor Eng. (Agriculture & Biological). Working experience in

experience. (For example with SA8000 or related social or ethical accountability codes).		various oil palm plantation companies for more than 10 years. He is trained in ISO 9001:2015 CQI & IRCA Lead Auditor and trained in Social Compliance for Sustainability in equivalent certification such RSPO P&C. He has completed 15 days auditing under supervision and been qualified for auditor in CUC.
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Fadly Ahmad	Graduated qualification in Plantation & Management with more than 5 years working experience in oil palm plantation company as estate assistant as responsible for crop production, documentation, general estate appearance, man power sufficiency, costing, good agricultural practices, security, mechanization, special project and OSH. He has passed the CQI & IRCA Certified ISO 14001:2015 Lead Auditor and complete the 15 days supervision as RSPO auditor.
Economic issues.	Mohd Ezani Abd Aziz	Graduate qualification in Bachelor Eng. (Agriculture & Biological). Working experience in various oil palm plantation companies for more than 10 years. He is trained in ISO 9001:2015 CQI & IRCA Lead Auditor and trained in Social Compliance for Sustainability in equivalent certification such RSPO P&C. He has completed 15 days auditing under supervision and been qualified for auditor in CUC.

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.

- **Documentation review.**

The Palm Oil Mill audit verification included the following activities:

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

3.3.2 Assessment Agenda for this Audit

Date	Location	Main activities
23/10/2017 (Monday)	Sua Betong Palm Oil Mill	0900 – 0930: Opening meeting (All auditors and client)
		<ul style="list-style-type: none"> • Introduction by team leader
		0930 – 1700: Document review (All auditors)
		<ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best milling practices • Safety and Health • Legal requirements
		0930 – 1700: Document review (Jamal)
		Supply Chain Certification Assessment of the POM (RSPO SCCS)
		<ul style="list-style-type: none"> • Demonstration of legal entity • Roles and responsibility • Procedures/manual/SOP • Record of purchase – RSPO certified product • Record of sales– RSPO certified product • RSPO logo & claims
		Site verification
		<ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required.
24/10/2017 (Tuesday)	PD Lukut Estate	0900 – 1700: Document review (All auditors)
		<ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best agricultural practices • Safety and Health
		Site verification

		<ul style="list-style-type: none"> • Chemical / Pesticide / Fertilizer Stores • Worker's facilities (housing, pay, etc) • Workers interview • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Workers interview • Stakeholder consultation if required.
	TBC	1000 – 1200: Stakeholders Consultation Meeting <ul style="list-style-type: none"> • Auditors meeting with invited stakeholders • Conducted without present of client.
25/10/2017 (Wednesday)	Salak Estate	0900 – 1700: Document review (All auditors) <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best agricultural practices • Safety and Health Site verification <ul style="list-style-type: none"> • Chemical / Pesticide / Fertilizer Stores • Worker's facilities (housing, pay, etc) • Workers interview • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Workers interview • Stakeholder consultation if required.
26/10/2017 (Thursday)	Bradwall Estate	0900 – 1700: Document review (All auditors) <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best agricultural practices • Safety and Health Site verification <ul style="list-style-type: none"> • Chemical / Pesticide / Fertilizer Stores • Worker's facilities (housing, pay, etc) • Workers interview • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Workers interview • Stakeholder consultation if required.
27/10/2017 (Friday)	All units	0800 – 1000: Document review and field visit (All auditors) <ul style="list-style-type: none"> • Additional field visits, documents review and meetings with managers as necessary.

		<ul style="list-style-type: none"> Auditors final discussion and conclusion.
	Sua Betong Palm Oil Mill	<p>1000: Closing meeting (All auditors and client)</p> <ul style="list-style-type: none"> Presentation of findings by the audit team NC closure dateline (if any) Questions and answers Final summary by team leader <p>End of assessment</p>

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

Since this facility certified of RSPO since 2014, therefore the management has been audited annually by internal members and 3rd parties. In this assessment, there are non-conformity found and was addressed with necessary corrective action timely. The audit team found the members from management and staff in the mill possess very high commitment, transparency and effectiveness towards the audit requirements.

As part of the audit evidence, the mill managers were interviewed and sufficient objective evidences were collected and verified as proof of successful implementation of RSPO standard. It was reported that after the implementation of various sustainability standards, in regards to Occupational safety and Health [OHS] there are proper mechanism available to manage training programs, certified safety officer was employed, adequate PPE were provided to workers, good awareness on open burning and 1st aid facility in mill has been successfully implemented.

Aside, among the significant changes seen are facility of internal clinic, annual medical check-up for workers, HIRADC established for mill, full enforcement of OHS, safety committee formed, accident and incident have been reduced gradually, MSDS in place, strict enforcement on open burning, additional facilities for firefighting, emergency preparedness in the mill, 1st aid given high priority, separate chemical [highly flammable and none] storage area and many others.

As for social context, many improvements recorded along with management's goal to meets MSPO principle and criteria. Sampled witnessed for CSR program to local community, facility at land site upgraded such as 24hrs water & electric supply, domestic waste segregated into organic and non-organic using bin system, schedule visiting doctor, stakeholder consultation more professionally manages, forming of gender committee, cultivate own farming surrounding workers house, additional worker's quarters and sports facilities.

Summary of Non-Conformance and Current Status

1 Major and 2 Minor non-conformities was raise. Major NC has been closed within 60 days from the closing meeting date by evidence submitted by email. This is including appropriate root cause analysis, correction and corrective action provided. Details as per section 4.3 below.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.

Signed:



Name: Muhd Jamalul Arif

Date: 6th November 2017

4.2 Summary of the findings by Principles and Criteria

- Over the 5 year period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Commitment to Transparency

Criterion by Audit	Summary	
ASA4	1.1	<p>List of Stakeholders document is maintained at mill office (Ref document: List of Stakeholders). List of stakeholders is update annually by person in charge at the mill. List of stakeholders includes local community heads and other interested parties (government agencies, schools, hospitals etc).</p> <p>Since last audit SOU 15 has not received any request for information on (environmental, social and/or legal) issues from stakeholders relevant to RSPO Criteria.</p> <p>Procedure for External Communication (Appendix 5.5.3.2) of Standard Operation Manual (SOM) & Appendix 5 “Flow Chart and Procedure on Handling Social Issues” described the process of information sharing on estate’s quality, safety & health and environment, social and legal.</p>
ASA4	1.2	<p>There are no requests for information received from stakeholders. Communication with stakeholders are described in the procedures: Procedure for External Communication (Appendix 5.5.3.2) of Standard Operation Manual (SOM) – described the communication process on estate’s quality, safety & health information. Sample of publicly available documents such:</p> <ul style="list-style-type: none"> ➤ Land titles of all estates and mill are available. These documents will be made available to all interested parties upon request. ➤ Occupational Safety & Health Policy updated January 2015 authorized by the Managing Director is posted in the mill’s office which is publicly available. Mill maintains safety & health documents that includes risk assessment (Hazard Identification, Risk Assessment & Risk Control (HIRARC), Emergency Preparedness and Response Plan and Procedure, training plans & training records. All safety & health documents and records maintain will be made publicly available to all interested parties upon request. ➤ The following documents are available that document plans and impact assessment relating to environmental and social impacts: <ol style="list-style-type: none"> i. Environmental Aspect and Impact Identification Form (SM/5.2/EAI) – plans assessment relating to environmental impacts ii. Social Impact Assessment (SIA) – plans and assessment relating to social impacts.
ASA4	1.3	<p>A written policy committing to code of ethical conduct and integrity in all operation and transactions by SOU 15 is clearly described in “Code of Business Conduct (COBC) established by Sime Darby Berhad which was launched on 01st December 2011.</p>

		<p>The principles of the COBC includes:</p> <ul style="list-style-type: none"> ➤ Maintains reputation for behaving fairly, honestly and ethically ➤ Shows a collective commitment to uphold integrity throughout the Group <p>COBC handbook is available in Bahasa Malaysia language and available at estates and mill visited. Briefing of COBC is carried out by Human Resource department to all new employees. All employees are required to read and declare compliance with COBC.</p>
Principle 2: Compliance with Applicable Laws and Regulations		
Criterion by Audit	Summary	
ASA4	2.1	<p>Establishment of Legal Requirement was verified as the Summary of Compliance on updated Legal was sighted. Among Legal requirement sighted was:</p> <ul style="list-style-type: none"> a) OSHA – Pesticides Act 1974 (Act149) subject inclusive of duties of workers (Reg. 10), medical examination (Reg. 11), temporary removal from work Reg. 12), training Reg. 13), duties of person using or handling HTP (Reg. 14), warning sign (Reg. 15) and offences and penalty Reg. 16). b) Environmental – Environmental Quality Act 1974 Scheduled waste disposal (Reg. 4), Spill (Reg. 14(1)), Disposal system (Reg. 6) <p>Copies of license and permit available at the estate. License sighted such as MPOB license and Vehicle renewal license. There are LROR – Legal requirement and Other Requirement documents sighted for the monitoring of up to date laws and act change in Malaysia.</p> <p>Copies of license and permit available at the estate. License sighted such as MPOB license and Vehicle renewal license.</p> <p>The document was prepared by Mr Shauqi Asst Manager and approved by Mr Mohd Nasir– Manager dated 01/07/2017</p> <p>The identification of changes is the responsibility of corporate department in HQ whom shall notify in written to the estate representatives of the changes. It then the respective operating unit’s head to delegate the information among their team members.</p> <p>As for the issues concerning to environment and OHS, it is the responsibility of EHS unit [under the arm of PSQM] to update and implement the changes at SOU level. For the issues related to foreign workers, the Worker Management Unit will liase with respective sites. The HR team co-ordinates on wages concern issues with all operating units.</p> <p>The updated on any changes on applicable law in Malaysia shall be informed by responsible person from PSQM Mrs Salwa – Sr Executive PSQM. The system was implemented based on Standard Operating Procedure.</p> <p>Seen the assessment covers requirements such as Sewerage Act, Minimum Wage Order Occupational Safety and health Act 1994, Environmental Quality Act 1974, Factories and Machinery (Safety, Health and Welfare), Factories and Machinery (Noise Exposure) Regulations 1989, etc.</p>

		<p>Sighted the evaluation of compliance score – card done by the responsible Assistant Manager Mr Wan Rosdi Bin Wan Tarmizi and approved by Act Sr Manager Mr Shaifuzain bin Ahmad dated 01/09/2017.</p> <p>Minor NC: During site visit it was sighted that:</p> <ol style="list-style-type: none"> 1. Sua Betong POM – Cotton rags and cotton gloves which contaminated with spent oil (SW409) was spotted at temporary workshop area. 2. Bradwall Estate – Empty pesticide container (SW409) found in domestic waste bin while same empty pesticide container (SW409) also were spotted at the domestic bin.
ASA4	2.2	<p>PD LUKUT ESTATE Land Title was sighted. Oil Palm cultivation in PD Lukut Estate did not diminish the land use rights of other users as they possess the distinct boundary by digging trenches along the boundary of their estate perimeter.</p> <p>There are no disputes reported in any stakeholder logbook or stakeholder minutes meeting. During stakeholder consultation also, there is none of the land issues raised by the stakeholders.</p> <p>SALAK ESTATE Land Title was sighted with a combination of 38 different land title for Salak Estate previously known as Atherton Rubber Estate. Among Title no is:</p> <ul style="list-style-type: none"> • Geran 52434 (Grant 2608) Lot no 115 – 87.8672 Ha GRN: 050304GRN00052434 • Geran 86368 Lot no 12336 – 199.8Ha GRN:050304GRN00086368 • Geran 238655 (Geran 14304) Lot no 12676 (2595) – 72.17 Ha GRN 050304GRN00238655 <p>There is merging of Salak estate and Siliau estate and there is additional of 13 land titles has been added to the Salak Estate. Among Title no is:</p> <ul style="list-style-type: none"> • Land title number: 76306, Lot no 1369, Ha – 486.6337Ha • Land title number: 76726, Lot no 1802, Ha – 335.889Ha • Land title number: 16048, Lot no 2851, Ha – 98.81Ha <p>Oil Palm cultivation in Salak Estate did not diminish the land use rights of other users as they possess the distinct boundary by digging trenches along the boundary of their estate perimeter.</p> <p>There are no disputes reported in any stakeholder logbook or stakeholder minutes meeting. During stakeholder consultation also, there is none of the land issues raised by the stakeholders.</p> <p>BRADWALL ESTATE Land Title was sighted with a combination of 33 different land title for Bradwall Estate. Among Title no is:</p> <ul style="list-style-type: none"> • Land title number: 52246, Lot no 399, Ha – 247.3637Ha • Land title number: 76427, Lot no 2101, Ha – 99.8054Ha • Land title number: 38346, Lot no 9216, Ha – 59.87Ha <p>Oil Palm cultivation in Bradwall Estate did not diminish the land use rights of</p>

		<p>other users as they possess the distinct boundary by digging trenches along the boundary of their estate perimeter.</p> <p>There are no disputes reported in any stakeholder logbook or stakeholder minutes meeting. During stakeholder consultation also, there is none of the land issues raised by the stakeholders.</p>
ASA4	2.3	<p>There is a documented flow chart and procedure – Appendix 05 for “Handling Social Issues”. Aside there is also another flow chart and procedure – Appendix 03 for Land or Boundary Disputes”.</p> <p>This set of documents are applicable if any arising issues from the local communities neighboring the estate or stakeholders or during land surveying process by authorized agencies.</p> <p>There is no land dispute based on stakeholder meeting minutes, stakeholder logbook and complaints on website.</p> <p>Maps of estate was available according to appropriate scale.</p>

Principle 3: Commitment to Long-Term Economic and Financial Viability

Criterion by Audit	Summary																													
ASA4	3.1	<p>Summary of budget available in document title “Management Plan 2017 – Sua Betong Mill” that consist of statistics & cost and “Planning Year” from 2018 – 2022. Business management plan available in “Business Planning Consolidate” every financial year June 2017 – July 2018 document that consist of all relevant cost estimation and production volume such as:</p> <table border="1" data-bbox="746 1128 1257 1249"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>OER</td> <td>21.88</td> <td>22.13</td> <td>22.31</td> </tr> <tr> <td>KER</td> <td>5.50</td> <td>5.50</td> <td>5.50</td> </tr> </tbody> </table> <p>Projected volume:</p> <table border="1" data-bbox="683 1323 1321 1480"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>112,943.30</td> <td>115,576.23</td> <td>118,551.44</td> </tr> <tr> <td>CPO</td> <td>24,712.70</td> <td>25,573.21</td> <td>26,452.35</td> </tr> <tr> <td>PK</td> <td>6,211.88</td> <td>6,356.69</td> <td>6,520.33</td> </tr> </tbody> </table> <p>Summary of budget available in document title “Management Plan 2017 – Salak Estate” that consist of statistics & cost and “Planning Year” from 2018 – 2022.</p> <p>The statistic & cost details outline such oil palm mature area statement, crop projection (MT), yield per Ha (MT/ha), direct cost such upkeeping, manuring, harvesting & collecting, transport. Fixed cost estimate is administration, labour, road & bridges, admin paid by HO, depreciation and total.</p> <p>The documents indicate actual total cost in MYR as well MYR per MT FFB production, MYR per mature Ha, MYR per CPO production & MYR per PK production.</p> <p>Salak has took over the Siliu Estate (main division part) effective on Sep</p>		2017/18	2018/19	2019/20	OER	21.88	22.13	22.31	KER	5.50	5.50	5.50		2017/18	2018/19	2019/20	FFB	112,943.30	115,576.23	118,551.44	CPO	24,712.70	25,573.21	26,452.35	PK	6,211.88	6,356.69	6,520.33
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		<p>2017. The division now known as North Division of Salak Estate. Thus, last year budget sighted is separately between previous Salak Estate and North Division. Also sighted actual expenses is bigger than budgeted due to this merger.</p> <p>Crop projection for next 4 years (Exclude North Division:</p> <table border="1" data-bbox="837 443 1161 638"> <thead> <tr> <th>Year</th> <th>MT/FFB</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>45,237</td> </tr> <tr> <td>2019</td> <td>45,411</td> </tr> <tr> <td>2020</td> <td>45,444</td> </tr> <tr> <td>2021</td> <td>45,652</td> </tr> </tbody> </table> <p>Planting material during first planting details available in document "Oil Palm Yield Statistics" outline each field name and planting material. Sighted only 9 fields planted with clone OP-SD PRE (2009A, 2011B, 2011A, 2012F, 2012A, 2012C, 2012B, 2013B & 2013A) while the balance total 32 fields are planted with OP-DxP material.</p> <p>The business management plan is effectively implemented according to the budget vs actual cost. All the expenses must be within the budget allocation and closely monitored by management and HQ. This management plan will be reviewed once a year.</p> <p>In Bradwall Estate, same system implemented. Projection of yield available for next 5 years.</p> <p>Crop projection for next 4 years:</p> <table border="1" data-bbox="778 1236 1225 1431"> <thead> <tr> <th>Year</th> <th>MT/Ha</th> <th>FFB (MT)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>21.88</td> <td>53,610</td> </tr> <tr> <td>2019</td> <td>22.46</td> <td>58,472</td> </tr> <tr> <td>2020</td> <td>24.25</td> <td>63,619</td> </tr> <tr> <td>2021</td> <td>24.83</td> <td>66,589</td> </tr> </tbody> </table> <p>Planting material in last replanting at Bradwall Estate on 2016 is consist of DxP seedlings as per "Oil Palm Yield Statistics for Sep 2017 and nursery status as Nov 2015.</p> <p>Annual replanting programme available in document title "Bradwall Estate Long Range Replanting Programme (LRRP)" shown the replanting programme from Financial Year 2017/18 until year 2038. This programme is included clearly define map on field number, current age, current Stand per Ha (SPH), felling age, hectarage and year of replanting plan. As example, field 2013C (52.89Ha) re-planting plan on FY2034.</p>	Year	MT/FFB	2018	45,237	2019	45,411	2020	45,444	2021	45,652	Year	MT/Ha	FFB (MT)	2018	21.88	53,610	2019	22.46	58,472	2020	24.25	63,619	2021	24.83	66,589
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Principle 4: Use of Appropriate Best Practices by Growers and Millers																											
Criterion by Audit	Summary																										
ASA4	4.1	Sime Darby has established standard operating procedure title Mill Quality																									

		<p>Management systems produce by standards and compliance unit, TQEM, Sime Darby Plantation dated 1st November 2011. Sighted the master list of the procedure in section IV, procedure content. Version 1.</p> <p>The procedure covers the all the process in the POM from initial until end of the process. The procedure consists.</p> <ol style="list-style-type: none"> a. Reception station b. Fruit handling stations c. Sterilisation station d. Threshing station e. Pressing station f. Clarification station g. Depricaping stations h. Kernel recovery station. <p>The procedure included the process monitoring, station records/data and layout plan for each station. Internal audit procedure sighted in the document no SD/SDP/PSQM/IAP revision 2 dated 1st November 2017 prepared by Ms Salwa Yazid</p> <p>As per mention in the procedure, the internal audit need to be carried out at least once in a year base on the issues raised during the 1st internal audit. Mentioned also in the procedure that internal audit plan need to be submitted to operating unit 14 days prior to the audit once the PSQM team has confirmed the external audit date with certification bodies.</p> <p>Sime Darby Plantation has established SOP on the operations title "Agricultural Reference Manual in year 2008. The SOP all the operations in the estate signed by Head of Department, Synergy and transformation, Mr Mohd Ramlan bin Ramle, Senior Vice President 2. Topic covers in the SOP as per below:</p> <ol style="list-style-type: none"> a. Planting material b. Replanting c. Land preparation d. Planting density e. Maturity ages f. Field upkeep g. Manuring h. Canopy management i. Water management in coastal/peat area j. Ablation k. Ripeness standard l. Harvesting interval m. Plant protection n. Weeds control
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		<p>Estates keeps track of revision by email sent by the headquarters of Sime Darby Plantations Berhad. Any new revision will be printed and attach in the ARM files.</p> <p><u>PD Lukut Estate</u></p> <p>Internal audit has been carried out on 13th September 2017 and the report prepared by SQM, Central West Region.</p> <p>The internal auditor lead by Salwa Md Yazid and Tharani Malar David and Devantherao A/L Appanah as auditor.</p> <p>Issues raised from the internal audit</p> <ol style="list-style-type: none"> Estate to maintain a list of all employees stating the insurance policy number and coverage period Water usage shall be updated To establish action plan for continual improvement To include agenda required in the MSPO standard in the next management meeting Estate to dispose as per EQA schedule waste regulations Estate to obtain acknowledgement from the complaint once the issues has been resolved. <p><u>Salak Estate</u></p> <p>Internal audit has been carried out on 21st August 2017 by Salwa Md Yazid as the auditor. Some issued and finding has been raised during the internal audit.</p> <ol style="list-style-type: none"> To established action plan for continual improvement To appoint contractor to collect sw 404 Investigation on off spec of parameter for water sampling <p><u>Bradwall Estate</u></p> <p>Internal audit for RSPO and MSPO has been carried out on 12th September 2017 and the report sighted prepared by the SQM, Central West Region and Salwa Md Yazid Issues raised during the internal audit</p> <ol style="list-style-type: none"> Estate to carry out weekly house inspection Estate to maintain list of workers with policy number Estate need to add justification on higher usage and action plan to reduce. To establish action plan for continuous improvement Estate shall provide information and make the contractor understand the MSPO requirement. <p>As per mentioned in the Standard operation manual (SOM) section 5 management responsibility subsection 5.6 management review indicator 5.6.2 review input stated that the input to mill and SOU management reviews are reflected in the meeting agenda.</p>
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		<p>Management review meeting agenda shall include</p> <ol style="list-style-type: none"> Results of internal audits and evaluation of compliance with applicable legal requirement Audit results and status of corrective and preventive action Follow up action from previous management review. <p>Management review has been conducted in the management review meeting records title "Management review meeting MSPO and RSPO" in order to discuss the issues has been raised in the internal audit.</p>
ASA4	4.2	<p>As per conversation, estate maintained the soil fertility by periodical foliar sampling that need be carried out by the agronomist of Sime Darby. Base of the sampling, fertilisers recommendation for each block will be provided.</p> <p>As per stated in Agricultural Reference Manual, stated that EFB application need to be applied at 40mt/ha as additional nutrient to the soil.</p> <p>Sighted the fertilisers records for Rock phosphate and compound 45. Rock phosphate has been program to all blocks. Sample has been taken for field 01c block 1 and 2. Recommendation stated the dosage is 2.25kgs for block 1 and 2.50 kg for block 2.</p> <p>Total bags applied for both block is 260 bags and tally with the Research and development.</p> <p>Fertilisers recommendation sighted in the document Bradwall Estate-2017/2018 Agronomic and fertilisers recommendation report -oil palm by principal agronomist II, Mr R Kumaran dated 21th April 2017.</p> <p>Sample has been taken for field 06S1 for AC fertilisers recommended dosages 1.25kg/palms and 117 bags.</p> <p>Auditor counter check with the application records dated 14th and 15th October 2017 and there is evidence the application base on the recommendation.</p> <p>PD Lukut Estate 2017/2018 Agronomic and fertilisers recommendations report-oil palm from principal agronomist, plantation research and advisory</p> <ol style="list-style-type: none"> Higher percentages of sample block low in nitrogen and recommended higher N input Foliar P has improved significantly for about 40% of the sampled Better K was recorded at 1.11% compare to previous 1.06% Boron maintains at the satisfactory level. <p>The report prepares by Norhazela Shahbudin, Senior Agronomist and Verified by Kumaran M. Rajagopal, Principal agronomist.</p> <p>In Bradwall Estate, Leaf sampling has been carried out in April 2016 and the results sighted in the document_2017/2018 Agronomic and fertilizers recommendations report-oil palm from principal agronomist, plantation research and advisory.</p> <p>Nitrogen has been remained similar with to the last year results Phosphorus increase from 0.152% to 0.157% K remains satisfactory level for all field.</p>

		<p>Improvement of overall Mg sighted from 0.24% to 0.27%</p> <p>Nutrient recycling strategy for PD Lukut estate is EFB application and the records of applications sighted for field 2012A and as to date until 12th September 2017 242,490mt.</p> <p>EFB application program also sighted for year 2017//2018 for field 2011b, 2011d and 2012a total 88 hectare.</p>
ASA4	4.3	<p>Soil maps sighted for PD Lukut Estate in the document Soil and manuring block map. No fragile soils sighted in the soil maps. Total 15 types of soils series have been listed. Major soil series in the estate are</p> <ol style="list-style-type: none"> a. Malacca very shallow b. Local alluvium c. Tavy d. Munchong <p>Soil maps sighted for Bradwall estate main division and stated total 6 types of soil series has been identified which are</p> <ol style="list-style-type: none"> a. Gajah Mati b. Malacca c. Mixed d. Munchong e. Swamp f. Unclassified. <p>Sime Darby Plantations has established policy title “Slope and river protection policy “signed by managing director Datuk Franki Anthony Dass on January 2015.</p> <p>Stated in the policy that Sime Darby is committed to protecting slope and rivers as follow:</p> <ul style="list-style-type: none"> ➤ Slope > 25 degrees must be excluded from any new plantations development and replanting program ➤ Slope <25 degrees, existing crop and vegetation shall be maintained accordingly ➤ Planting of forest trees for enrichment of the species is recommended <p>Road maintenance program sighted in the document roads maintenance program Salak Estate for 2017/2018. Roads maintenance has been program for each block on July until October and January until April.</p>
ASA4	4.4	<p><u>Sua Betong POM</u></p> <p>Water Management plan sighted in the document “Water management plan FY2017/2018” for Sua Betong POM last reviewed on 25th August 2017 prepared by Mr Noor Rizman Kasmuri, Senior Assistant of Sua Betong and approved by Mr Abdul Halim Shahor, Senior Manager of Sua Betong POM.</p> <p>Water management plan have been established base on the water sources. Total 4 water sources have been identified:</p> <ol style="list-style-type: none"> a. Water catchment <ol style="list-style-type: none"> 1. Visual monitoring for bare, eroded soil, intrusion, fencing 2. Water quality monitoring for drinking purposes b. Stream (Sungai Menyala)

		<ul style="list-style-type: none"> - Water quality monitoring carried out by Sua Betong Estate once in 3 months c. Rain water d. Syarikat Air Negeri Sembilan <ul style="list-style-type: none"> - Monitoring on water usage. <p>Sighted approval letter for effluent management for Ministry of Environmental reference number ASNS(B) 31/152/000/023 for period 1st July 2017 until 30th June 2018 license number 002084.</p> <p>As per stated in the licenses for effluent management,</p> <ul style="list-style-type: none"> a. All effluent need to be processed in the effluent pond and discharge to river base on the approved parameter b. Discharge level should be levelled with "Takat pelepasan c. Dilution of effluent is not allowed d. Performance monitoring program must be established and log book for daily activity must be established. e. Signboard with basic information must be set up (name of ponds, capacity, retention time for effluent and last date of desludging f. Flow rate meter must be set up. <p>Stated also the parameter of the effluent before discharge</p> <ul style="list-style-type: none"> a. BOD, 100mg/L b. Oil and grease 50mg/L c. pH not less than 5 and no more than 9 d. Temperature not more than 45 degrees e. Ammonia and nitrogen not exceeds than 150mg/L f. Nitrogen content not exceeds than 200mg/L <p>As per stated in the Standard Operating Procedure (SOP) for water quality monitoring appendix 7 stated that water analysis for POME discharge to water course base on as per required by Written approval or Schedule of compliance.</p> <p>Sighted the records of water analysis for POME discharge for 3 months, July, August and September 2017. Sample have been sent to Sime Darby Research Sdn Bhd.</p> <p>Result sample on July, August and September 2017 as per below:</p> <table border="1" data-bbox="651 1518 1353 1821"> <thead> <tr> <th>Parameter</th> <th>July</th> <th>Aug</th> <th>Sept</th> </tr> </thead> <tbody> <tr> <td>BOD</td> <td>85</td> <td>83</td> <td>67</td> </tr> <tr> <td>pH</td> <td>8.10</td> <td>8.20</td> <td>8.00</td> </tr> <tr> <td>Temperature</td> <td>30</td> <td>29</td> <td>29</td> </tr> <tr> <td>Suspended solids</td> <td>290</td> <td>169</td> <td>250</td> </tr> <tr> <td>Ammoniacal Nitrogen</td> <td>13</td> <td>1</td> <td>5</td> </tr> <tr> <td>Nitrogen</td> <td>65</td> <td>43</td> <td>60</td> </tr> </tbody> </table> <p>Water usage per tonne FFB sighted in the document "Environmental Management Plan, Fuel, Electricity and water consumption FY16/17 Sua Betong POM.</p>	Parameter	July	Aug	Sept	BOD	85	83	67	pH	8.10	8.20	8.00	Temperature	30	29	29	Suspended solids	290	169	250	Ammoniacal Nitrogen	13	1	5	Nitrogen	65	43	60
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		<p>Sighted the water usage per Mt as per below</p> <table border="1" data-bbox="794 255 1209 459"> <thead> <tr> <th>Month</th> <th>Water used/Mt</th> </tr> </thead> <tbody> <tr> <td>Nov`16</td> <td>1.49</td> </tr> <tr> <td>Dec`16</td> <td>1.92</td> </tr> <tr> <td>Jan`17</td> <td>2.11</td> </tr> <tr> <td>Feb`17</td> <td>2.14</td> </tr> <tr> <td>Mar`17</td> <td>2.49</td> </tr> </tbody> </table> <p>Sime Darby Plantation have established a policy title: Slope and River protection policy. As per policy, buffer zone shall be maintained on both sides of the river banks, guided by table below:</p> <table border="1" data-bbox="678 618 1326 752"> <thead> <tr> <th>River width (M)</th> <th><5</th> <th>5-10</th> <th>11-20</th> <th>21-40</th> </tr> </thead> <tbody> <tr> <td>Buffer width (M)</td> <td>5</td> <td>10</td> <td>20</td> <td>40</td> </tr> </tbody> </table>	Month	Water used/Mt	Nov`16	1.49	Dec`16	1.92	Jan`17	2.11	Feb`17	2.14	Mar`17	2.49	River width (M)	<5	5-10	11-20	21-40	Buffer width (M)	5	10	20	40
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ASA4	4.5	<p>IPM program for the estate sighted. 2 Integrated pest Management has been planned to carried out in the estate which is beneficial plant and barn owl box. Total 29 barn owl boxes have been established with ratio 1: 21 (68) and the census has been carried out and the results sighted with total 46% occupancy rate.</p> <p>Beneficial plant has been program on ratio 60:20:20 (Cassia, Turnera, Antogonen) with total 55400 units has been program to be planted in year 2017/2018 with total Cost MYR 4435</p> <p>Training records sighted for Beneficial plant prepared by Mr Muhammad Firdaus, Assistant Manager of Bradwall Estate dated 23rd October 2017 with attendance of 8 and the content are</p> <ol style="list-style-type: none"> Introduction of IPM Types of beneficial plant Method of planting 																						
ASA4	4.6	<p>Procedure for safe use of chemical have been establish in pictorial safety standard. In the standard mention that SDS, chemical register, label for each chemical, LEV inspection, CHRA for each chemical and chemical handling chemical every 2 years.</p> <p>Sighted in Agricultural Reference Manual section 16 weeds control, 1.5.2.1 recommended herbicides and the dosage for circle and selective weeding are listed below:</p> <ol style="list-style-type: none"> Glyphosate Metsulfuron methyl Sodium chloride Triclopyr Glufosinate Ammonium 2-4 D amine Fluroxpyr <p>Auditor already counter checked with the records sighted in the chemical registers and chemical applications records No chemical been used not as per recommended.</p> <p>Chemical register sighted in the document Section B, List of chemicals hazardous to health prepared by Mr Mohd Ridwan and reviewed by Mr Mohd</p>																						

		<p>Nasir Abdul Ghani dated 25th February 2017. Total 15 chemicals have been listed.</p> <ol style="list-style-type: none"> a) MOP b) Ammonia Sulfate c) Metsulfuron Methyl d) Warfarin e) Cypermethrin f) S-demethyl acetylphos phoramidothoate. <p>Sighted an email to all estate and mill manager by SVP Plantation Planning and Monitoring dated 11th October 2010 regarding usage of paraquat herbicides. No circumstances must be purchased or used for any operations signed by Mr Thayaparakanthan.</p> <p>During the site visit to estates at the chemical store, there is no evidence that the estate is using any types of chemical from class 1A and 1B. The auditor also counter check with the chemical register, stock card and bin card for clarification.</p> <p>Procedure of storage of chemical sighted in occupational safety and health manual chapter 9 chemical safety management year 2008. Stated in the procedure that</p> <ol style="list-style-type: none"> a. to ensure enough ventilation, b. Information at the entrance of the storage such as explosive, oxidising and flammable c. Segregation need to be carried out base on incompatible of chemical, acids and hypochlorite d. Need to have information of chemical on the hazards labels and emergency procedure. e. Do not smoke, drink or eat when handling chemical. <p>Verification have been carried out for both estate during site visit to the chemical store, all the chemical has been stored according to the best practices where the solid have place above the liquid chemical with properly label and SDS also sighted during the audit.</p> <p>All empty container has been declared as schedule waste and was properly stored inside the schedule waste store. There is no evidence that empty chemical container been used for other purposes except for premixing. The store facilities also in very good shape and properly manage.</p> <p>Procedure for safe use of chemical have been establish in pictorial safety standard. In the standard mention that SDS, chemical register, label for each chemical, LEV inspection, CHRA for each chemical and chemical handling chemical every 2 years</p> <p>Sighted the training records for chemical handler title Chemical Management training by the assistant manager for all the estate. The main objective is to educate the chemical handler to handle the chemical, to check the PPE usage and brief about the safety precautions for spraying and to show the right work.</p> <p>Training for proper disposal of waste material sighted in for the store keeper and chemical. As per stated in the training records, empty chemical container need to be triple rinsed and pierced before disposed and to be disposed with</p>
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		<p>licensed contractor.</p> <p>During the site visits, there is evidence that empty chemical container has been triple rinsed and pierce and stored at the empty chemical store. As per conversation, estate disposed the empty chemical container through G-Planter.</p> <p>As per mentioned in the CHRA stated that all the trunk injection operator need to send for medical surveillance every two years.</p> <p>Sighted the medical surveillance report sent to Klinik Tan and examine by Dr Teow Shireen dosh registration number HQ/16/doc/00/517 dated 20th March 2017. All the workers have been declared as fit to works and symptom is not related with work exposure.</p> <p>There is no specific policy regarding the pregnant for breast feeding not allowed to use any chemical. However, sighted during the audit, internal memo by the management to all the estate and POM stated that pregnant and breast-feeding women are not allowed to directly used the chemical.</p> <p>During the interview with the workers, the workers are satisfied with the current practices where the pregnant and breast-feeding women will be changed to other types of jobs that not related to any chemical.</p> <p>Major NC: Chemical hazard risk assessment has been carried out and the report sighted in chemical hazard risk assessment report 2011 report no NS/10/03/1754 from HI Tech Hygiene and Safety Consultants prepared by Mr Shairuddin bin Ab Rahman DOSH CHRA assessor JKKP HIE 127/171-2 292) stated that boilerman need to undergo medical surveillance from doctor approved by JKKP.</p> <p>However, there is no evidence for boilerman have been send for annual medical surveillance.</p>
ASA4	4.7	<p>Sighted the OSH program in the document "Environmental safety and health program" for PD Lukut Estate FY2017 and 2018</p> <p>Total 14 programs have been listed in the OSH program which is</p> <ol style="list-style-type: none"> a) ESH risk management b) ESH structure c) Incident reporting d) Emergency preparedness and responses e) Chemical safety management f) Contractor safety and management g) Schedule waste management h) Communications method i) Inspection j) Awareness and competency training. <p>CHRA sighted by Haji Shaari Chin, Global advance training and consultancy JKKP HIE 127/171-2 (124) from 20th -21st April 2015</p> <p>Assessment has been carried out for</p> <ol style="list-style-type: none"> a. Premix area b. Sprayer

		<ul style="list-style-type: none"> c. Manuring d. Rat bait applicator e. Foreman f. Schedule waste applicator g. Storekeeper <p>5 herbicides/ pesticides have been assessed which is</p> <ul style="list-style-type: none"> a) Glyphosate b) Glufosinate ammonium c) Triclopyr d) Metsulfuron e) Sodium chloride f) Cypermethrin <p>Recommended by the accessor</p> <ul style="list-style-type: none"> a. To ensure that the employees are implementing the existing work procedure b. To wear proper PPE and clothing c. To maintain implementation of procedure and update records on the issuance, maintenance, inspection and training in the use of PPE d. To ensure training by a competent person. e. To maintain annual health surveillance by registered OSH doctor. <p>HIRARC also sighted in the document Hazard identification risk assessment and risk control. Latest revision on 19th July 2017 on trunk injection and 23rd August 2017 on HIRARC has been established base on the types of works</p> <p>Sample has been taken for Harvesting operation stated that all the harvesters need to rubber boot, sickle cover and cotton glove. Harvesters also need to be trained on SOPs and safety awareness.</p> <p>Sample has been taken for sprayer for the recommendation by the accessor as per recommendation by accessor stated that</p> <ul style="list-style-type: none"> a) Employees need to be provided with mask respirator, aprons, safety boots, gloves and glasses b) To carried medical surveillance yearly c) Training need to be carried out periodically d) Warning sign need to be adequately posted e) SDS need to be available. <p>HIRADC sighted in the document Hazard identification risk assessment and risk control dated 10th August 2016. The assessment has been carried out for each station</p> <ul style="list-style-type: none"> a. Trunk injection b. General workers c. Rat baiting d. Workshop e. Manuring f. Cypermethrin g. Census <p>Minutes meeting on OSH sighted and has been carried out 3 times this year 2017 on 10th January, 10th April and 10th January this year.</p> <p>Sample has been taken for meeting conducted on 10th April 2017, total 18</p>
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		<p>persons has attended the meetings at PD Lukut Estate office.</p> <p>Issues discussed</p> <ul style="list-style-type: none"> a) Works inspection has been completed all station achieve 100% marks b) 1 class IV accident happen to the harvesters Saeful Hansori on 27th February 2017 c) Roads condition at OP1999G and need to be repaired <p>Minutes meeting has been prepared by Mr Mohd Ridwan and approved by Mr Nasir, OSH chairman.</p> <p>In Salak Estate, JKPP 6 submitted to JKPP Negeri Sembilan dated 7th February 2017.</p> <p>Accident happen on 4th February 2017, workers name Abdullah as workers. Accident happen fronds accidentally fall down and hit dorsum and cause wounds at field 2004</p> <p>Feedback letter from JKPP sighted on 17th February 2017 stated that</p> <ul style="list-style-type: none"> a. Estate need to submit accident report base on the Peraturan 13 b. To provide document as per attach c. Attendance records d. PPE issuance e. HIRADC before and after accident. f. Safe work procedure before and after accident g. Minutes meeting investigation on the accident h. Medical certificate i. Training records after the accident <p>HIRADC has been reviewed 10nd February 2017 and the probability has been increased from 3 to 4. Full report has been submitted to JKPP on 6th March and signed by the manager attached all the document requested.</p> <p>Sighted the accident insurance for workers in the document Foreign Workers Compensation Scheme Certificate insure through RHB Insurance Berhad. Sample has been taken for foreigner workers working as harvesters and sprayers. For local workers, all the workers are cover by SOCSO and evidence of payment sighted for all the local workers for November 2016.</p>
ASA4	4.8	<p>Training requirement for operating units (estates). Total 33 training programs related RSPO has been program for year 2017/2018</p> <ul style="list-style-type: none"> i. OSH act and regulations ii. Environmental quality regulations iii. Factories and machineries act 1967 iv. HIRARC v. Accident investigation technique vi. Fire fighting vii. PPE training and demonstration viii. Trunk injection training. <p>In Salak Estate, Accident safety briefing for fatal case dated 19th August 2017 by Mr Shaifuzain. Session with local and foreign workers on social issues dated 30th August 2017 by Mr K. Yogeswaram</p> <p>MSPO induction and awareness training for SOU 15 dated 15th September 2017. Chemical spillage drill training dated 16th June 2017 by Mr A.S</p>

		Devantherao, SQM officer and training on HCV and briefing on commuting safety and accident dated 18 th January 2017.
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	
ASA4	5.1	<p>Sua Betong POM and their estates established the Environmental Impact Assessment by creating 3 crucial documents:</p> <ol style="list-style-type: none"> 1) Environmental Impact Evaluation Form 2) Environmental Aspect and Impact Identification 3) Environmental Impact Management <p>Among Aspects covered in the assessment include the followings:</p> <ul style="list-style-type: none"> • Electrical Power Consumption • Waste Disposal • Maintenance of Weighbridge • Movement of Vehicle • Operation of FFB ramp <p>“Environmental Aspect and Impact Identification” listed all activities that occurred in the area of mill. The form indicates impacts along with its classification either it is C – Create or R-Reduce or Not Applicable. Among the Environmental Impacts is as follows:</p> <ul style="list-style-type: none"> • Ozone Layer Depletion • Global Warming • Air Pollution • Water Pollution • Land Contamination • Unpleasant Working Environment • Depletion of Natural Resources • Community Impacts • Business Impact <p>Sighted the Environmental Management plan Sua Betong POM for year 2017/2018. Basically, there are no changes to the plan as per revised on 03/07/2017 prepared by Noor Rizman Bin Kasmuri Sr Assistant Engineer and approved by En Abdul Halim Bin Shahor Sr Manager Sua Betong POM.</p> <p>There are plan to deal with the environmental issues such as follows:</p> <ol style="list-style-type: none"> 1) BOD discharged to water course <100 ppm as per DOE license. Action plan – to monitor final effluent discharge to meet the BOD level and to record any complaint from stakeholder due to POME issue. 2) Overflow of POME. Action Plan – To monitor and check the pond level daily basis, to make sure the system in proper order and to check the bund and ensure it is in good condition 3) Air pollution. Action plan – To monitor the boiler smoke density by monthly basis. Not more than 15 minutes in 24Hrs and to ensure CEMS is in good working condition 4) Noise Exposure. Action Plan – To monitor the working area within under control <95dB, to give training due to high noise working area and to supply PPE and training on the utilization. 5) Contamination of natural water waste. Action plan – To monitor the water not contaminated with other waste at fat trap.

		<p>Among Aspects covered in the estates assessment include the followings:</p> <ul style="list-style-type: none"> • Compound • Office • Vehicle • Harvesting & Collection • P&D • Weeding • FFB Transportation • Road • Petrol/Diesoline • Schedule waste store • Store • Workshop • Dispensary • Creche • Replanting <p>Sighted the environmental management programme for financial year 2017/2018. Among the objective as follows:</p> <ul style="list-style-type: none"> • Good management of IPM • Mitigation of Environmental impacts – to monitor waste management plan and to review aspect identification & impact evaluation to identify significant critical points for control • Maintenance of good boundary - patrolling at the area by auxiliary police, ensure signage and demarcation are clear. • Maintenance of good buffer zone – to train/retrain the sprayers and manurers not to do any chemical related work at the area. PIC – S. Rooben/Mohd Anas/Wan Rosdi Asst Manager. Last chemical handling training for sprayers was done on 17/08/2017 • Management of good quality of water catchments (2015A &2016A). PIC – S. Rooben/Mohd Anas/Wan Rosdi Asst Manager. Last chemical handling training for sprayers was done on 17/08/2017 (Salak Estate).
ASA4	5.2	<p>HCV High Conservation Value for SOU 15 Sua Betong dated December 2016. Assessment done by Siti Norralakmam Yahya – Team leader. Common wildlife found in SOU 15 Sua Betong is as follows:</p> <ul style="list-style-type: none"> • White throated king fisher (Halcyon smyrnensis) IUCN least concern WCA – Totally protected wildlife • Leopard cat (Prionailurus bengalensis) IUCN least concern WCA – Totally protected wildlife. • Insects – Butterflies, Dragonflies, Moth and beetles. <p>Another HCV sighted for SOU 15 Sua Betong: Bradwall Pond (P13A) 1.27Ha, HCV 4 – provide basic services (water resource) for critical situations.</p> <p>The RTE species are not often sighted in the estate. However, the management team do have signages of prohibiting illegal activities such as hunting and fishing.</p> <p>Sighted the Environmental Management Policy which emphasize the commitment of Sime Darby to comply with statutory, legal and other regulatory requirements. Other than that:</p> <ul style="list-style-type: none"> • Establishing, maintaining and continually improving sustainable

		<p>plantation management.</p> <ul style="list-style-type: none"> • Eliminating or minimising any potential adverse effect on the environment arising from plantation activities • Value the importance of river and ecosystem functions • Applying Best GAP and adhering to the standard land management and the new planting policy • Promote educate and encourage stakeholders in maintaining and enhancing the quality of the environment. <p>Monitoring been done by visually check, monthly basis – monitoring of HCV and Conservation Area. It is done by S. Pavam date of monitoring 30.09.17 time – 11.00am covering Block P09, P02A, P15 and P96C. the monitoring report shows there are no sign of encroachment, no wildlife sighted and also no pollution or erosion issues. The monitoring was reviewed by Zuhairy Bin Jumang Asst Manager dated 2.10.2017.</p>
ASA4	5.3	<p>Sighted waste management action plan 2017/2018. Types of Scheduled waste and domestic waste were identified in the plan. Among SW that were listed is:</p> <ol style="list-style-type: none"> 1. SW305 Spent Lubricating oil 2. SW306 Spent hydraulic oil 3. SW425 Wastes from the production, formulation, trade or use of pesticide, herbicides or biocides. 4. SW 409 Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or schedule wastes 5. SW 404 Clinical wastes <p>Other than that, there are:</p> <ol style="list-style-type: none"> 1. Domestic wastes – rubbish 2. Industrial waste – Empty pesticides containers (recycle plastic – triple rinsed & punctured), scrap metal 3. Sewage waste – sewage <p>Waste identification in mill: Sighted the list of types of wastes in waste management plan 2017/2018. Among types of list are:</p> <ol style="list-style-type: none"> 1) Scheduled waste – SW305 spent lubricating oil, SW306 Spent hydraulic oil 2) Scheduled waste – Rags, plastics papers or filters contaminated with scheduled waste SW 410 3) Scheduled waste- SW322 Spent Isopropyl alcohol, Spent silica gel SW421 4) Schedule waste – SW 102 Used batteries, Tyres and tubes 5) Domestic waste – Rubbish and sewage 6) Industrial waste – POME, EFB and Scrap metal <p>Scheduled waste inventory was upkeep and updated in proper manner. The chemicals and the containers stored and disposed of accordingly to DOE specification and also best practices. Labels was sighted on the container of SW inclusive of required details. Disposal of SW are not exceeding 180 days or 20mt. The disposal contractor is Tex Cycle & Kualiti Alam Sdn Bhd.</p> <p>Sighted delivery order: 123582 consign no: TC17-06054 SW409 and TC1706055 SW305dated 03/05/2017 Used lubricant oil = 1 drum 209 Liter</p>

		<p>1Ltr – 5Ltr plastic/metal container = 297 pieces 18Ltr – 25Ltr plastic/metal container = 159 pieces</p> <p>Clinical waste was disposed according to EIA requirements. The disposal contractor is Kualiti Alam Sdn Bhd, responsible person K. Barani and was transported on 23/10/2017 with a consignment of 1 pale yellow plastic bag with the weight of 4.9kg.</p> <p>Sighted the waste management plan 2017/2018 prepared by Shauqi Sr Asst Manager and approved by Mr Mohd Nasir – Manager. Among action plan to be taken are: Scheduled waste – collect and record amount of used SW. Store SW under lock and key. Containers of SW shall be labelled with proper scheduled waste label. Dispose of the item through registered purchaser.</p> <p>Minor NC: There is empty pesticide container which has not been triple rinse and pierced sighted inside the domestic waste bin. There were also spotted empty pesticide container that were dumped at the domestic waste collection bin.</p>																				
ASA4	5.4	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy is available (ref doc: Energy Management Plan 2016/2017). The document contains the following information:</p> <ol style="list-style-type: none"> 1. Type of Energy Usage (i.e. Electricity and Diesel) 2. Action Plan (indicates list of action plans to reduce the usage of electricity and fuel) 3. Person in Charge (i.e. Assistant Managers and Process Engineer) 4. Time Frame (all action plans listed are at stage of on-going) <p>SOU 13 has established monitoring records of energy usage that consist the following: Renewable energy use/ton CPO – (ref doc: “Renewable Energy Usage for FY 2016/2017). <ul style="list-style-type: none"> ➤ Jul = 0.69MT/MTCPO, Aug =0.68MT/MT CPO Sept = 0.68MT/MTCPO, Oct = 0.67MT/MTCPO Record of diesel usage (ref doc: Diesel Consumption for FY2016/2017). This form recorded quantities fuel usage of all operation at the Labu POM.</p> <p>For a period from Jan to April 2017 are as below: Jan = 980 liters, Feb= 960 liters, March = 1000 liters and April = 950 liters Record of electricity usage (ref doc: Monitoring kW per tonne palm product).</p> <p>The estate has maintained the record of non-renewable energy usage and to monitor the efficiency of using the fossil fuel such as diesel prepared by Mr Muhammad Firdaus Assisstant Manager and approved by Mr Muslimin Sulta – Manager.</p> <table border="1" data-bbox="716 1749 1289 1977"> <thead> <tr> <th>Month</th> <th>Diesel (liter)</th> <th>FFB Transport (mt)</th> <th>Liter / mt</th> </tr> </thead> <tbody> <tr> <td>Jul 16</td> <td>4599</td> <td>3312.23</td> <td>1.39</td> </tr> <tr> <td>Aug 16</td> <td>4691</td> <td>3403.43</td> <td>1.38</td> </tr> <tr> <td>Sept 16</td> <td>5067</td> <td>3864.97</td> <td>1.31</td> </tr> <tr> <td>Oct 16</td> <td>5747</td> <td>3989.82</td> <td>1.44</td> </tr> </tbody> </table>	Month	Diesel (liter)	FFB Transport (mt)	Liter / mt	Jul 16	4599	3312.23	1.39	Aug 16	4691	3403.43	1.38	Sept 16	5067	3864.97	1.31	Oct 16	5747	3989.82	1.44
Month	Diesel (liter)	FFB Transport (mt)	Liter / mt																			
Jul 16	4599	3312.23	1.39																			
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Oct 16	5747	3989.82	1.44																			

			Nov 16	5334	4257.31	1.25	
			Dec 16	6554	2635.74	2.49	
			Jan 17	4024	2697.64	1.49	
			Feb 17	3349	3146.05	1.06	
			Mac 17	6834	3968.48	1.72	
			Apr 17	4214	3183.2	1.32	
			May 17	4523	3497.27	1.29	
			June 17	6611	4252.09	1.55	
			Jul 17	4523	4619.25	0.98	
			Aug 17	6883	5358.95	1.28	
			Sept 17	4351	9261.30	0.47	
ASA4	5.5	<p>Sighted the Sime Darby Environmental and Biodiversity Policy dated January 2015 signed by Datuk Franki Anthony Dass.</p> <p>Among list of content is to support conservation efforts of peat and firefighting. Which means that there cannot use of fire in the preparation of new plantings, or re-plantings or any other development, in accordance with the full scope of this policy.</p>					
ASA4	5.6	<p>An identification of significant pollutants and greenhouse gas (GHG) emission has been done such as POME, diesel/fuel and fertilizer [refer to "Sustainability Management System (SMS)]. The EMP is conducted according to Section 5.4.2: QSHE Management Programs/Action Plans of the Standard Operating Manual (SOM) and reviewed on a yearly basis upon achieving the objective highlighted for the particular year. SOU 13 is using Palm GHG calculator provided by RSPO for monitoring of pollutants and emissions.</p> <p>Mill using aerobic and anaerobic pond system that final retention pond is being discharge as land application. As per mentioned in the procedure samples need to be sent to accredited laboratory must be sent fortnightly basic (mid of the months and month ends). The parameters for the effluent also stated in the table effluent discharge limits into water courses,</p> <ul style="list-style-type: none"> ○ BOD <5000 ○ Ph 5.0-9.0 <p>Sighted the latest effluent analysis that have been carried out on 11th August 2017 report no EP462/2017 and stated in the report the BOD is still under the allowable limits, the result is 3250mg/L</p> <p>Sighted the land application from department of environment reference no ASNS (B) 21/152/000/019 dated 30th June 2017 that applicable from 1st July 2017 until 30th June 2017. Record of land applications sighted for months July and August 2017. Total 7263m3 for July and 6559m3 for August 2017.</p> <p>Sighted the environmental management programme for financial year 2017/2018. Among the objective as follows:</p> <ul style="list-style-type: none"> • Good management of IPM • Mitigation of Environmental impacts – to monitor waste management plan and to review aspect identification & impact evaluation to identify significant critical points for control <p>Refer Appendix 2 for Summary of GHG Emissions.</p>					
Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers							
Criterion by	Summary						

Audit		
ASA4	6.1	<p>An SIA was conducted and documented for SOU 15 inclusives of Sua Betong Mill, Sua Betong,Bradwall, PD Lukut, Salak, Sengkang, Silliau, Sungai Baru & Tampin linggi Estate on 18th to 28th August 2014 conducted by PSQM Department.</p> <p>The objective of SIA dated on 1st July 2017 program was reviewing;</p> <ol style="list-style-type: none"> 1. Maintaining good housing and amenities for employee .Based on the report, all repairs have been resolved within 14 days by referring to Housing Defects Record Book. 2. The operating unit conducted meeting with union representative on 5/4/2017 as a medium to maintain good relationship with workers. 3. The operating unit approach towards safety aspects by acknowledging reminder on safety aspects riding < 25 km/hr speed limit 4. The stakeholder meeting was conducted in September 2016 as a medium to build up good rapport and engagement with stakeholder. <p>SIA was also conducted by the external accessor, Wild Asia on 2016. Sighted the management plan on Social Impact Assessment for Bradwall Estate FY 2017/2018.</p> <p>Areas of key concern are:</p> <ol style="list-style-type: none"> 1. Road access and condition Road maintenance programme available for every financial year and monitoring of roads was done regularly and also to ensure good accessibility. 2. Linesite/workers housing Census at housing site was conducted, repairs will be reported and, record and attended. 3. Pollution of proper waste management Awareness among workers and burning is prohibited. 4. Repair of worship building Ongoing maintenance and repairs 5. Gender Committee To plan and carry out motivation camp with in school holidays. <p>Stake holder meeting was conducted on 18th November 2016 attended by school representative, JKKK Sri Rusa & JKKK Bagan Pinang.</p> <p>Conducted on 11th September 2017 attendant 33. Attendance were among estate representatives, contractors, school teachers, police representative, government agency example RISDA. The minute prepared by MR. Firdaus the assistant manager and signed by En. Muslimin Suta the manager.</p> <ul style="list-style-type: none"> • Sarjan Halim from Lukut Police Station suggested the management to conduct motorbike inspection regularly. The workers were advised not to buy stolen bike. • En M. Zairol Abu Hasan the RISDA Plantation rep hope the corporation from the management to permit them to use Bradwall road. • Pn. Rajni the SJKT ladang Saga Teacher complaint the grass cutting operation was ahead from schedule. The manager informed that the estate will organize the schedule fortnightly.

		<ul style="list-style-type: none"> • Pn. Thanalechmy the SJKT lading Bradwall headmaster. Complaint of the road light need to be repaired. The manager informed, the estate is in progress of conducting census. • ASP Zamsuri the police chief of PD police station urges the management to monitor religious activity. Silat & Bomoh regards to ISIS need to be reported. • The manager urges the contractor to fill up Online vendor registration to ease the employment process with Bradwall estate.
ASA4	6.2	List of stakeholders well maintained and identified in entire SOU 15 Sua Betong. List of stakeholders – 194 stakeholders’ inclusive of government agencies, contractors, suppliers, nearby villagers, NGOs and embassies.
ASA4	6.3	<p>Sighted the establishment of flowchart in handling social issue in the procedure manual. The estate also uses the CA MAPA NUPW agreement as a guide for handling social issue internally (workers issue).</p> <p>Based on the procedure manual, whenever the issue arises, the matter need to be handled by the estate management initially in the duration of 2 weeks after the issues arise.</p> <p>If the case has not been resolved after the negotiation, the case will be brought up to the top management. It involves of information gathering process, report presentation, negotiation or will come up to legal action.</p> <p>Finally, each case is to be recorded and documented for estate/ mill revision.</p> <p>Sighted a case reported of sexual harassment conducted by Mr. Kalimuthu a/l Kulan being handled according to the procedure manual.</p>
ASA4	6.4	<p>The company has established the procedure in handling customary rights from the procedure manual.</p> <p>An initial negotiation need to be conducted between the estate representative and the local community which affected. If the issue has not being resolved, the top management is to take charge to manage the issue legally referring to the act and law involved.</p> <p>The issues need to be addressed to the referral agency suc as Jabatan Penilaian & Perkhidmatan Harta, SUHAKAM, JAKOA Jabatan Ukur and Land department. This also refers to any gratuity claim. If the issue has not being resolved, the issue will delegate into the court process.</p>
ASA4	6.5	<p>Pay slips [May - Aug’17] were verified confirming workers receives monthly salary more than RM 1000.00 unless otherwise on unpaid leave, poor attendance and switching workers from daily rate to piece rate or vice versa. The minimum pays of RM 1000.00 took effect from 01/01/2017. No workers found with overtime exceeds of 120hours/month.</p> <p>There is no contract worker employed. Sampled the contract agreement of foreign and local workers. The Contract Agreement stressing on pay, fringe benefits, salary slips, medical surveillance etc. As per check roll workers, the contract workers are also given monthly pay slip by estate administrative. No evidence of under paid or discrimination in the pay calculation.</p> <p>During the audit, the evidence indicates that PD Lukut Estate did perform the Minimum Wages Order 2016 as being ordered by government.</p>

		<p>From the interviews during the site visit, the estate and mill have provided adequate housing, electrify, clean water supplies, medical services, nursery and other welfare amenities such as takraw court, football field, grocery shop , surau and etc.</p> <p>In order to ensure the cleanliness of the surrounding, the estate and mill provide 2 linesweeper to do the line sweeping and cleaning activities. The rubbish collection was conducted once in 2 days and to be sent to the gazetted landfill.</p> <p>The gotong royong was conducted once a month routine followed by weekly inspection by the Hospital Assistance and VMO.</p> <p>Based on an interview with Mr. Philip George, the Salak Estate, the workers are provided with free medical service (outpatient) at estate clinic daily, upon the notification from the supervisor or assistant manager.</p> <p>The company had demonstrated her efforts to monitor and improve the workers access to adequate, sufficient and affordable food by providing of provision of 5 kg rice and 5 kg cooking oil for each worker every 2 months. This benefit was granted by the company after Meeting on Workers Benefit Held at Wisma Guthrie in 2016.</p> <p>Allocation of café and food shop in each division have been practised at early stage. Sighted a memorandum of agreement with Om Valli Store signed by Mdm. Valiammah a/P Kuppusamy on 26th January 2017 and the Salak Estate Manager.</p>
ASA4	6.6	<p>The company has established a statement through the policy of Social in recognizing the rights of employees to freedom of association. They were allow to join any trade union such as NUPW National Union of Plantation Workers.</p> <p>From the last lines of the the policy states the commitment of the company to respect the rights of all personnel to form and join trade unionsof their choice and to bargain collectively.</p> <p>They were also allowed either to join any association or form an association and bargain collectively with the employer as being stipulated in the contract of employment.</p> <p>The NUPW Negeri Sembilan branch had issued a letter pertaining of the Union Fee to be imposed to the listed employees. The letter dated 16.5.17 states the the listed workers were agree heir salry to be deducted with the union fee.</p> <p>A notification letter dated 10.5.17 from PD Lukut Estate worker gave permission to the estate management to do deduction on the union fee of RM8.00 and additional subsidy from the company of RM3.00.</p>
ASA4	6.7	<p>There is a Group Policy on Child Protection dated on Jan 2015 and due for review in 2018. During field visit to estate, there was no evidence found of workers below 18 years old. During the external stakeholder meeting, it was asked to the participants on the company's standing on minimum age policy. All equally agreed that no children employed for estate operations.</p> <p>While interviewed workers, they are aware the Minimum Age Policy is being</p>

		<p>strictly enforced by the management at which the age limit is above 18 years old.</p> <p>Sampled the manpower tabulation for estate and based on the manpower status, no workers fall below 18 years old. The SAP system also been designed such, it will omit any worker registration if the age calculation is below than 18 years old.</p>
ASA4	6.8	<p>The company is committed towards non-discrimination and equal opportunities. It was translated in the first line of the social policy signed by Datuk Franki Anthony Dass in January 2015 stated that all employees should be treated fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste ,nationality, gender, physique, sexual orientation, union membership, political view, religion and age.</p> <p>The policy was made publicly available for the employees as it was published at the muster board/roster and at office. The policy was inserted as a module for morning briefing and training as to ensure the workers well understood of the contents.</p> <p>As an evidence, sighted the payslip and contract of employment of different race, nationality and gender of the estate workers translated the non-discrimination view of the company.</p> <p>Gender committee meeting was conducted 4 times a year & last conducted on 13.10.2017 chaired by Cik Siti Nurul Hanisah bt. Mohammad Hussin.</p> <p>Agenda</p> <ol style="list-style-type: none"> 1. Sexual harassment issue 2. Raised any problem among women 3. Reproductive rights among women 4. Notification on complaint form.
ASA4	6.9	<p>The company has established 2 policy which related to female affairs as to prohibit any form of sexual and all other forms of harassment and violence.</p> <p>Both policies, social policy and gender policy which signed by Datuk Franki Anthony Dass in January 2015 were documented and publicly published at the office, muster board/ roster and implemented and communicated clearly to all levels of the workforce during gender committee meeting, programs and also during morning muster briefing.</p> <p>PD lukut, Salak and Bradwall Estate have established gender committee in their estate respectively. All members were among the female workers and staff except for the manager which was elected as the patron of the committee.</p> <p>Based on the social policy signed by Datuk Franki Anthony Dass in January 2015, the company believes that a development needs to be socially beneficial towards the principle in adhering to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights.</p> <p>This policy has been documented, publicly published at muster board and roster and communicated clearly during muster call and also specifically during gender committee meeting and programs for all level of workers.</p>

		<p>Sighted the phrases, highlighting the women issues and item in the Social Policy during the gender committee meeting for PD Lukut, Salak & Bradwall on 13.10.17 for female workers.</p> <p>Sighted the establishment of flowchart in handling social issue in the procedure manual. The estate also use the CA MAPA NUPW agreement as a guide for handling social issue internally (workers issue).</p> <p>Based on the procedure manual, whenever the issue arises, the matter need to be handled by the estate management initially in the duration of 2 weeks after the issues arise.</p> <p>If the case has not been resolved after the negotiation, the case will be brought up to the top management. It involves of information gathering process, report presentation, negotiation or will come up to legal action. Finally, each case is to be recorded and documented for estate/ mill revision.</p>
ASA4	6.10	<p>Sime Darby Plantations Sdn. Bhd is the member of Malayan Agriculture Producers Association. Therefore, was bounded by the collective agreement such as MAPA AMESU & MAPA NUPW agreement.</p> <p>Due to determination of FFB prices, wages rate, allowance, benefits, penalties and other related matters, MAPA NUPW circular was taken into account as the reference. The price of FFB was determined from the MAPA Rate Table 1.</p> <p>The current and past prices for FFB can be viewed daily at the mill weighbridge, through the monthly circular of MAPA NUPW CA and it is published publicly in MPOB website.</p> <p>As to date the FFB pricing for Sime Darby Estate is only for wages reference, and the FFB is received from internal estate and does not involved any sale and purchase of FFB.</p>
ASA4	6.11	<p>During the consultation with local communities, their needs and priorities were identified towards the local development.</p> <p>In order to ensure the workers do not engaged with crime and unrest condition and lived harmony with surrounding local communities, the estate initiate a good relationship with nearby local police department. An input was gain during stakeholder meeting where, Sarjan Halim from Lukut Police Station suggested the management to conduct motorbike inspection regularly. The workers were advised not to buy unidentified cheap bike from any individual or shops as it is believed it might be a stolen bike.</p> <p>Bradwall estate has established a long ggod relationship with the nearby estate such as RISDA Plantations. En M. Zairol Abu Hasan the RISDA Plantation representative hope the corporation from the management to permit them to use Bradwall road.</p> <p>During the stake holder consultation, Haji Hasan, The JKKP Kg. Pinang representative and Haji Sukran the JKKP Baru Setia hopes any job vacancies in the mill or estate to be announced and informed as the villager youth were interested to join the company if there is job availabilities. According to the estate management, the management do advertised any vacancy of estate task such as harvesters, general workers and etc. except for positions of staff and executive level. The appointment of staff and executive was conducted at</p>

		<p>HQ level.</p> <p>As to create job opportunities among the locals, the estate management do advise the local contractor/transporter to appoint their workers among the local communities. This was briefed during the RSPO/MSPO briefing conducted by the estates and mills.</p>
<p>ASA4</p>	<p>6.12</p>	<p>Based on the Social Policy, the company delivered a message towards no appointment of trafficked labour through the last line of the policy. The last line states "The company does not condone forced labour or child labour.</p> <p>The definition of forced and trafficked labour from the company point of view was, a labour/worker which was not treated fairly in term of recruitment, progression, terms and conditions of work and representation.</p> <p>The company delegated the task on foreign worker recruiting process to her foreign workers department internally. The workers status was updated monthly and this input was sent to the foreign labour department for monitoring purpose. The orientation was conducted in house by the respective estate after the recruitment.</p> <p>There was no evidence of stating any expenditure, expenses deduction by the workers through their payslip. It was sighted in salary statement of Ayyan Mondal a for February 2017, a defray special expenses on arrival was subsidised at amount of RM160.00.</p> <p>Passport was kept by the estate management. Sighted a declaration form produced by Sime Darby Plantation Sdn Bhd, regarding the Passport Custody Declaration. The conditions in the custody declaration states;</p> <ol style="list-style-type: none"> 1. The passport shall be returned to the employee upon request for any related matters. 2. The passport shall be returned to the employee upon contract expiry or termination, either by employee or the company for any reason <p>Based on the documentation review, the contract which was signed in Malaysia was identical with the one that signed in Indonesia.</p> <p>For those workers which were unable to understand Malay and English language, the company also prepared the contract of employment, in their understandable language. As an example, there are Hindi, Bangladeshi, Sri Lanka and Burmese written contracts available for respective worker nationalities.</p> <p>A copy of contract of employment was given to the respective workers, in the presence of interpreter, as being inform by Mr. Vojan, passport # AE 1863480. His contract was prepared in Hindi language and he confirmed that the content in both contract language was identically the same.</p> <p>The company has established social policy for foreign workers signed by Dato' Frankie Anthony Dass in January 2015.</p> <p>The contract of employment of the foreign workers also conveyed the same term and conditions as per social principle</p> <ol style="list-style-type: none"> 1. No discriminatory 2. No contract substitution 3. Post-arrival orientation programme with emphasis on language,

		<p>safety, labour laws, and cultural practices.</p> <p>4. The provision of decent living conditions</p> <p>These terms and conditions were sighted in Joynal Abdin letter of employment 1.8.17 in bilingual, English & Bangladesh signed by Mr. Mohd Nasir Abdul Ghani, the Estate Manager.</p>
ASA4	6.13	<p>In order to translate the top management commitments towards social and human rights, the company established a set of policy which related;</p> <ol style="list-style-type: none"> 1. Social policy 2. Social & Humanity Management Policy 3. Safety & Health Management Policy 4. Child Protection Policy 5. Whistle blower Policy 6. Gender Policy <p>These policies were signed by Dato' Frankie Anthony Dass, CEO of Sime Darby Plantation Bhd on January 2015 showed the seriousness and high commitment of the company regarding human rights in respect of industrial harmony.</p> <p>The policy was published at the muster call board and roster and they were briefed during muster call and being the module of each training related to social and human rights.</p>
Principle 7: Responsible Development of New Plantings		
Criterion by Audit	Summary	Not applicable. No new planting in SOU 13 Labu in past 12 months.
ASA4	7.1	Not applicable
ASA4	7.2	Not applicable
ASA4	7.3	Not applicable
ASA4	7.4	Not applicable
ASA4	7.5	Not applicable
ASA4	7.6	Not applicable
ASA4	7.7	Not applicable
ASA4	7.8	Not applicable
Principle 8: Commitment to Continuous Improvement in Key Areas of Activity		
Criterion by Audit	Summary	
ASA4	8.1	<p>For Sua Betong POM, continuous improvement plan sighted during the audit prepared by the assistant manager and approve by the estate manager.</p> <p>The main component of the continues improvement plan is to reduce the cost of operation by increasing the yield, proper management of assets and effective implementation of work operation base on the base practices.</p> <p>Sighted the report of continuous improvement submitted monthly on the implementation of the plan.</p> <p>Example of implementation is ways to store the tractor tyre tube in the store.</p> <p>The action plan also included plan to reduce the chemical usage by monitored the chemical usage and implementation of IPM.</p> <p>Environmental aspect as main concern on the continuous improvement and it is based on the water management plan.</p>

		<p>In estate, continuous improvement plan sighted during the audit prepared by the assistant manager and approve by the estate manager.</p> <p>The main component of the continues improvement plan is to reduce the cost of operation by increasing the yield, proper management of assets and effective implementation of work operation base on the base practices.</p> <p>Sighted the report of continuous improvement submitted monthly on the implementation of the plan.</p> <ol style="list-style-type: none"> a. High pruning cost- to reduce pruning cost- substitute contract to check roll b. To reduce manuring application records-to change the manuring tools with long life span c. High walking distances during manuring application-manuring using wheel barrow d. High cost of buying racking tools from outsider supplier-using own foreman to fabricate e. To many rejected tube-to improve ways of keeping.
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4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.

4.3.1 Non-Conformities Identified during this Audit

The following NC's were raised for this audit.

NC number:	NC-01		
Client name:	Sime Darby Plantations- Sua Betong POM		
Date raised:	27 th October 2017		
Major or Minor:	Major	Site:	Sua Betong POM
Raised by:	Mohd Razaleigh	Deadline:	60 days
Aspect of standard: 4.6.11			
Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.			
Evidence of non-conformity:			
Chemical hazard risk assessment has been carried out and the report sighted in chemical hazard risk assessment report 2011 report no NS/10/03/1754 from HI Tech Hygiene and Safety Consultants prepared by Mr Shairuddin bin Ab Rahman DOSH CHRA assessor JKKP HIE 127/171-2 292) stated that boilerman need to undergo medical surveillance from doctor approved by JKKP.			
However, there is no evidence for boilerman have been send for annual medical surveillance.			
			
Muhd Jamalul Arif Lead Auditor Date: 27th October 2017			

Root Cause Analysis and extent: (To be filled by Auditee) Management has left out the Boilerman for annual medical surveillance	
Corrective/Preventive Actions: (To be filled by Auditee) 1. To send the Boilerman for medical surveillance immediately 2. Chemical Management Training to be provided to the management team	
Evidence of Conformity: 1. Records of medical surveillance done for Boilerman 2. Training records of chemical management	
Review of evidences submitted to CUC: Evidences of corrective action taken was received on 07/11/2017 and accepted by LA. The boilerman has been sent to medical surveillance and was found fit to work.	
Conclusion by CUC: NC Closed.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Assessor signature: 	Date: 07/11/2017

NC number:	NC-02		
Client name:	Sime Darby Bhd – Sua Betong POM		
Date raised:	27 th October 2017		
Major or Minor:	Minor	Site:	Sua Betong POM & Bradwall Estate
Raised by:	Fadly Ahmad	Deadline:	Next Surveillance Audit
Aspect of standard: Principle 2: There is compliance with all applicable local, national and ratified international laws and regulations. Clause 2.1.3 (Min); A mechanism for ensuring compliance shall be implemented			
Evidence of non-conformity: According to Environment Quality Act 1974 (Schedule Waste) 2005 regulations stated that: a. Reg 4; I Schedule waste shall be disposed of at prescribed premises only; Reg 4; II Scheduled waste shall, as far as practicable, be rendered innocuous prior to disposal b. Reg 8; I Every waste generator shall ensure that scheduled wastes generated by him are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for treatment, disposal or recovery of material or product from scheduled wastes. However, during site visit it was sighted that: 1. Sua Betong POM – Cotton rags and cotton gloves which contaminated with spent oil (SW409) was spotted at temporary workshop area. 2. Bradwall Estate – Empty pesticide container (SW409) found in domestic waste bin while same empty pesticide container (SW409) also were spotted at the domestic bin.			
			
Muhd Jamalul Arif Lead Auditor Date: 27th October 2017			
Root Cause Analysis and extent: (To be filled by Auditee) Lack of awareness on scheduled waste management by the mill and estate workers.			
Corrective/Preventive Actions: (To be filled by Auditee) To store & dispose the scheduled waste as per EQA 1974 (Scheduled Waste) Regulations 2005.			

To train the workers on SW management	
Evidence of Conformity: 1. Record/photo of SW items have been stored in SW Store or; disposed with licensed contractor 2. Training records on SW Management to workers	
Review of evidences submitted to CUC: RCA and CA received on 07/11/2017.	
Conclusion by CUC: Minor NC to be verified on implementation on next surveillance audit.	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature:	Date:

NC number:	NC-03		
Client name:	Sime Darby Bhd – Sua Betong POM		
Date raised:	27 th October 2017		
Major or Minor:	Minor	Site:	Bradwall Estate
Raised by:	Fadly Ahmad	Deadline:	Next Surveillance Audit
Aspect of standard: Principle 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. Clause 5.3.3 (Min): A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented			
Evidence of non-conformity: Empty pesticides container (EPC) must be triple rinsed and pierced before being disposed by the management However, during the site visit: 1. Bradwall Estate – There are empty pesticide container which has not been triple rinse and pierced sighted inside the domestic waste bin. There were also spotted empty pesticide container that were dumped at the domestic waste collection bin.			
			
Muhd Jamalul Arif Lead Auditor Date: 27 th October 2017			
Root Cause Analysis and extent: (To be filled by Auditee) Lack of awareness on empty pesticide containers' management by the estate workers			
Corrective/Preventive Actions: (To be filled by Auditee) 1. To triple rinse and puncture the empty pesticide containers and store in the EPC Store. 2. To train the workers on triple rinse and punctured and not disposed in the landfill			
Evidence of Conformity: 1. Record/photo of EPC has been triple rinse and punctured and stored in the EPC Store or; disposed off with approved contractor 2. Training records on triple rinsing & puncture the EPC if not re-used.			
Review of evidences submitted to CUC: RCA and CA received on 07/11/2017.			
Conclusion by CUC: Minor NC to be verified on implementation on next surveillance audit.			

NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature:	Date:

4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA
 All Major NC has closed. Refer to last year report by SGS.

4.3.3 Observations Raised During this Audit

Client name:	Sime Darby Bhd – SOU 15 Bradwall Estate		
Date raised:	27 th October 2017		
Raised by:	Fadly Ahmad		
Aspect of standard	5.2.2; Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.		
Bradwall Estate has been experiencing encounter of Ophiopagus Hannah (King Cobra) based on the interview with the worker and also got pictorial evidence based on worker observation in the field. However, the reptile species did not include in the RTE assessment by the management team as it did not mention in HCV report.			
Assessors Signature		Date	27 th October 2017

4.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30 day Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client’s procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers’ organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment the audit team will review the company’s implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?

6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?

RSPO Principle	Stakeholder comment	CUC response
1 – Commitment to transparency	<p>1.Mr. Robert, the NUPW Negeri Sembilan external affairs officer glad that the estate management of Sua Betong complex estate and mill demonstrated the principle of transparency in allowing the workers to join the trade union. The commitment was well translated into the company effort in encouraging the workers to join trade union through RM3.00 subsidy for the Union fee.</p> <p>2.Haji Hasan the Kg. Pinang Village Head and Haji Sukran, the Kg. Baru Setia Village Head informed that, they attended the stakeholder meeting with the police department held by the estate management in order to discuss the security matter involving the cattle issue.</p> <p>3.Puan Siti Nurul Hanisah PD Lukut office staff, explained the exercising of annual budget for the year. The 5 years crop projection and expenditure translated the long term economic commitment towards the financial viability.</p> <p>4. Madam Elizabeth the Salak Estate Chief Clerk informed, as a chairlady of Salak Estate Gender Committee, she played her role in ensuring the committee have knowledge on aspect in RSPO/MSPO.</p> <p>5.Madam Annaletcuny the local crèche ayahs informed, the workers were reminded daily on the environmental awareness and issue. They were prohibited from performing any rubbish burning in order to comply with the zero burning policy.</p>	<p>1. Positive comment.</p> <p>2.Estate management has not authorized to catch the cattle own by surround community. Awareness among the cattle owner been highlighted by estate management during stakeholder meeting.</p> <p>3.Positive comment.</p> <p>4.Positive comment. Gender committee sighted well functioned.</p> <p>5. Positive comment</p>
2 - Compliance with applicable laws and regulations		
3 - Commitment to long-term economic and financial viability		
4 - Use of appropriate best practices by growers and millers		
5 - Environmental responsibility and conservation of natural resources and biodiversity		
6 – Responsible consideration of employees, and of individuals and communities affected by growers and mills		
7 - Responsible development of new plantngs		
8 - Commitment to continuous improvement in key areas of activites		

	<p>6. Mr. Muniandy, the headmaster of SJKT Sua Betong and Puan Thana the SJKT Bradwall Estate teacher expressed their gratitude of the assistance and contribution from the estate management to assist in conducting regular grass cutting at school.</p> <p>8. Madam Punitha the general worker said, the effort of the estate in ensuring the workers experienced good housing condition by cleanliness monitoring and house repair. Its stated in the commitment of the estate towards the objective in the continuous improvement plan objectives.</p>	<p>6. Positive comment. This is part of CSR programme by estate.</p> <p>7. Positive comment. Workers housing in all estate in well maintained condition.</p>
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PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:
RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	Supply Chain Model (IP or MB)
KKS Sua Betong	60	Kilang Kelapa Sawit Sua Betong, KM 22, Jalan Linggi, 71050 Sirusa, Port Dickson, N. Sembilan.	Module D – CPO Mills: Identity Preserved

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

Product CU Code	CPO (MT)	PK (MT)	Specified 12 month period
POM 1	65,500	16,370	Projected volumes between 01/10/2017 to 30/09/2018. See also 1.6 above. Note: please provide forecasted certified volume

5.3 Summary Report Including A Brief Description Of The Scope Of Certification

Actual quantities of certified FFB delivered to the mill are entered into a central computer system and the actual quantities of CPO and PK produced are also entered and the OER is known. The quantities of certified CPO and PK are shown in real time and summarized each day on a spreadsheet.

A full RSPO SCCS certification audit was used during this annual assessment and the findings support the certification based on supply chain model listed above. A full RSPO SCCS certification audit was used during this annual assessment and the findings support the certification based on supply chain model listed above.

5.4 Monthly Records of Certified and Uncertified FFB Received Since the Last Audit
In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	Oct 2016	25,469.27	0.00	25,469.27
2	Nov 2016	28,447.12	0.00	28,447.12
3	Dec 2016	22,451.60	0.00	22,451.60
4	Jan 2017	19,973.31	0.00	19,973.31
5	Feb 2017	19,937.65	0.00	19,937.65
6	Mar 2017	17,160.60	0.00	17,160.60
7	Apr 2017	19,890.50	0.00	19,890.50
8	May 2017	19,517.82	0.00	19,517.82
9	Jun 2017	21,750.52	0.00	21,750.52
10	Jul 2017	24,490.74	0.00	24,490.74
11	Aug 2017	29,510.79	0.00	29,510.79
12	Sep 2017	31,226.46	0.00	31,226.46
	TOTAL	279,826.38	0.00	279,826.38

5.5 Monthly Records of Certified CPO and PK Since the Last Audit
In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	Oct 2016	5,121.93	994.184
2	Nov 2016	5,367.82	1,173.68
3	Dec 2016	4,317.55	931.344
4	Jan 2017	3,980.11	815.077
5	Feb 2017	3,804.25	903.826
6	Mar 2017	3,379.16	845.056
7	Apr 2017	4,013.92	903.874
8	May 2017	3,832.21	870.058
9	Jun 2017	4,215.91	958.559
10	Jul 2017	4,738.85	1,072.71
11	Aug 2017	5,810.38	1,246.00
12	Sep 2017	5,838.78	1,208.99
	TOTAL	54,420.86	11,923.35

5.6 Records of Certified CPO & PK Sold under GreenPalm to Buyers since the Last Audit, if Any
In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	No GreenPalm sales for past 12 months			

5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any
In case of Main Assessment, it shall be the last 12 month figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.
The transactions were sighted form the clients registered UTZ eTrace Account.

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	No RSPO sales for past 12 months			

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

1. All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
2. For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
3. For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
4. If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

Non-were raised during this audit.

5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

This palm oil mill and its supply bases were audited against RSPO SCCS 2014. The mill processing capacity is 60MT/hr FFB per hour. The mill is capable of handling IP supply chain model.

5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

Recommendations made:	Yes
Summary of non-compliances:	Nil
Certification status of client:	<p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPOPC certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p>

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

The provisional date for the next ASA is: October 2018

6.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- | | |
|----------------------------------|--------------------------------|
| • All major NCs to be closed by: | 26/11/2017 |
| • All minor NCs to be closed by: | Before next surveillance audit |

6.3 Signing by the Client

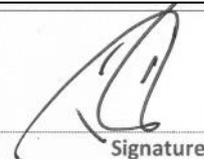
I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document .

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name:	Denni Anak Pusin
Position:	Mill Manager
Date:	12/03/2018



Signature

6.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name:	Muhd Jamalul Arif
Position:	Lead Auditor
Date:	15/11/2017



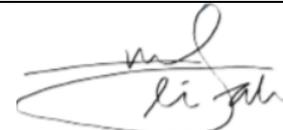
Signature

6.5 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name:	Nor Atiqah
Position:	Certifier
Date:	14/03/2018



Signature

PART 7: APPENDICIES

Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)

Figure 1: Location Map for SOU 15 Sua Betong supply Base Estates

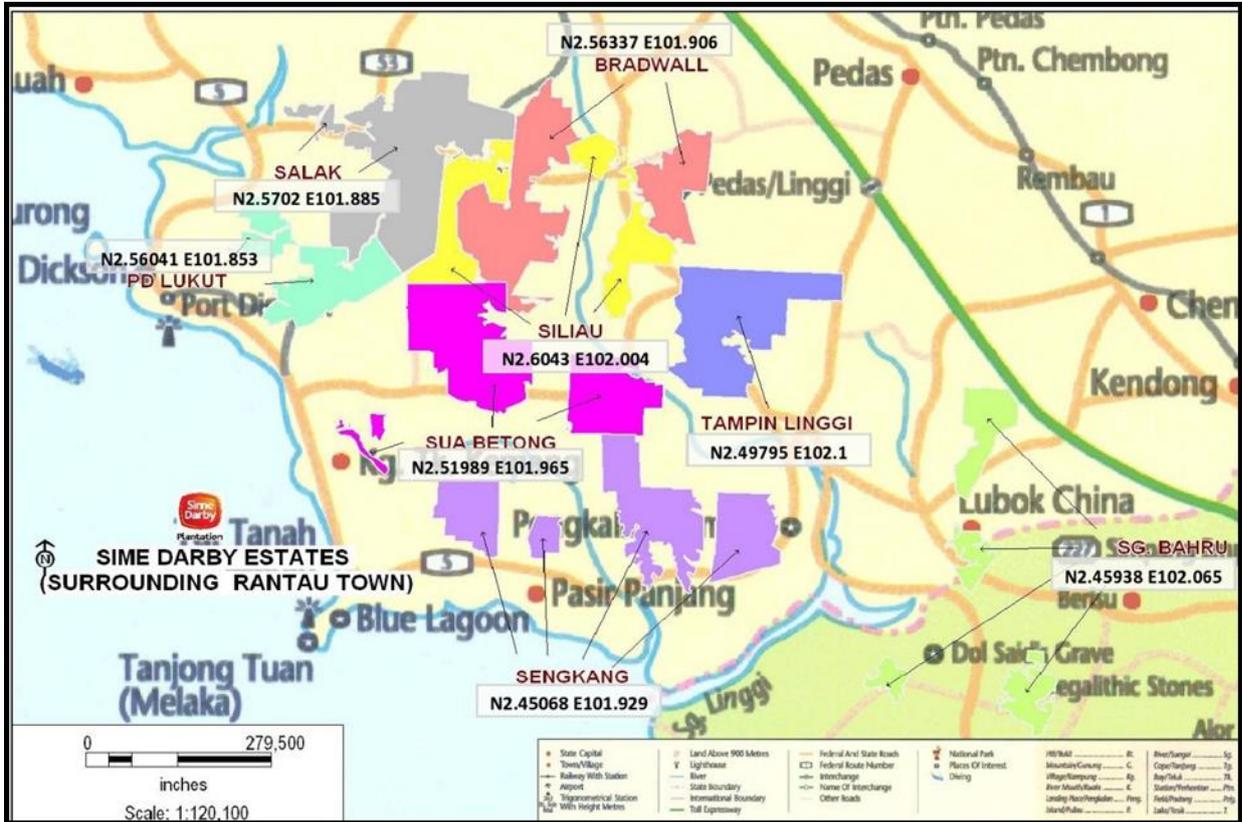
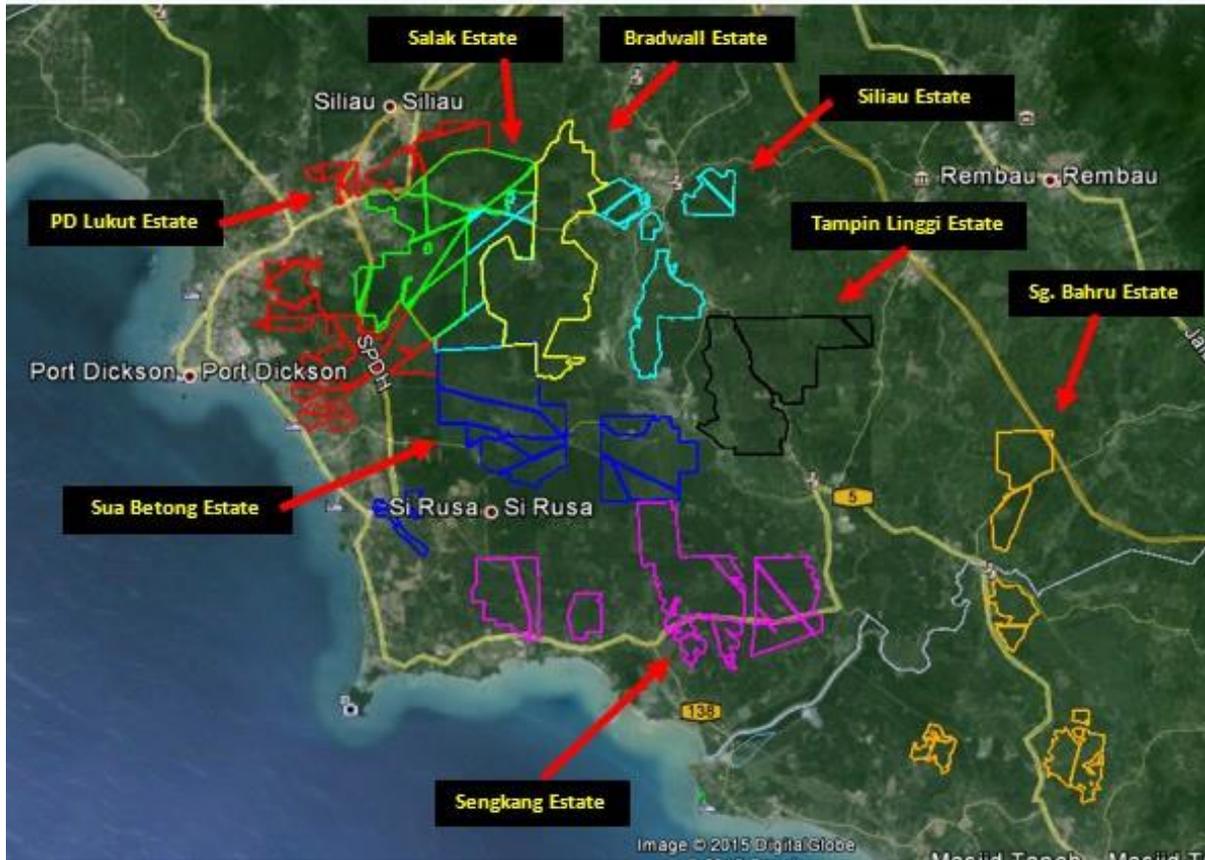


Figure 2: Land Map for SOU 15 - Sua Betong Supply Base Estates



Appendix 2: Summary of GHG Emissions

All data inputs and the use of RSPO PalmGHG Calculator (include the version number) have been verified with the final summary of the net GHG emissions (tCO₂e/tCPO) figure in relation to C5.6

Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	1.54
PK	1.54

Extraction	%
OER	19.7
KER	4.58

Production	t/yr
FFB processed	214330.23
CPO Produced	42219.99

Land use	ha
OP planted area	25198.4
OP planted on peat	4.0268
Conservation (forested)	0
Conservation (non-forested)	0
Total	25,202.43

Summary of Field Emissions and Sinks

Emissions	Own		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/t FFB
Land Conversion	126521.92	10.05	675.42	0.54	0	0	127197.3	
*CO ₂ Emissions from Fertiliser	16160.18	1.31	81.28	0.07	0	0	16241.46	
**N ₂ O Emissions	11799.31	0.89	46.19	0.04	0	0	11845.5	
Fuel Consumption	1111.39	0.09	7.14	0.01	0	0	1118.53	
Peat Oxidation	174.72	0.01	0	0	0	0	174.72	
Sinks								
Crop Sequestration	-117199.42	-0.56	-642.64	-0.52	0	0	66518.18	
Conservation Sequestration	0	0	0	0	0	0	0	

Summary of Mill Emissions and Credits

<i>tCO₂e</i>	<i>tCo₂e/tFFB</i>
<i>Emissions</i>	
<i>POME</i>	0.2
<i>Fuel Consumption</i>	0
<i>Grid Electricity Utilisation</i>	0.01
<i>Credits</i>	
<i>Export of Grid Electricity</i>	0
<i>Sales of PKS</i>	0
<i>Sales of EFB</i>	0
<i>Total</i>	0.2

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100%
Divert to methane capture (flaring)	0%
Divert to methane capture (electricity generation)	0%

Appendix 3: GHG assessment for new plantings

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below.

Appendix 4: List of Abbreviations	
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
CUC	Control Union Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MDC	MDC Publishers Sdn Bhd (Company Name)
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
SA8000	Social Accountability 8000
Sdn Bhd	Sendirian Berhad
SIA	Social Impact Assessment
SOCISO	Social Security Organisation
SOP	Standard Operating Procedure
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization