

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

ANNUAL SURVEILLANCE ASSESSMENT 1

Malaysia
SOU 13 LABU
Sime Darby Plantation Berhad
2017

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Certification decision by:	Nor Atiqah	(Certifier)
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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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:	RSPO & ISCC

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	100080400000
Registered Client Name:	Sime Darby Plantation Berhad – SOU 13 Labu
Certificate Number:	SGS-RSPO/PC17-00004 (OLD) / CU-RSPO-855480
Start Date Of Certificate:	30 th December 2016
End Date Of Certificate:	29 th December 2021
Date Of Original Certification:	30 th December 2011
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:	18 th – 21 st September 2017
Audit Number:	ASA1

1.4 Certification Scope

The scope of certification includes the production of CPO and PK at Labu 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
Labu Palm Oil Mill	28	Pusat Teknologi Kilang Kelapa Sawit Labu (POMTEC), P.O.Box 5, KM 16, Jalan Labu, 71900 Labu, Negeri Sembilan.	N 02° 44'56.0"	E 101° 48'16.2"

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
130,000	28,085.54	6,072.55	125,715.71	26,054.929	6,315.293	112,943.3	24,712.7	6,211.88

Note: refer to part 5.2 for e-trace certified volume

1.7 General Description of Supply Base

The plantation management unit audited is known as Sime Darby Plantation Sdn Bhd Strategic Operating Unit (SOU) 13 Labu consists of the Labu Palm Oil Mill, Labu Estate and New Labu Estate.

Labu Estate located in the Negeri Sembilan, Malaysia in the district of Labu is made up of 2 division Labu and Ampar Tenang Division. Established in the 1930s as a rubber and tea plantation, it is now fully planted with oil palm.

Due to the country's infrastructure rapid development, certain tracts of land had been acquired by both the authorities as well as Sime Darby Property. According to information provided by Labu Estate, Ampar Tenang has been criss-crossed with highways and rail-line and about 900 ha has been acquired for phased property development known as Serenia City by Sime Darby Property.

New Labu Estate located in the similar district with Labu Estate is split by the Seremban-Nilai Highway. It is made up of New Labu and Kirby Division. It shares common boundaries with Labu Estate, villages and smallholders.

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	Labu Estate	Ladang Labu, 71900 Labu, Negeri Sembilan	N 02° 45.05727'	E 101° 49.05359'	2674.88	2521.43
OPP 2	New Labu Estate	Ladang New Labu, 71800 Nilai, Negeri Sembilan.	N 02° 46.46284'	E 101° 48.30010'	1896.27	1764.65
TOTAL					4571.15	4286.08

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	Labu Estate	5437.88	1996-2013	25
OPP 2	New Labu Estate	39374.37	1985 - 2015	25
TOTAL		44812.25		

Only use data from 1.7.3 in the eTrace Summary

1.7.3 Conservation and HCV Area (Ha)

OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Labu Estate	0	4.54	Yes
OPP 2	New Labu Estate	0	1.83	Yes
TOTAL		0	6.37	

* 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				Total
	1996-2000	2001 -2005	2006 – 2010	2011 – 2015	
OPP 1	10.6%	50.8%	19.6%	19%	100%
OPP 2	34.4%	16.5%	21.51%	27.95%	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
2	2	-	-
Explanation as to the selection of estates sampled			
Both available estates selected.			

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
No smallholders.

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, estates and palm oil mills?	Yes	Go to 2.3	2.2.3
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 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. 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.	Yes

		<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 to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<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> <p>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</p>	Yes
2.4.3	Any new plantings since January 1 st 2010 must comply	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	Yes

	with the RSPO New Plantings Procedure.	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?	
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 BOUNDP 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
Bintang Palm Oil Mill	Johor, Malaysia	Talisman Estate and Lian Seng Estate	2018	Not certified
MAS POM	Indonesia	PT. Mitral Austrial 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.

Include any known concerns, media reports and major issues both present and from the past covering, for example:

- 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
18/09/2017	SOU 13 Labu	Document review & interview on Partial Certification requirements.

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.

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3.2 Audit Team

Lead auditor:	Muhd Jamalul Arif
Team member 1:	Supun Sachithra Nigamuni
Team member 2:	Mohd Razaleigh Mohamad
Team member 3:	Mahaswaran Maliyapan

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.	Muhd Jamalul Arif	Fluent in English and Bahasa
	Mohd Razaleigh Mohamad	Fluent in English and Bahasa
	Mahaswaran Maliyapan	Fluent in English and Bahasa
	Supun Sachithra Nigamuni	Fluent in English
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.
	Mahaswaran Maliyapan	Over 15 years of experience as Trainer, Consultant & Auditor in internationally recognized standards like Environment Management System (ISO 14001), Occupational Health & Safety Management System (OHSAS 18001), Quality Management System (ISO 9001), RSPO P&C, RSPO SCC, RSPO NEXT, RSPO NPP, RFS2, MSPO P&C and MSPO SCC. As being a free-lance certified Lead Auditor employed on contracted basis by various Third-Party Certification companies. He has been qualified internally for Social Auditing in RSPO P&C and has performed a huge number of audits either for the purpose of Certification or Surveillance for different management standards. Excellent communication skills [English, Bahasa & Tamil] both in oral and in writing.
	Supun Sachithra Nigamuni	An accomplished forestry and environmental specialist with over eight years' experience in compliance auditing, training, certification, program management and environmental assessments. Currently responsible for managing Environmental Services for the Asian region which provides sustainability solutions for products, entities and activities. Also manages RSPO & Forest Stewardship Council (FSC) certification activities for Control Union Certifications worldwide. International Auditing experience in 9 countries for Forest Management, Chain of Custody, ISO 14001, GHG assessments and other environmental and social programs across many sectors.

<p>Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.</p>	<p>Mohd Razaleigh Mohamad</p>	<p>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.</p>
<p>Health and Safety auditing on the farm and in processing facilities. (For example, OHSAS 18001 or occupational. Health and safety assurance system).</p>	<p>Mohd Razaleigh Mohamad</p>	<p>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.</p>
<p>Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical accountability codes).</p>	<p>Mahaswaran Maliyapan</p>	<p>Over 15 years of experience as Trainer, Consultant & Auditor in internationally recognized standards like Environment Management System (ISO 14001), Occupational Health & Safety Management System (OHSAS 18001), Quality Management System (ISO 9001), RSPO P&C, RSPO SCC, RSPO NEXT, RSPO NPP, RFS2, MSPO P&C and MSPO SCC. As being a free-lance certified Lead Auditor employed on contracted basis by various Third-Party Certification companies. He has been qualified internally for Social Auditing in RSPO P&C and has performed a huge number of audits either for the purpose of Certification or Surveillance for different management standards. Excellent communication skills [English, Bahasa & Tamil] both in oral and in writing.</p>
<p>Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).</p>	<p>Supun Sachithra Nigamuni</p>	<p>An accomplished forestry and environmental specialist with over eight years' experience in compliance auditing, training, certification, program management and environmental assessments. Currently responsible for managing Environmental Services for the Asian region which provides sustainability solutions for products, entities and activities. Also manages</p>

		RSPO & Forest Stewardship Council (FSC) certification activities for Control Union Certifications worldwide. International Auditing experience in 9 countries for Forest Management, Chain of Custody, ISO 14001, GHG assessments and other environmental and social programs across many sectors.
Economic issues.	Supun Sachithra Nigamuni	An accomplished forestry and environmental specialist with over eight years' experience in compliance auditing, training, certification, program management and environmental assessments. Currently responsible for managing Environmental Services for the Asian region which provides sustainability solutions for products, entities and activities. Also manages RSPO & Forest Stewardship Council (FSC) certification activities for Control Union Certifications worldwide. International Auditing experience in 9 countries for Forest Management, Chain of Custody, ISO 14001, GHG assessments and other environmental and social programs across many sectors.

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
18/09/2017 (Monday)	Labu 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.
19/09/2017 (Tuesday)	Labu 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)

		<ul style="list-style-type: none"> 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.
20/09/2017 (Wednesday)	New Labu 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.
21/09/2017 (Thursday)	All units	0800 – 1300: Document review and field visit (All auditors) <ul style="list-style-type: none"> Additional field visits, documents review and meetings with managers as necessary. Auditors final discussion and conclusion.
	Labu Palm Oil Mill	1500 – 1600: Preparation for closing meeting (All auditors) 1600: Closing meeting (All auditors and client) <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 End of assessment

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

The mill and supply bases visited (as per the above Tables 1.5 and 1.7.1) and were assessed at field, office, facilities, stores and a document review were carried out in accordance to the RSPO principles and criteria. The subscribed RSPO management system's documentations seen with minor changes that due to internal external influenced factors that in relation to scope of certification.

Specific evidence was recorded for estates and mill. Interviews with Estate Managers, Mill Manager, members of workers union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed in maintaining the RSPO system by adopting to continuous improvement programs.

There was some complaint or feedback received during the audit or during the field assessment when interviewing with the external stakeholders. The management continually monitoring the established KPI / objectives that significantly rules the achievement of company's corporate policy on RSPO. The mill is fully verified for RSPO SCCS system verification in compliance with all SCCS requirements except for some additional requirements in RSPO SCCS 2014. See PART 5 below.

Summary of Non-Conformance and Current Status

There are 3 Majors and 7 Minor non-conformities was raise during this ASA. All Major NC has been closed within the 60 Days timeline. Corrective action and plan for Minor NC's are being provided and accepted. The implementation of the corrective and action plan will be verified during next ASA.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.

Signed:



Name: Muhd Jamalul Arif

Date: 29th Sep 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	
ASA2	1.1	<p>List of Stakeholders document is maintained at estates and mill visited (Ref document: List of Stakeholders). List of stakeholders is update annually by person in charge at both estate and mill.</p> <p>List of stakeholders includes local community heads and other interested parties (government agencies, schools, hospitals etc).</p> <p>Since last audit SOU 13 has not received any request for information on</p>

		(environmental, social and/or legal) issues from stakeholders relevant to RSPO Criteria. 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.
ASA2	1.2	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: <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 estates and mill’s office which is publicly available. Estates and mill maintains safety & health documents that includes risk assessment (Hazard Identification, Risk Assessment & Risk Control (HIRAC) , 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: <ul 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
ASA2	1.3	A written policy committing to code of ethical conduct and integrity in all operation and transactions by SOU 13 is clearly described in “Code of Business Conduct (COBC) established by Sime Darby Berhad which was launched on 01st December 2011. The principles of the COBC includes: <ul style="list-style-type: none"> ➤ Maintains reputation for behaving fairly, honestly and ethically ➤ Shows a collective commitment to uphold integrity throughout the Group 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.
Principle 2: Compliance with Applicable Laws and Regulations		
Criterion by Audit	Summary	
ASA2	2.1	Labu POM There is a “Legal & Requirements Register” established by the PSQM [Plantation Sustainable Quality Management] which was checked and approved for compliance on 21/08/2017 by the Mill’s Manager.

		<p>Based on the evaluation compliance score card, the general requirements and environmental concern has scored 95.27% [satisfactory].</p> <p>The OSH scored 81.06% due to finding on Fire Safety Act 1984, whereby the mill not obtained the Fire certificate and some extensions in the mill facilities were not documented properly.</p> <p>There were no significant changes addressed in the regulation of OHS and environment. As for the general category, “National Wage Consultative Council Act 2011, Minimum Wages Order 2012 has been updated and communicated of the changes of minimum wages within all operating units.</p> <p>During mill visit, sighted the mill effectively managing the chemical/lubricant store area with latest copies of SDS [Safety Data Sheet] displayed and the soft copies being maintained at mill’s office as required by Classification, Labelling and Safety Data Sheet of Hazardous Chemicals (CLASS) Regulations 2013.</p> <p>Sampled the SDS for Aluminium Sulphate 10043-01-3, PDV Salt – Sodium Chloride and 460-S0226 SOLN N/50 Sulfuric Acid Titrant.</p> <p>Below permits and licenses were verified for compliance:</p> <ul style="list-style-type: none"> • License renewal [002075] for discharge of treated effluent to land as per Sek. 18(1) EQA 1974. The license expired on 30/06/2018. • Authorized schedule waste collector is Kualiti Alam Sdn. Bhd. – Transporter & Waste Receiver Code is 50013-904-003. • License for weighbridge – Seal:0095359 – SN 00972216, expired in Apr 2018. MPOB license which allowing processing for 96,000MT/year expires on 31/03/18 [530438004000] [for buying CPO, FFB, PK, SPO], selling [CPO, FFB, PK], storing CPO, PK, SPO] and processing of FFB. • Isokinetic stack sampling, EQA 1978 [Clean Air for palm oil mill boiler] monitor thru Continuous Emission Monitoring System [CEMS] – Connected to DOE for the movement of stack particulate on every minute. • Annual & Baseline Audiometric Testing done annually as per required by the Noise Regulation for Workplace 1989. No workers noted to have hearing impairment. • Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 – report to DOE sighted for 2nd quarter dated on 08/07/2017 [ref. (ASNS(B)31/152/000/019)]. Total CPO produced 6,583.66MT / total FFB processed 31,655.89MT and total water consumed was 20,866 cubic meter(m3) • Sampled competence person for Steam Engineer – Denni Anak Pusin [NC Gred 1] – 026/2014.
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		<ul style="list-style-type: none"> • Competent person for confined space – Syahnaz [NW-HQ-AE-1572-O] authorized by NIOSH, validity expires on 28/03/18. • Competence person as Engine Driver – Muniandy a/l Loganazan [028008]. • Certified Environmental Professional in the Treatment of POME - CePPOME – Muhamad Izzad Ramli [860805-29-5919] CePPOME/6130307 attended on 26/10/2013. • Certified Environmental Professional in Schedule Waste Management - CePSWaM – Sharir bin Abdullah Sadali [750524-10-5165] – CePSWaM/01404 attended on 08/12/2016. <p>There is Evaluation Compliance Score Card with annual rating statement of “Satisfactory”. Any new laws or regulations that needs to be comply shall be issuing of a new matrix that required to be review annually.</p> <p>There is annual RSPO Internal Consultative Assessment by the PSQM and latest audit was done on 02-04/11/16. The assessment was conducted by Mr. Muhammad Shazaley, Mr. Ahmad Hamdi and Mr. Mohd Saifuddin which resulted with 1 major non-conformity. Seen the assessment covers requirements such as Fire Services (Fire Certificate) Regulations 2001, 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>The identification of changes is the responsibility of corporate department in HQ whom shall notify in written to the mill representatives of the changes. It then the respective operating unit’s head to delegate the information among their team members. 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><u>Labu Estate & New Labu Estate</u></p> <p>Based on the summary of legal compliance by the PSQM team with score of 100% compliance. Among the legal & other requirements evaluated were Factories & Machinery Act 1967, Classification, labelling & Safety data Sheet of Hazardous Chemicals Reg 2013, Pesticide – labelling Reg. 1984, OSH 1994 and EQA 1974. Sampled the permits and licenses that applicable for the estate’s operation:</p> <ul style="list-style-type: none"> • MPOB License – 561854011000 expires on 30/06/18 • Diesel permit - N015717 for 10’000L expires on 07/06/18
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		<ul style="list-style-type: none"> • Permit for wages deduction as per Sek. 24 Akta Kerja 1955 – 01/07/2013 [Bil 19] dlm. PTKSBN 218 • Air compressor – PMT-NS-17 02976 expires on 04/09/18 • License for water extraction from the waterfall of Galla Reserve Forest in accordance to Akta Air 1920 [Act 418 – Sek 7(4)] – BKSA-SBN/700-11/2/1/7/2018/0545 expires on 31/12/2018. <p>There is a good tracking system on legal documents expiries and the Chief Clerk well co-ordinates with regulatory departments as well with HQ for the updates.</p> <ul style="list-style-type: none"> • MPOB License – 534141102000 – expires on 30/11/2018 • Weighbridge – SN 0009105-6AK – expires on 11/10/17 • Diesel storage for 13’650L – N015164 expires on 18/02/18 • Compressor PMT-NS39985 – expires on 06/02/18 • Approval letter for electricity bill deduction [PP3/26/1005] • Approval letter from Jabatan Tenaga Kerja Negeri Sembilan [Kementerian Sumber Manusia] for pay deduction for Union fee [PMT 1050/2016/0048, dated on 29/03/2017. <p>There is a Standard Operating Manual [appendix 5.2.4a] that guides the operating units on how to monitor the progress of applicable laws and regulations. The Group Sustainability Team [PSQM] will update the estates if there are any changes in the legal requirements. 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>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 liaise with respective sites. The HR team co-ordinates on wages concern issues with all operating units.</p> <p><u>Min NC:</u> The wastes generated from the clinic being located in the estate is not been identified in the Waste Management Plan. Company currently dispose scheduled wastes by sending along with the visiting (OHD) doctor, however no evidence of consignment notes available to ensure declared SW been disposed in good manner and according to local regulations. In New Labu estate, the last disposal of Clinical Waste was on 12 Feb 2016 – 0039623 – Kualiti Alam Sdn Bhd. No disposal records from Feb 2016 and clinical waste</p>
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		is stored in the clinic since then which is also violating the legal prescriptions of 180 days.
ASA2	2.2	<p><u>Labu POM</u> This POM is located on Labu Estate. During mill visit, seen the mill area is being fenced in accordance to the land area stipulated in the Labu’s Estate map. There was no land issue or disputes since the mill is located on Labu Estate. The copy of land title verified against the <i>Jadual Pematuhan</i> from DOE.</p> <p><u>Labu Estate & New Labu Estate</u> This estate is located in Mukim Labu, District of Seremban which is neighbouring to sister estates, New Labu and Sepang. This estate is 20 minutes’ drive from KLIA and 45 minutes from Kuala Lumpur. It was planted with rubber since 1930, converted to oil palm since 1970. In 1984 whole estate had been fully planted with oil palm.</p> <p>As at Jan 2017, there were 2 divisions namely Main Division and Ampar Tenang Division. Thereafter it been disposed to Sime Darby properties. Based on the latest hectarage statement, grand tile area is 2674.88HA [2521.43 matured and others 153.45 HA]. Verified of the 19 land titles which issues by Negeri Sembilan land department in 1970. Sighted a matrix on the land title number against the area and amount of quit rent paid.</p> <p>For New Labu main Division, there are 18 land titles [1334.56 HA] and Kirby Division has 19 land titles [576.27 HA]. Based on the latest hectarage statement, the total title land area is 1913.72 HA at which the 2 divisions are parted of 6-7 KM. Sighted the evidence of quit rent paid for 2016/17.</p> <p>The estate is maintaining a “GPS Surveyed Map” that relates to the “Land Management Department”, consist of estate mapping on boundary stones / markers, geo-reference, water sampling points, HCV area and field legends. Sampled the boundary stone reading at Block 09A against the GPS reference table that matched. The boundary stone and trenches are seen well identified at Gala Reserved Forest and land that adjacent to Kampung Tekir [Kg. Orang Asli]. In New Labu Estate, the boundary stone census report available indicating of 7 points, sampled field 2012B and 1985E that the co-ordinates measured aligned with recorded data in the master list. The estate seen boundary to quarry, Kg. Lambar, Kg. Pulau, Kg. Jerangkang and Kg. Labu Hilir. The estate being separated by the PLUS Highway.</p> <p>Both estates were previously developed by Guthrie Plantation and the merger process in 2008 has changed the ownership to Sime Darby plantation. Therefore, no communities nor individual has any implications for the legal status of their land or have been disputes. There was no traces of communities nor individual implications for the legal status of their land or have been disputes.</p>
ASA2	2.3	There is a documented flow chart and procedure – Appendix 05 for “Handling

		<p>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. During field visit, sighted the estate adjoining to smallholder’s plantations [palm oil], government reserve forest [Gala], villages and separated by East Coast Highway as well the Federal Road that cause to be broken piece of estate land. However, there is no evidence collected during this audit period for any legal, customary or user rights. During field visit to both main and Kirby Divisions, there was no illegal encroachment by the estate. Interviewed the Ketua Kampung of Labu Hilir whom has no negative comments on the land occupation by New Labu.</p>																																					
Principle 3: Commitment to Long-Term Economic and Financial Viability																																							
Criterion by Audit	Summary																																						
ASA2	3.1	<p>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" style="margin-left: auto; margin-right: auto;"> <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" style="margin-left: auto; margin-right: auto;"> <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>Labu Estate & New Labu Estate</p> <p>Summary of budget available in document title “Management Plan 2017 – Labu 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>Crop projection for next 4 years:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>MT/Ha</th> <th>FFB (MT)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>23.67</td> <td>59,680</td> </tr> <tr> <td>2019</td> <td>23.79</td> <td>59,994</td> </tr> </tbody> </table>		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	Year	MT/Ha	FFB (MT)	2018	23.67	59,680	2019	23.79	59,994
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ASA2	4.1	<p>Labu POM</p> <p>Sime Darby Plantations has established standard operating procedure title Mill Quality Management systems produce by standards and compliance unit, TQEM, Sime Darby Plantation dated 1st November 2011.</p>																																									

		<p>Sighted the master list of the procedure in section IV, procedure content. Version 1. 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.</p> <p>Sighted the master list of the procedure in section IV, procedure content. Version 1 produce in year 2008. Total 13 procedure that divided base on the works stations have been listed in the document. All the procedure has been documented in English languages.</p> <p>Sighted the internal structural Crop recovery assessment for Labu POM, done by Plantation Quality Management system department date 2nd June 2017. The assessment covers the process control, spillages, housekeeping, PK and CPO quality, Laboratory, Oil losses, Kernel and oil losses and security. Total scoring for the assessment 80.92% and improve from the last year score which is 77.45%</p> <p>Issues raised in the assessment results on oil losses. Sighted sample taken for raw effluent oil losses exceed the parameters, 1.40. the mill recorded 1.70 while PSQM recorded 1.53</p> <p>For Kernel losses, POM also exceeds the parameter which is 0.30 and actual results 0.45 base on POM and 0.40 by the PSQM. No others issues raised and satisfactory.</p> <p>Sighted also the internal assessment for MSPO dated 15th July 2016 produce by RSPO and certification units, plantations sustainability and quality management department. The assessment leas by Ms. Nadiah Mohamed Nazri.</p> <p>Total 14 issues have been raised. Sample taken for traceability training not been done. Mill advise by auditor to request for training. Base on the procedure, station 3.0 sterilizations stations versions 1, there are 2 types of records document need to be maintained by the POM which is Sterilization Station Check sheet serial no SS301 and sterilizer oil losses serial no SS302.</p> <p>Action plan have been produced for internal assessment for MSPO sighted the minutes meeting dated 31st October 2016. All the issue raised have been</p>
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		<p>identify and corrective action have been taken and remarks as done. Training records for traceability sighted. For LEV annual inspection report sighted by SEMS Sdn Bhd date 21st September 2015.</p> <p>No 3rd party supplier for fresh Fruits Bunches but only if there any diversion from other Sime Darby Plantations POM.</p> <p>Counter checked have been carried out by the auditor from the document in monthly crop report for month June 2017. The financial year for Labu POM from July until June next years.</p> <p>Sighted in the document, there are 3 main supplier of FB which are Labu Estate sent total 59,759.77mt, New Labu 29,862.87mt and Salak Estate total 27,125.65mt of FFB. Other suppliers are Tampin Linggi Estate, Silliau Estate, Bukit Pelandok, Sepang anad Bradwall.</p> <p><u>Labu Estate & New Labu Estate</u></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 <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>MSPO and RSPO internal audit have been carried out by PSQM department lead by Puan Salwa Md Yazid dated 8th August 2017 (Labu Estate) and 9th August 2017 (New Labu) the auditor is Ms Devantherao Appanah, total 2 major, 1 minor and 3 observations have been raised.</p> <p>Sighted the internal audit procedure reference no. SD/SDP/PSQM title “Internal Audit Procedure dated 1/5/2015.</p> <p><u>Minor NC- RSPO</u></p> <p>Sime Darby Plantation have established SOP for barn owl boxes sighted in</p>
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		<p>the SOP Plant protection section 15 version 1 in year 2008.</p> <p>As per mentioned in the SOP, barn owl can be used to control of rat damage in oil palms. Stated the procedure to setting up the Barn Owl Box (BOB) as per below</p> <ul style="list-style-type: none"> • 1st phase: 1:40ha (>5% damages) • 2nd phase 1:20ha (occupancy exceeds 50%) • 3rd phase 1:10Ha (occupancy exceeds 50% in the 2nd phase) <p>In indicator 6.5.1, stated that monitoring of BOB should be carried out once in six months and census result need to be submitted to Plant protection section.</p> <p>Total 19 BOB have been established in Kirby division. And sighted the BOB census for August 2017 and results of the census is 55% occupancy rates. It is vice versa with the procedure stated that 1st phase is ratio 1:40 and need to add up 1:20 ha if occupancy reach more than 50%. Total hectarages 1131.51ha.</p> <p>As per stated in the OSH manual, stated that risks assessment need to be revised immediately after any accident, near accident, miss accident happen.</p> <p>Accident happen in New Labu Estate, Mr Shamsul Redza, Senior Assistant Manager of New Labu Estate dated 24th August 2017 while travelling using motorcycle in field.</p> <p>There is no evidence the risk assessment have been revised. Latest revision is in July 2017.</p>
ASA2	4.2	<p><u>Labu POM</u></p> <p>Nutrient recycling strategies for POM are Empty Fruits Bunches (FFB) will be sent back to the supplier estate in the document Misc. Outward Summary report by Customer/Product from 1st July 2016 until 29 June 2017. Total 17,760,270mt have delivered to the supplier estate.</p> <p>Record of land applications sighted for months July and August 2017. Total 7263m3 for July and 6559m3 for August 2017</p> <p><u>Labu Estate & New Labu Estate</u></p> <p>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. Stated in the report there is high number of male inflorescence was observed and it is recommended to apply EFB to minimise the impact for block 2006A (30mt/ha) and 2002L (50mt/ha).</p> <p>Sighted the fertilisers recommendation in excel format title "Manuring</p>

		<p>FY17/18" as per stated in sheet master plan 17/18 total 6 fertilisers have been recommended in year 17/18 (Ammonium Sulphate, GML, MOP, Kieserite, Borate and NKC 1)</p> <p>Auditor counter checked the recommendation with the actual records applied for AC fertilisers in Fertilisers application costing books. Sighted that 32 Mt of AC fertilisers have been applied in field 2004A and 52.1mt in block 2009.</p> <p>Sighted the soil analysis report dated 13th February 2015 sent to Mr R.Kumaran, Technology Transfer and advisory services, R and D Department from Mr Chan Chooi Yen from Sime Darby Research Sdn Bhd</p> <p>Total 12 soils samples have been taken and received on 18th November 2014 test report no S10/2015. Leaf sampling also have been tested and the leaf sampling report sighted in the agronomist report title document 2017/2018 Agronomic and fertilisers' recommendation report oil palm by Mr R Kumaran dated 6th April 2017. The leaf sampling has been used as a guideline for fertilisers' recommendation.</p> <p>There are 2 types of nutrient recycling have been applied in the Labu Estate. Sighted the records of POME land application as at April 2017. Total 78 hectares of furrow for land applications have been constructed and maximum limit 84 hectares.</p> <p>Sighted the EFB application records in records title "EFB/compost application status 2015/2016 (Mature/ Immature) as at June 2017. Total hectarages 225.91 hectares have been budget financial year 2016/2017. Estate has extended the EFB applications total 339.91 have been applied as at June 2017.</p> <p>Not much recycling strategies have been implemented in new Labu Estate since the location of the estate is quite far to do POME land application. EFB have been applied in year 2017 total 172.26mt and records of contractor payment sighted paid to Syarikat Pengangkutan Sinar Makmur.</p>
ASA2	4.3	<p>Labu Estate & New Labu Estate</p> <p>Sighted the topography map in Labu Estate map, Manuring block, slope and contour map. In ratio 1:21,000. Stated in the Topography map that 62.87% is 2-6 degrees, 17.75% is 6-12 degrees, 18.73 is 0-2% and only 0.18% for 20-25 degrees</p> <p>Sighted also the soils map for Labu estate, as per mentioned in the maps, there are total 11 types of soils in the estate (61% Renggam, 19% local alluvium, and 7% Bungor and small area with others series, Bungor shallow, durian, Malacca, munching, Serdang, Seremban)</p> <p>As per mentioned in the Agricultural References Manual section 4 Land preparation, indicator 8.1 guidelines for terrace construction, for area mora than 6 degrees need to construct terraces and all terraces need to be sloped back towards the hill with backdrop 15 degrees from horizontal. Stop bund</p>

		<p>need constructed to check the lateral run off water at 20 metres intervals.</p> <p>As per mentioned in the Agricultural References Manual section 4 Land preparation, indicator 8.1 guidelines for terrace construction, for area more than 6 degrees need to construct terraces and all terraces need to be sloped back towards the hill with backdrop 15 degrees from horizontal. Stop bund need constructed to check the lateral run off water at 20 metres intervals.</p> <p>Topography maps for New Labu Estate sighted in Manuring block and slope map. Stated that 47.77% is 2-6 degrees, 26% is 6-12 degrees 13.15% is 0-2 degrees, 10.76% is 12-20degrees and only 0.43% is more than 25degrees</p> <p>Sighted the area more than 25 degrees slope have been marked in the estate map for New Labu Estate, and during the site visit, the auditor already counter check that there are no replanting/new planting have been carried out at that particular area.</p> <p>Soil maps also sighted for New Labu estate in New Labu Manuring block and soil map. As per stated in the soil map there are 12 series of soils. The major series are Renggam (32.76%), Seremban (21.40%)and Bungor (21.59%). Others soil series listed are Batu Lapan, Gajah Mati, Kuah, Kuala Brang, Local Alluvium, Pahoi, Rasau, Tawar and Tebuk. Stated in the agronomist report that some New Labu Estate area have been identified as Organic sandy, the agronomist, Mr R. Kumaran has recommended for EFB application with dosages 40mt/ha.</p> <p>Sime Darby Plantations has established policy title "Slope and river protection policy "signed by managing director Datuk Franki Anthony Dass on January 2015. Stated in the policy that Sime Darby is committed to protecting slope and rivers as follow:</p> <p>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</p> <p>Planting of forest trees for enrichment of the species is recommended. Sighted the area more than 25 degrees slope have been marked in the estate map for New Labu Estate, and during the site visit, the auditor already counter check that there are no replanting/new planting have been carried out at that particular area.</p> <p>Roads maintenance program sighted for both estates in financial year 2017/2018. The program has been divided into blocking systems and hectarage and estimated 2 rounds per year. Total 4700.70 have been budgeted in year 2017/2018 throughout the year. Roads maintenance have been budgeted in yearly budget.</p>
ASA2	4.4	<p>Labu POM</p> <p>Water management plan have been established in document water management plan for Labu POM and have been divided in to 2 (Reduction of water usage and contingency prepared by Mr Syahnaz Ambar Abdullah Amber and latest revised is on 1st July 2017.</p> <p>As per mention in water reduction plan, POM have plan to implement dry cleaning on weekdays and wet cleaning on weekend. POM also will carried</p>

	<p>regular inspection and immediate repair for any leakages of pipeline and to carry out spin test hourly so that the amount of dilution water is at optimum level. Records for spin test sighted at the notice board at the water treatment plant area.</p> <p>As per mention in water management plan for contingency, for water treatment plant (for processing) water analysis need to be carried out on monthly basis)</p> <p>Water usage have been monitored through the document monitoring of water usage for FY 2017 and 2018 for Labu POM. Sighted the monitoring data for July 2017 (1.12L/Mt) and August 2017 (1.11L/Mt)</p> <p>As per mention in the water management plan, water analysis need to be carried out once in a month's however, the SD laboratory can't cope with the numbers and as per mention, POM follow the procedure on water sampling need to be carried out once in 3 months.</p> <p>Results for the water analysis for upstream, downstream and domestic sighted latest 7th September 2017. From Sime Darby research Sdn Bhd report no PO418/2017 and PL 629/2017/</p> <p>As per mentioned in the procedure samples need to be sent to accredited laboratory must been 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> <ol style="list-style-type: none"> a. BOD <5000 b. 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>Water usage have been monitored through the document monitoring of water usage for FY 2017 and 2018 for Labu POM. Sighted the monitoring data for July 2017 (1.12L/Mt) and August 2017 (1.11L/Mt)</p> <p><u>Labu Estate & New Labu Estate</u></p> <p>Water management plan sighted in the document "Water management plan for Labu Estate: Contingency plan during water shortage for financial year 2017/2018</p> <p>As per mentioned in the water management plan, there are 5 issues that have been highlighted which is water shortage, severe water pollution, floods, reduction of domestic usage and chemical area.</p> <p>Sample taken for water shortage, the action plan is by purchasing water from Syarikat Air Negeri Sembilan (SAINS)</p> <p>Estate have already identified the water sources which is water catchment</p>
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		<p>area at up the hill and from the government water.</p> <p>Procedure for water sampling also sighted in SOP sustainable plantation management, SOP for water quality monitoring. As per mention in the SOP, water sampling need to be carried out quarterly for river that across the estate land and monthly for raw water from river/streams/reservoir and treated water (for drinking purposes). 6 parameters need to be tested for water sampling which is BOD, COD, Ammoniacal Nitrogen, DO, pH and Total suspended solid.</p> <p>Sighted the water analysis have been submitted to Sime Darby Research Sdn. Bhd monthly. The results show only 2 indicators (E. coli and coliform). Sime Darby Plantation have established a policy title: Slope and River protection policy.</p> <p>As per mention in the policy, buffer zone shall be maintained on both sides of the river banks, guided by table below</p> <table border="1" data-bbox="628 801 1377 884"> <tr> <td>River width (M)</td> <td><5</td> <td>5-10</td> <td>11-20</td> <td>21-40</td> </tr> <tr> <td>Buffer width (M)</td> <td>5</td> <td>10</td> <td>20</td> <td>40</td> </tr> </table> <p>Verified the implementation during the site visits, there is no signed of chemical application at the buffer zone and the buffer zone marking also sighted.</p> <p>Minor NC Water samplings records sighted dated 22nd August 2017 and 6 parameters have been listed base on the water sampling records test report no IE904/2017. Total 6 samples have been tested upstream, midstream and downstream. Results as per below:</p> <table border="1" data-bbox="722 1207 1283 1346"> <thead> <tr> <th>Sampling point</th> <th>COD results mg/L</th> </tr> </thead> <tbody> <tr> <td>Upstream</td> <td>4</td> </tr> <tr> <td>Midstream</td> <td>8</td> </tr> <tr> <td>Downstream</td> <td>32</td> </tr> </tbody> </table> <p>According to the results, the parameter exceeds the parameter and the quality is getting worst from upstream, midstream and downstream.</p> <p>There is no evidence that management has carried out any management plan to address the issues identified</p>	River width (M)	<5	5-10	11-20	21-40	Buffer width (M)	5	10	20	40	Sampling point	COD results mg/L	Upstream	4	Midstream	8	Downstream	32
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ASA2	4.5	<p>Labu Estate & New Labu Estate</p> <p>Sime Darby Plantation have established SOP for barn owl boxes sighted in the SOP Plant protection section 15 version 1 in year 2008.</p> <p>As per mentioned in the SOP, barn owl can be used to control of rat damage in oil palms. Stated the procedure to setting up the BOB as per below:</p> <ul style="list-style-type: none"> 1st phase: 1:40ha (>5% damages) 2nd phase 1:2-ha (occupancy exceeds 50%) 3rd phase 1:10Ha (occupancy exceeds 50% in the 2nd phase) <p>In indicator 6.5.1, stated that monitoring of BOB should be carried out once in six months and census result need to be submitted to Plant Protection Section.</p>																		

		<p>Sighted also the SOP for use of beneficial plants for natural control of oil palms leaf pest. Stated that BP need to be planted base on ration 60:20:20 (<i>Cassia, Antigonon, Turnera</i>)</p> <p>Sighted the status of BP planted as at July 2017 total completed 5,278metres and the ratio 2.76metre/hectares. The BOB list that has been established at the estate and the ratio is 1: 24 hectares. Census results the occupancy rates is at 42.76%.</p> <p>IPM program sighted and 3 IPM have been listed which is BOB census, beneficial plant and Ganoderma census. BOB census have been program in August 2017 and February 2018 and beneficial plant 25.81ha and 63.43ha in Jan 2018</p> <p>Total 19 BOB have been established in Kirby division. And sighted the BOB census for August 2017 and results of the census is 55% occupancy rates.</p> <p>Training records for IPM sighted during the audit. The training has been given to do the census workers for barn owl boxes and field workers for beneficial planting. The main objective of the training is to ensure that all the workers understand the correct method to carried the works. Training records sighted for IPM dated 18th July 2017 with attendance of 9 workers for BOB census and beneficial plants.</p>
ASA2	4.6	<p>Labu POM</p> <p>Chemical master list for FY 2017/ 2018 sighted in the files chemical management and chemical register. Total 6 chemicals have been listed from 3 different locations (Laboratory, water treatment plant and boiler station with total 5 workers to handle the chemicals.</p> <p>Chemical used base on the laboratory process control manual that have been produce and stated in the manual, types of chemical that can be used for specific operations. Examples OER analysis by using Hexane.</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 records of chemical usage for Labu POM in the bin card for Calcium Carbonate from July 2016 until 19 September 2017. The auditor counter check with the approve of chemical and there is evidence that mill is not using any prohibited chemical.</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>List of chemical handlers sighted in the document reference no DAP/AZ/Surveillance/2017 dated 14th August 2017 subject medical health surveillance sent to Dr Zakaria through hospital assistant, Mr Jeya Paskar. Total 40 chemical handlers from different station which is workshop, laboratory, boiler, kernel plant and engine driver.</p> <p>Medical surveillance has been carried out in 24th September 2016 sent to</p>

	<p>Klinik Tengah, Dr Zakaria Saad, one of the workers have been identified feature of leukaemia, anaemia and overt UTI, as per recommend by the doctor, he need to be referred to hospital due to the leukaemia symptoms and his eczema may be related to the calcium carbonate dust exposure. However, mill has taken necessary action to handle the issues. The workers have requested to go back to Indonesia.</p> <p>Training for chemical handler sighted for Laboratory workers dated 22nd August 2017 only for 6 workers as per mention by the assistant engineer, the training is on ongoing and have been program in the training program and training have been program in November 2017.</p> <p>Sighted also the PPE issuance records for each chemical handler. Sample have been taken for chemical handler in Kernel Plant for year 2016. Workers name Sainah have been given masks in March 2017 and next in April 2017.</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"> To ensure enough ventilation, Information at the entrance of the storage such as explosive, oxidising and flammable Segregation need to be carried out base on incompatible of chemical, acids and hypochlorite Need to have information of chemical on the hazards labels and emergency procedure. Do not smoke, drink or eat when handling chemical. <p>During the site visit, sighted the chemical storage for Labu POM is complying with the procedure and properly manage by the management.</p> <p>Procedure of disposal of chemical container 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"> Seek advice from the manufacturer before disposing any chemical obtain this information from SDS Do not throw any chemical container or used chemical into normal waste dump If the disposal is done by the contractor, obtain the disposal procedure from the contractor and make sure that it is in line with the manufacturer recommendation. <p>Empty chemical container has been declared as schedule waste sighted the inventory for schedule waste reference no asns(b)31/152/000/019 inventory no 0505N1217158182017 for august SW 409 total 0.3mt</p> <p>As per mention in the SOP handling of environmental aspects section 6 handling of used containers level 3.0 stated that no chemical containers are to be used for any other purpose without the written consent of the manager/EMR. Upon approval, the container can only be issued only after an executive has confirmed that the container has been adequately cleaned of its contents and is safe for reuse.</p> <p>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</p>
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		<p>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><u>Labu Estate & New Labu Estate</u></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 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"> a. Glyphosate b. Metsulfuron methyl c. Sodium chloride d. Triclopyr e. Glufosinate Ammonium f. 2-4 D amine g. Fluroxpyr <p>Auditor has counter checked with the records sighted in the chemical registers and chemical applications records No chemical been used not as per recommended. Total 32 chemicals have been listed with total 60 workers exposed to the chemical. The chemical register has been prepared by Mr Muhammad Zakwan, assistant manager of Labu estate,</p> <p>In New Labu Estate, list of chemicals sighted for financial year 2017/2018 total 7 herbicides, 2 insecticides and 1 rodenticides have been listed. Prepared by Mr. Mohd Nor Subhi Zanalbidin and approved by Mr. Aminur Rashid, the estate manager.</p> <p>Counter check have been carried out during the site visit to spraying gangs and chemical storage, there is evidence no chemical that are not listed have been used.</p> <p>Calibration records also sighted dated 1st July 2017 prepared by Mr Mohd Subhi Zanalbidin, remarks in the report 3 of the spraying pump in the poor condition and sighted the evidence of replacement from the purchasing records.</p> <p>Chemical usage for Blazer and Supersate sighted in the document monitoring pesticides usage per hectare and per tonne FFB productions. Sighted the total pesticides used. Quantity a.i per ha and quantity a.i per mt. for July 2017 2136litr, a.i/ ha 12.11lite/hectare.</p> <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. During the site visit to the both estate 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>
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		<p>List of chemical handlers sighted for New Labu Estate consists of storekeeper, sprayer, 35manure, and rat baiting operator.</p> <p>Training on chemical handling also sighted during the audit carried out by assistant manager. During the site verification also, there is evidence that all the workers understand the hazard of using chemical, action need to be taken during emergency. Mandores at that at time also the first aider is well trained and has a very good knowledge to operate the 1st aid.</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"> To ensure enough ventilation, Information at the entrance of the storage such as explosive, oxidising and flammable Segregation need to be carried out base on incompatible of chemical, acids and hypochlorite Need to have information of chemical on the hazards labels and emergency procedure. 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>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 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 observation, estate disposed the empty chemical container through G-Planter.</p> <p><u>2 Major NC - RSPO</u></p> <p><u>Labu Estate</u> Refer to the Chemical Hazard Risk Assessment dated 24th -25th April 2015 assessed by Tn Haji Shaari Chin JKPP HIE 127/171-2 (124) stated the rat bait applicator need to maintain ensure proper protective measures such as adequate skin protection during handling concentrated chemicals.</p> <p>Stated in the Hazard Identification, Risk Assessment and Risk Control (HIRARC) stated that control measures for rat bait applicator is by providing face masks and nitrile glove.</p>
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		<p>However, during the site to field 2012A, sighted that the rat bait applicator only been provided with nitrile gloves without face masks</p> <p>During site visit to chemical store, the store keeper is not wearing any personal protective equipment while entering the store.</p> <p><u>New Labu Estate</u></p> <p>Refer to the Chemical Hazard risk Assessment dated assessed by Tn Haji Shaari Chin JKPP HIE 127/171-2 (124) stated that need chemical mixer need to wear proper personal protective equipment while mixing.</p> <p>However, during the site visit at the field, sighted the workers filled up his knapsack sprayer without using any protective equipment.</p> <p>Refer to the Chemical Hazard Risk Assessment dated assessed by Tn Haji Shaari Chin JKPP HIE 127/171-2 (124) stated that for manuring operator need to maintained the annual health surveillance program by registered occupational health doctor.</p> <p>However, there is no evidence for manuring operator have been send for annual health surveillance.</p>
ASA2	4.7	<p><u>Labu POM</u></p> <p>Sime Darby Plantation committed to the wellbeing of its employees, providing safe and healthy working environment, ensuring all consumable products comply with all foods safety requirements and pre-emptively preventing its employees and external parties in its operations from injury and ill health.</p> <p>The prime concern to ensure that their daily activities and product produce are safe. In order to achieve this objective, they are committed to</p> <ol style="list-style-type: none"> complying with statutory requirement, relevant standards guideline and code of practices in the countries we operate formulating, establishing communicating, implementing, and maintaining occupational health system inculcating the culture of safety and health among the employees and stakeholder equipped workers with adequate knowledge. Training, and experience to enhance alertness and competency in performing their works. <p>Minute meeting sighted dated 12 July 2017 and 27 April 2017. As per mention the OSH meeting has been conducted 3 months once. OSH organization chart sighted chaired by Mr Denni and Mr Hafiz as secretary. 5 employer representatives and 5 representatives by employees. Emergency respond procedure sighted.</p> <p>Sighted the monthly accident report for June 2017 sent to PSQM-ESH department. Corrective action has been remarks, lack of training, failed to identified risks, working tools not fully safe and need to be improved. HIRARC have been reviewed dated 12th September 2017 at boiler station area.</p> <p>Chemical hazard risk assessment has been carried out by The Teong Beng DOSH registration reference JKPP HIE 127/171-2(166) on 20th May 2015. The assessment cover on site visit and documentation to the rea Laboratory, Schedule waste, chemical store, workshop, boiler chemical treatment, Softener Brine Tank, Calcium Carbonate Storage Area.</p>

		<p>3 of the working area have been classified as risks is significant with adequate control measure while 3 with significant risks with no adequate control measure (Kernel Plant, Workshop foreman, laboratory lab conductor). HIRAC sighted dated 22th August 2017 for each works status. Sample has been taken for kernel plant. As per mention in the HIRARC, workers the kernel plant station need to wear hand glove dur to hot machinery and can cause hard injury. Occupational injuries have been recorded in JKPP 8 which is latest sent to the JKPP in January for accident records in year 2017.</p> <p>The accident records have been records base on the accident with loss of time and without of lost time. The frequency and the severity of the accident of the accident also has been calculated in the same form</p> <p>Sighted the safe works procedure in the policy occupational safety and health manual dated august 2008. First aider sighted total 5 workers have been appointed as 10th August 2016. The safe work procedure has been categories based on number of workers at the workplace. Sample have been taken for</p> <ol style="list-style-type: none"> Working at high area Confine spaced Permit to work Accident and Investigation and reporting Safe work at steriliser area PPE Workplace inspection <p>OSH organization chart sighted chaired by Mr Denni and Mr Hafiz as secretary. 5 employer representatives and 5 representatives by employees. Minute meeting sighted dated 12 July 2017 and 27 April 2017. As per record, the OSH meeting has been conducted 3 months once.</p> <p><u>Labu Estate & New Labu Estate</u></p> <p>Procedure and manual for OSH have established by Sime Darby Plantations dated 13th July 2016 title ESH compliance management document ID SD/SDP/PSQM (ESH)/ 204-OD11 approved by Datuk Franki Anthony Dass.</p> <p>OSH training records in the ESH training matrix for Labu Estate, Total 28 training have been listed and marks base on requirement of job description. For OSH training that have been program is</p> <ol style="list-style-type: none"> OSH acts and regulations First aid training OSH committee functions and responsibilities OSH coordinators functions and responsibility accident investigation technique fire fighting <p>Sighted the safe working procedure for each operation in the both estates. Each safe work procedure, included early preparation, during works, and hazard identified while working activities, types of PPE need to be used.</p> <p>Minutes meeting for OSH committee sighted latest has been carried in June 2017 chaired by the estate manager.</p> <p>As per conversation, OSH meeting will be carried out once in 3 months and auditor counter check with 3 minutes meeting and sighted the meeting has</p>
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	<p>been carried out consistently every 3 months.</p> <p>Issues discussed base on the 3 minutes meeting are regarding safety and health, workplace inspection, accident statistic and others issues related</p> <p>Sighted the PPE inspection records for New Labu estate for spraying gangs for each month from April to July 2017. Total 7 workers have been inspected and all are provided with sufficient PPE and in good condition. Counter check have been carried during the site visit, and there is evidence that the sprayer has maintained and equipped with proper PPE</p> <p>Accident records in the accident report reference number INC 0018001 c involve Mr. Mohd Shamsul Redza, the assistant manager of New Labu Estate dated 24th August 2017. The accident occurred in the estate area field 2011A while the victim is on the way back to the office. In field 2011A area that cause break of tendon. The accident report sighted in the document INC 0018001C and the investigation and reporting procedure for accident has been fully comply.</p> <p>CHRA dated 9th March 2017 serial no GST/addchra/labu estate/2017/362 carried out by Mr. Tan Tiong Ping stated trunk injection and pesticides applicator need be sent for medical surveillance once in a year.</p> <p>Sighted the risk assessment have been carried and the report sighted in the document title Hazard Identification, risk assessment and risk control (HIRARC). The master list sighted in the same files listed total 24 types of operation with small categories.</p> <p>Sighted the risk assessment have been carried and the report sighted in the document title Hazard Identification, risk assessment and risk control (HIRARC). The master list sighted in the same files listed total 24 types of operation with small categories. Sample have taken for HIRARC for 3.0 Weeding, the risk assessment has been divided into 3 which</p> <ol style="list-style-type: none"> i. Spraying ii. Decreeping iii. Grass cutting iv. Manual weeding <p>For pest disease, the HIRARC have been divided in to 4 categories which is</p> <ol style="list-style-type: none"> a. Rat baiting b. Bagworm c. Pest and disease spray d. IPM <p>Stated in the risk assessment, the job step, hazards, effect, existing control, risk assessment and recommended risk control. For rat baiting application, stated that existing control need to provide proper PPE (face mask and nitrile glove).</p> <p>The responsible person/persons have been identified as Appointment letter to Mr. Aminur Rashid bin Ahmad as OSH chairman sighted dated 16th August 2017 signed by Chief Operation officer, Mr. Rajkumar V. Ramasamy.</p> <p>Sighted the OSH committee members chaired by Mr. Aminur Rashid as estate manager, total 11 representatives from employer and 14 representatives</p>
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		<p>from employee.</p> <p>Minutes meeting sighted in the same file. As per conversation, OSH meeting need to be carried out once in 3 months, and there is evidence the meeting have been carried out on 16th June and 24th March 2017.</p> <p>Issued discussed:</p> <ol style="list-style-type: none"> Accident records. Leakage of septic tank. Workers request for roads lamp Break down of fertilisers trailer Drainage system produce smelly odour. Wiring problem at house number 18.
ASA2	4.8	<p>Labu POM, Labu Estate & New Labu Estate</p> <p>OSH training records in the ESH training matrix for both estate. Total 28 training have been listed and marks base on requirement of job description RSPO/MSPO training for example Emergency respond plan, What is MSDS/CSDS, First aid Training and Use standard exposure of chemical hazardous to health. All operating units has maintained training record for each employee.</p>
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	
ASA2	5.1	<p>Labu POM</p> <p>POM already established the Environmental Impact Assessment by creating 3 crucial documents:</p> <ol style="list-style-type: none"> Environmental Impact Evaluation Form Environmental Aspect and Impact Identification Environmental Impact Management <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 Labu Palm Oil Mill for year 2017/2018. Basically, there are no changes to the plan as per revised on 03/07/2017 prepared by Sr Assistant Engineer and approved by Labu 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) 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 3) 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. <p><u>Labu Estate & New Labu Estate</u></p> <p>Estate has 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>Date reviewed by the management was on 01/07/2017. The document was prepared by Asst Manager and approved by OU's Managers.</p> <p><u>Major NC – RSPO</u></p> <p><u>General for all units</u></p> <p>- The responsibility of conducting Environmental Aspect/Impacts Evaluation procedure EAI/EIE is assigned to QMS team which mainly contains assistant managers and managers and also gives provisions to invite personal from various departments where necessary. However, no competency requirements or training records to demonstrate the persons conducting evaluation possess the necessary competence requirements.</p> <p>- No information that the relevant stakeholders are being consulted in identification of the environmental impacts.</p> <p>- EAI and EIE covers all aspects with regards to the Palm Oil mill operations except for following activities ETP operations except for the cleaning of sludge pit (also considering no biogas plant at KKS Labu), Storage Management (raw materials, chemicals, wastes), Worker housing, Workshop</p>
ASA2	5.2	<p>HCV High Conservation Value for SOU 13 Labu dated December 2016. Assessment done by Siti Norralakmam Yahya – Team leader.</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</p>

		<p>regulatory requirements. Other than that:</p> <ul style="list-style-type: none"> • Establishing, maintaining and continually improving sustainable plantation management. • 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>Minor NC - RSPO</p> <p>- HCV 4.2 Areas with steep slopes >25 degree conserved for soil protection. The company has set it aside. The content has been discussed in the new HCV report of Oct 2016 but not recognized as an HCV. In contrarily April 2009 Biodiversity Baseline Assessment Report as well as the Doc: A conservation assessment of estates within BU 04 conservation values and recommendations, Wild Asia (2008) identifies HCV 4 area due to steep slopes (30.37 ha in New Labu Division, 104.6 ha in Kirby and 4.41 ha in Ainsdale division). No valid justification on why the HCV type has been dropped. Graded as an observation as the area is set aside.</p> <p>- NO RTE species under IUCN but protected species under WCA 2010 is present. Doc: HCV assessment 2016. The new HCV assessment (HCV Assessment 2016) do not attempt to compare the wildlife distribution and population of the plantation overtime especially with reference to the previous assessment conducted in 2008. Also important to note that there was high diversity of Odonata (dragonflies and Damselflies) present along the clear waters within the catchment forest.</p>
ASA2	5.3	<p>Labu POM</p> <p>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</p>

		<p>20mt.</p> <p>Sighted the waste management plan 2017/2018 prepared by Sr Assistant Engineer and approved by Manager Labu POM. Among action plan to be taken are Scheduled waste collection and record amount of used SW, store SW under lock and key, containers of SW shall be labelled with proper scheduled waste label and dispose of the item through registered purchaser</p> <p><u>Labu Estate & New Labu Estate</u></p> <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 <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><u>Minor NC - RSPO</u></p> <p>Labu Estate</p> <p>- The wastes generated from the clinic being located in the estate is not been identified in the Waste Management Plan. However the company identifies the waste in other documents and maintain records as per Fifth Schedule under Regulation 11.</p> <p>Company currently dispose scheduled wastes by sending along with the visiting (OHD) doctor. 2 consignments has been sent on 15/6/2017, 2/8/2017. The visiting doctor is having a private clinic and said to be having a process to dispose the clinical waste. However no contractual agreement or assessment done available from the company. Reporting is available in hard copy of Fifth Schedule under Regulation 11 manually by the Estate Hospital Assistant (EHA). However those are not found to be officially declared to DOE from the estate.</p> <p><i>Also the consignment records are now available to OHD. However no information yet to demonstrate that the OHD is having appropriate methods of disposal and registered with the government authorities.</i></p> <p>- During the site visits of Labu estate multiple locations were observed where open dumping is being practiced. (Surrounding the Hindu Shrine,</p>
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		<p>Roadside along the area transmission line) demonstrates the inadequacies of the domestic waste management system.</p> <p>New Labu Estate</p> <ul style="list-style-type: none"> - During the interviews it was observed Kirby is maintained as a temporary storage where it is being transported to New Labu and registered. However, records at New Labu showed that the last dispatch was 01/01/17. - Last disposal of Clinical Waste – 12 Feb 2016 – 0039623 – Kualiti Alam Sdn Bhd. No disposal records from Feb 2016 and clinical waste is stored in the clinic since then which is also violating the legal prescriptions of 180 days. The clinical waste bins were observed full during the visits to the clinic. <p>Above violates the regulations of handling scheduled wastes as well as organization procedures.</p>																				
ASA2	5.4	<p>Labu POM</p> <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:</p> <p>Renewable energy use/ton CPO – (ref doc: “Renewable Energy Usage for FY 2016/2017).</p> <ul style="list-style-type: none"> ➤ Jul = 0.69MT/MTCPO, Aug =0.68MT/MT CPO Sept = 0.68MT/MTCPO, Oct = 0.67MT/MTCPO <p>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</p> <p>Record of electricity usage (ref doc: Monitoring kW per tonne palm product)</p> <p>Labu Estate & New Labu Estate</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 Assistant Manager and approved by Manager.</p> <table border="1" data-bbox="619 1805 1337 2002"> <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
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ASA2	5.5	<p>Labu Estate & New Labu Estate</p> <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.</p>																																
ASA2	5.6	<p>Sighted the Environmental Management plan Labu Palm Oil Mill for year 2017/2018.</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 <p>At POM, 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)"]</p> <p>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>Refer Appendix 2 for Summary of GHG Emissions.</p>																																
Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers																																		
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ASA2	6.1	<p>The SIA was done on complex level [SOU Labu – Strategic Operating Unit] that consist of Labu POM, Labu Estate and New Labu estate.</p> <p>The latest SIA was conducted on 09-11/08/2016 [Labu was on 10/08/16]. The assessment was conducted by a team consist of 4 members from PSQM [2 assessors and a reviewer] that was done based on Impact Assessment Manual by Federal Department of Town and Country Planning Peninsular Malaysia and Malaysia Society of Impact Assessment.</p> <p>The assessment was done based on 2 types of approaches, one is the</p>																																

	<p>“Rational Mechanism” for assessing impacts and “Participatory Approach” where participatory perspective is incorporated into SOU 13.</p> <p>Seen the assessment has covered both internal and external stakeholders that stated in the demographic information in page 8. Among the key factors referred were safety, adaptability of foreign workers, social activities, gender, feedbacks from supplier / contractor, surrounding communities [total 15 villages – 4 for POM, 5 for Labu Estate and 6 for New Labu estate] and government agencies.</p> <p>There is a list of attendance available on those stakeholders consulted and interviewed. The SIA was done through interviews with workers based on task, union representative, gender committee, contractor & supplier, representatives from workers housing, consultation and interview process with government agencies and head of local communities.</p> <p>There are no affected parties’ due to the operation of the estate operations. During the stakeholder meeting and interview with Kg. Tekir Orang Asli Village Head, he acknowledged the SIA process was done with the participation of his community.</p> <p>For Labu Estate SIA, there were 6 negative comments documented in the SIA report. The negative comments seen incorporated in the action plan for 2017/18. The existing plans for avoidance or mitigation of negative impacts and promotion of the positive ones that resulted from SIA in 2016 are seen updated of the status since from Nov 2016.</p> <p>The estate management staff responsible for the development of action plan and to communicate with PSQM, example for Labu estate the persons in charge is Mr. Muhd. Zakwan Jamaludin the estate assistant.</p> <p>The SIA plan FY 17/18 seen last reviewed by the estate manager on 24/08/2017. The SIA plan being update on annual basis [Financial year starts from July and ends following year Jun] or as and when changes been introduced in the action plan. Sampled 3 issues that associated with action plans, among the issues are tap water to lineside sometimes contaminated specially during rainy days, to clear up trenches near KTM station, suggestion that a trench to be constructed along school border and police station.</p> <p><u>Minor NC - RSPO</u></p> <p>The SIA was done on complex level [SOU Labu – Strategic Operating Unit] has covered both internal and external stakeholders. There were at minimum 6 negative comments identified by the assessment team and effectively incorporated in the action plan for 2017/18. However, the action plans for avoidance or mitigation of negative impacts are seen not updated of the status since from Nov 2016.</p> <p><u>Labu Estate</u></p> <p>During the site visit to Quarry that adjacent to Block 06A of New Labu</p>
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		<p>Estate, the audit team observed several issues that respective operating unit[s] can include in their next SIA review period [expected to be in 2018]. Among the observed issues were the road and culvert maintenance in poor condition, the air pollution during dry season, stream and/or field drain contaminated resulted from quarry operation and to engage the quarry operator for stakeholder meeting as to assist in addressing environmental and social issues.</p>
ASA2	6.2	<p>The latest stakeholder list was updated on 04/09/2017. The list consists of contractors [9], vendor/supplier [13], local communities [9] and government agencies and others [30]. There is a flowchart & procedure on consultation and communication in regard to QSHE with all internal and external interested parties – Appendix 5. Based on the “External/Internal Complaint Log book” there is no dispute/complaint nor feedbacks being reported by any stakeholders. Interview with workers and external stakeholder meeting resulted with no negative comments.</p> <p>In general, the estate assistants are being nominated as the responsible for communication and consultation with the local communities and other interested parties. The appointment letter also clearly indicates the roles and responsibility of the person. The appointment has been communicated internally by memo and externally through stakeholder consultation. i.e. the key person in charge on the corresponding with external parties been identified in an appointment letter. Verified the letter dated on 01/01/17 for Mr. Mohd Nor Subhi.</p> <p><u>Minor NC - RSPO</u> Sighted the recent stakeholder meeting minutes dated on 21/07/2017 was attended by 41 stakeholders and various issues were discussed. However, found the minutes with inadequate information on action taken, accomplished date and current status for the issues discussed in the meeting.</p>
ASA2	6.3	<p>There is a flow chart titled dated 01/11/2008 “Sustainable Plantation Management System” - for internal [Appendix 5.5.3.1] and external [Appendix 5.5.3.2] established for communicating and reporting of EMS, OHS and social issues with relevant stakeholders. SOP outlined the method of handling requests, complaints and grievances, identified and registered all stakeholders, record of request and response, resolving consultation, resolving communication and complaint and grievance. There is also a “Whistleblowing Policy” (GPA No. B5) dated 27/02/14 are made available for handling stakeholder’s social issues. The Estate’s appointed assistants are fully responsible to communicate with affected party and escalate to their authorities or to PSQM. Internally this procedure communicated through morning master call and through stake holder meeting for external parties. As at to this audit period, there was no complaint registered.</p> <p>There is no grievance or dispute exist in the estate management which either resulted from internal nor external stakeholders.</p>
ASA2	6.4	<p>There is a flow chart and procedure on handling land disputes [appendix 3, issue 01 dated in 2008], however there is no evidence of loss of legal, customary or user rights within this operating unit.</p>

		<p>Compensation for loss of legal, customary or user rights is not applicable as the land been long developed by Guthrie Group of companies before their merger with Sime Darby. This estate is surrounded by independent smallholders, villages, and government reserve land.</p>
<p>ASA2</p>	<p>6.5</p>	<p>Total there are 149 workers:</p> <ul style="list-style-type: none"> • Bangladesh – 16 • India – 52 • Sri Lanka – 1 • Indonesia – 59 • Myanmar – 3 • Nepal - 18 <p>Sampled worker’s contract agreements:</p> <ul style="list-style-type: none"> • Worker 1 – A0168670 Bangladesh – the contract written in English and Bangladesh language. • Worker 2 – AR632753 Indonesian – the contract is in English and Bahasa. • Worker 3 – H1472878 Nepalese – contract in English and Hindi <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. Fendi, Sharif, Fuad seen clocked 120 hours in Aug. No evidence of under paid or discrimination in the pay calculation. Sampled:</p> <ul style="list-style-type: none"> • Worker A – RM 923 – working days 24 • Worker B – RM 989 – working days 25 • Worker C – RM 961 – working days 25 <p>In Labu Estate 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>In Labu complex, there is no worker(s) term under “Process Pemutihan” – process of legalizing foreign workers as well no contract substitution. As part of continuous improvement, the WMU has initiated the foreign worker’s contract to be written/ translated to their national language.</p> <p>Sighted the contract agreement for Indonesian nationalities that written both in English and translated in Bahasa.</p> <p>The WMU unit travels to country of where the recruitment needed with assistance from local manpower agents. The interview process conducts with presence of translator as a mediator between the company and potential</p>

		<p>employee.</p> <p>There is no payment imposed by Sime Darby during recruitment process, however there might be possibilities the potential employee may pay to his local agent for securing job which beyond the control of Sime Darby. Once the workers received at Sua Betong in Port Dickson Seremban, there will be an induction training through respective translators. Those found fail on medical / fomema test will be requested to return to their country of origin that facilitate by their agent. And for those passed the medical will be send to respective operating unit as per manpower request details.</p> <p>The worker's contract valid on 2+1 years' basis, where either party can terminate the service. The WMU can terminate a service under 2 conditions, firstly if they fail the medical test and secondly any criminal misconduct during the employment period.</p> <p>The cost involved for their return bare by the company unless if the break by the employee then it should be agent's responsibility.</p> <p>Interviewed the check-roll clerks of estate, the data entry of newly recruited local workers into SAP system will automatically omits those below 18 years old at the time of applying for job either in estate. As for the foreign workers, their data base keyed in by WMU that able to share by the operating units. Based on the sampled pay slips of workers, there is no trace of breach of payment as stipulated in their contract. Interview with workers shows no serious issue on wages received but sometimes there do happens typo error or miscalculation on working hours / days which corrected or reimbursed timely by the respective management.</p> <p>During site visit to estate, interview with both local and foreign workers revealed no discrimination on overtime hours as well on wages received for overtime work done. This was also cross checked in their respective payslips and no discrepancies found.</p> <p>During site visit to line-site, interview both local and foreign workers whom claimed the management provides decent living quarters with proper drainage system, weekly domestic waste collection, attend to household repairs and free water supply for domestic consumption. Since the water distributed from SAINS, therefore the audit team witnessed the tap water condition at line site has no sign of pollution.</p> <p>The electricity deduction is based on the usage that the deduction scheme agreed by both parties in written form. The clinic seen with sufficient facilities to treat patient with minor illness and for major case it will be refer to local government hospital either in Nilai or Seremban. Interview with workers, resulted positive feedbacks of the service from clinic.</p> <p>There are 2 primary government schools available within the company's adjacent area. The workers of estate have option for their children's</p>
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		<p>education as they also accessible to town schools.</p> <p>The nearest township is Pekan Labu where there are no banking facilities. However, the management not restrict their workers to travel to either Seremban or Nilai town for bank related matters and workers are also allowed to purchase their needs during weekend rest.</p> <p>The small-scale sundry shops within the compound do provides the daily needs. Visit to the worker' quarters, evidenced the Labu management provided basic cooking utilities such as cooking gas, stove and a kitchen. Interview with foreign local workers resulted with satisfactory feedback and the housekeeping of worker's quarters well maintained.</p>
ASA2	6.6	<p>There is a Group Policy in English and Malay titled as "Social Policy" dated on Jan 2015 and due for review in 2018. The content of policy includes of their principle of the company does not restrict personnel to form and join trade union of their choice.</p> <p>Interview with workers, found they are aware of their rights to join the union and confirmed there wasn't any restriction imposed by the management from joining the association.</p> <p>Interviewed the head of union for estate who mentioned the monitoring activities of issues discussed during meeting going well and there is no issue involve with the management.</p> <p>The letter of agreement of foreign workers that referencing to joining trade union has been sighted. The union meeting was last conducted on Apr 2017 at estate's meeting room. The meeting was attended by Estate Manager, assistants, and representative of the association. The meeting minutes captured some on-going issues that needs attention as well the brief introduction of NUPW organization, request and response mechanism and review the status of those foreigners whom are still not join in the association.</p>
ASA2	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. While interviewed workers, they are aware the Minimum Age Policy is being 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>
ASA2	6.8	<p>The "Social Policy" seen consist of information on non-discrimination and equal opportunities. Seen the policy displayed in the estate's office entrance and regularly communicated to all levels of the workforce through training programs.</p> <p>The estate workers both local and foreigners seen comfortable with the way of the estate operates the business. No female workers in the estate</p>

		<p>operation other than employed as gardeners, interview workers whom working in this estate for the 10 years has given good compliments about the estate management whom has not heard not experienced any sort of discrimination throughout her employment.</p> <p>Interviewed with estate workers, contractors and village heads found there isn't any discrimination of workers as they claimed the workers working in this estate relatively more than 5 years and they do continue their service agreement upon expiries term.</p> <p>This is partly due to the pleasant and fair deal working and living environment. The workers are being treated fairly regardless gender, origin, seniority etc. They also expressed their gratitude for management's consideration in taking care of the workers' welfare.</p>
ASA2	6.9	<p>The "Social Policy" has incorporated the company's standing on policy to prohibit any form of sexual and all other forms of harassment and violence. Seen the policy displayed in the estate's office entrance and regularly communicated to all levels of the workforce through training programs. The company has manual titled "Manual on Implementation of the Gender Policy" and flow chart available at page 22 that describes the flow of complaint and how the company will respond to the complaint.</p> <p>The gender committee scheduled their meeting twice annually. Sighted the latest minute meeting dated 15/03/2017 prepared by Ms. Norhashimah (Secretary). The minutes of meeting stated of the phase of women's life cycle, requesting for female doctor [currently male HA but assist by female assistant] and more sports activities for women. Communication of the policy to workforce is done during Sustainability Policy Training at the respective working site, morning muster call and gender committee or OHS scheduled meeting days. The training records accompanied with pictorial evidenced.</p> <p>The company has a manual on implementation of the gender policy that provides guidelines to the specific components which includes understanding and recognition of rights and background of an issue, details and specific complaints and grievance procedure to address issues within gender and guidelines on the roles and responsibilities of management in supporting the initiatives and activities of the gender committee.</p> <p>The detail mechanism of the grievance procedure seen in the page 20 of the manual, this has been communicated within the gender committee members whom assigned to deliver the content to fellow workers.</p>
ASA2	6.10	<p>Not applicable as no smallholder scheme involved. The estate only engages contractors to 2-way flow transporting workers from muster ground to respective field and FFB transporters. The contractors were interviewed on 19/09/17 and there was no dissatisfaction brought up by contractors against the estate.</p> <p>FFB and workers transporting drivers from the contractor's company will be also given briefing on the pricing status and regularly updates them on the grading process and outcome as to avoid misunderstanding any error in penalties.</p> <p>The transport rates adjustment being done on weekly basis [every Wednesday] that in accordance to the Malaysian Government's announcement on diesel price. Sampled for Pengangkutan Sinar Makmur Jaya</p>

		<p>Sdn. Bhd for Aug 2017.</p> <p>During stakeholder meeting, interviewed 2 contractors and verified the contract agreement that detailed on delivery of FFB, transportation & loading, quality & origin of FFB, 3rd schedule on pricing mechanism of FFB, default & termination, force majeure, 2nd schedule on penalty calculation and evidences, etc:</p> <ul style="list-style-type: none"> • Transport the FFB from estate to POM - Pengangkutan Sinar Makmur Jaya Sdn. Bhd. – SA0031430-A expires on 31/12/2017. • Transport workers to and from work sites – Ecam Berjaya Enterprise. – weekly agreement that release by Procurement Department from HQ. <p>They are well informed and attended the training session on FFB and manpower contractual agreement process with estate management. The estate has no authority in the payment term as it fully managed by the HQ. Interviewed with contractors, resulted there is no issue in payment made by the company.</p>
ASA2	6.11	<p>Based on the interview with mill & estate manager, there is no any form of monitory contribution to both internal and external stakeholders since there is no request was made by either party. However, the estate management continuously render their contribution to stakeholders who request for machineries, transportation and water / electricity supply to religious places during festival seasons.</p> <p>This was cross verified during external stakeholder meeting and collectively they agree that monitory contribution is most welcome if the company has capital budget for their request.</p> <p>The estate always keen in help to improve the local development need through Social Responsibility program such as small funding for local schools, provides vehicles and facilities for request made by external stakeholders.</p>
ASA2	6.12	<p>The company's policy on forced or trafficked labour outlined in the "Social & Humanity Management Policy" which mentioned in P 6.13.1 During estate visit, interview with workers resulted the foreign workers were joined the company voluntarily and they are fully aware the context of forced or trafficked labour. The auditor has sampled contracts for local and foreign workers of estate and no evidence of forced or trafficked labour found as the workers duly signed contractual agreements.</p> <p>During field visit, there was no evidences seen the presence of child labour nor the estate worker being assisted by female companion. Interviewed Chief Clerk who mentioned that, recruitment process for local staff based on walk-in for all general workers and recruitment through web advertising for staff and above.</p> <p>As for the process of recruiting foreign workers, it fully manages by Workers Management Unit at Sua Betong at where the new workers brief "Induction Training" by the respective translators. If either party wants to terminate the employment service before their contract expires, it follows to the clause 18 of employment contract.</p> <p>The estate management allows their workers from leaving the estate or their housing facilities outside working hours with having valid reasons and a copy</p>

		of passport and “Surat Jalan” will be provided. The estate management maintaining the “Passport Save Keeping” acknowledgment letter that mutually agreed and signed by both parties. Sampled letter for 5 Indonesian, 3 Nepal and 1 India resulted no negative findings.
ASA2	6.13	<p>There is a Group Policy in English and Malay titled as “Social & Humanity Management Policy” dated on Jan 2015 and due for review in 2018. The content of policy includes of their principle of not condone forced labour or child labour, promotes the process of identifying and consulting potential social benefits to enhance mutual benefits of stakeholders, the company does not restrict personnel to form and join trade union of their choice, all employees be treated fairly regarding job employment, race, gender, caste, religion, etc.</p> <p>During annual training session on company policies, the estate and estate manager with assistant from PSQM will brief the workers on the content, training records seen effectively maintained. Interview with estate workers has resulted with positive feedbacks that labour policies well understood by them.</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.
ASA2	7.1	Not applicable
ASA2	7.2	Not applicable
ASA2	7.3	Not applicable
ASA2	7.4	Not applicable
ASA2	7.5	Not applicable
ASA2	7.6	Not applicable
ASA2	7.7	Not applicable
ASA2	7.8	Not applicable
Principle 8: Commitment to Continuous Improvement in Key Areas of Activity		
Criterion by Audit	Summary	
ASA2	8.1	<p>Labu POM, Labu Estate & New Labu Estate</p> <p>Continuous improvement plan sighted during the audit prepared by the assistant manager and approve by the operating unit managers.</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. Sighted the report of continuous improvement submitted monthly on the implementation of the plan. The action plan also included plan to reduce the chemical usage by monitored the chemical usage and implementation of IPM. Environmental aspect as main concern on the continuous improvement and it is based on the water management plan.</p>

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 Plantation - Labu		
Date raised:	21 st September 2017		
Major or Minor:	Major	Site:	Labu Estate and New Labu Estate
Raised by:	Mohd Razaleigh	Deadline:	60 days
<p>Aspect of standard: 4.6.7 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)</p>			
<p>Evidence of non-conformity: <u>Labu Estate</u> Refer to the Chemical Hazard Risk Assessment dated 24th -25th April 2015 assessed by Tn Haji Shaari Chin JKKP HIE 127/171-2 (124) stated the rat bait applicator need to maintain ensure proper protective measures such as adequate skin protection during handling concentrated chemicals.</p> <p>Stated in the Hazard Identification, Risk Assessment and Risk Control (HIRARC) stated that control measures for rat bait applicator is by providing face masks and nitrile glove.</p> <p>However, during the site to field 2012A, sighted that the rat bait applicator only been provided with nitrile gloves without face masks</p> <p>During site visit to chemical store, the store keeper is not wearing any personal protective equipment while entering the store.</p> <p><u>New Labu Estate</u> Refer to the Chemical Hazard Risk Assessment dated assessed by Tn Haji Shaari Chin JKKP HIE 127/171-2 (124) stated that need chemical mixer need to wear proper personal protective equipment while mixing.</p> <p>However, during the site visit at the field, sighted the workers filled up his knapsack sprayer without using any protective equipment</p>			
 <p>Muhd Jamalul Arif bin Hamid Date: 21st September 2017</p>			
<p>Root Cause Analysis and extent: (To be filled by Auditee)</p> <ul style="list-style-type: none"> The awareness of PPE use among workers and staff was lacking 			
<p>Corrective/Preventive Actions: (To be filled by Auditee)</p> <ul style="list-style-type: none"> To provide sufficient PPE to the rat bait applicators To provide awareness training on PPE use To train management team on chemical management. 			
<p>Evidence of Conformity:</p> <ol style="list-style-type: none"> PPE records – issuance to rat bait applicators Photo of rat bait applicators during rat baiting Training on PPE records (with photo) Health surveillance records of manuring operators 			
<p>Review of evidences submitted to CUC: As root cause analysis identified as awareness of PPE usage among the workers is lacking, management has</p>			

conducted refresher training on 02/10/17 for particular workers group and maintained training programme for OSH and PPE on annual basis. PPE equipment has been issued to storekeeper and knapsack sprayer who identified during the audit. Further, management has decided to send related workers to medical surveillance to identify any health affect occurred.	
Conclusion by CUC: Corrective action and evidence received as sufficient. This NC will be 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: 06/11/2017

NC number:	NC-02		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21 st September 2017		
Major or Minor:	Major	Site:	New Labu Estate
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: Refer to the Chemical Hazard Risk Assessment dated assessed by Tn Haji Shaari Chin JKKP HIE 127/171-2 (124) stated that for manuring operator need to maintained the annual health surveillance program by registered occupational health doctor. However, there is no evidence for manuring operator have been send for annual health surveillance.			
			
Muhd Jamalul Arif bin Hamid Date: 21 st September 2017			
Root Cause Analysis and extent: (To be filled by Auditee) The awareness on health surveillance requirement by the management was lacking			
Corrective/Preventive Actions: (To be filled by Auditee) To send the manuring operators for health surveillance.			
Evidence of Conformity: Health surveillance records of manuring operators			
Review of evidences submitted to CUC: Management has decided to send related workers to medical surveillance to identify any health affect occurred and as per recommendation from CHRA.			
Conclusion by CUC: Corrective action and evidence received as sufficient. This NC will be 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: 06/11/2017		

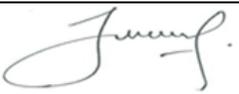
NC number:	NC-03		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21 st September 2017		
Major or Minor:	Major	Site :	KKS Labu, Labu Estate, New Labu Estate
Raised by:	Supun Nigamuni	Deadline :	21-11-17
Aspect of standard:			
5.1.1: An environmental impact assessment (EIA) shall be documented.			
Evidence of non-conformity:			
General for all units			
<p>- The responsibility of conducting Environmental Aspect/Impacts Evaluation procedure EAI/EIE is assigned to QMS team which mainly contains assistant managers and managers and also gives provisions to invite personal from various departments where necessary. However, no competency requirements or training records to demonstrate the persons conducting evaluation possess the necessary competence requirements.</p> <p>- No information that the relevant stakeholders are being consulted in identification of the environmental impacts.</p> <p>- EAI and EIE covers all aspects with regards to the Palm Oil mill operations except for following activities ETP operations except for the cleaning of sludge pit (also considering no biogas plant at KKS Labu), Storage Management (raw materials, chemicals, wastes), Worker housing, Workshop</p>			
KKS Labu			
<p>- Also, several inconsistencies observed in the EAI. Eg: Movement of vehicles – Fuel consumption – reference to impact types Water Pollution, Land Contamination, Unpleasant working environment – However no reference to Global Warming, Depletion of Natural Resources.</p> <p>Similarly, to all instances where it states Electric for Environmental Load item only the business impact is identified but no relation to global warming and other impact types as part of the electricity for mill and facilities management is from the grid.</p> <p>- No activities with significant impact has been identified. (As per the EAI, EIE)</p> <p>However, SOU identified certain objectives which they see there is a need for a control and management and designed the Environmental Management Program accordingly. Doc: KKS Labu, Environmental Management Program for Financial Year 2017/2018 (01/09/17). The objectives under the environmental management plan majorly contradicting to the EAI, EIE process there are certain actions identified which are not even in the results of EAI, EIE. Eg: Activities such as related to worker housing, ETP, Grass cutting which shows the inadequacy of EAI/EIE process</p>			
New Labu, Labu Estate			
<p>Also, several inconsistencies observed in the EAI. Eg: Grass Cutting – Fuel consumption – reference to impact types Depletion of Natural Resources and business impact– However no reference to Global Warming.</p>			
			
<p>Muhd Jamalul Arif bin Hamid Date: 21st September 2017</p>			
Root Cause Analysis and extent: (To be filled by Auditee)			
<ul style="list-style-type: none"> • EAI/EIE was established by previous management team that the current team only reviews the scoring of significance without looking at the identification processes. • The current management team is not competent on EAI/EIE process. 			

Corrective/Preventive Actions: (To be filled by Auditee) <ul style="list-style-type: none"> To establish EAI/EIE for General Store, Chemical Store, Scheduled Waste Store, Dumping Site, Workers Housing and Workshop. EAI for Grass Cutting activity to include 'C' (create impact) to Global Warming as it uses diesel fuel. To train the management team on EAI/EIE 	
Evidence of Conformity: <ul style="list-style-type: none"> Training records for the management team on EAI/EIE EAI/EIE for General Store, Chemical Store, Scheduled Waste Store, Dumping Site, Workers Housing and Workshop complete with review date. EAI for Grass Cutting that has included the identified impact to global warming 	
Review of evidences submitted to CUC: Evidence received such training record to relevant team who establish EAI/EIE and revised EAI/EIE documents well been review and accepted.	
Conclusion by CUC: Corrective action and evidence received as sufficient. This NC will be 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: 06/11/2017

NC number:	NC-04		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21/09/2017		
Major or Minor:	Minor	Site:	New Labu Estate and Labu Estate
Raised by:	Mahas	Deadline:	Before Next ASA
Aspect of standard: 2.1.3: A mechanism for ensuring compliance shall be implemented.			
Evidence of non-conformity: The wastes generated from the clinic being located in the estate is not been identified in the Waste Management Plan. Company currently dispose scheduled wastes by sending along with the visiting (OHD) doctor, however no evidence of consignment notes available to ensure declared SW been disposed in good manner and according to local regulations. In New Labu estate, the last disposal of Clinical Waste was on 12 Feb 2016 – 0039623 – Kualiti Alam Sdn Bhd. No disposal records from Feb 2016 and clinical waste is stored in the clinic since then which is also violating the legal prescriptions of 180 days.			
			
Muhd Jamalul Arif bin Hamid Date: 21st September 2017			
Root Cause Analysis and extent: (To be filled by Auditee) <ul style="list-style-type: none"> Management team has overlooked that clinical waste was not included in the Waste management plan. There has been a process of acquiring approval from DOE of the current management of clinical waste (disposal to VMO), however no approval received yet. Requesting information of subsequent disposal by the VMO has been very challenging. 			
Corrective/Preventive Actions: (To be filled by Auditee) <ul style="list-style-type: none"> To arrange disposal of SW with Kualiti Alam that is more proper and licensed contractor by DOE. To housekeep the highlighted areas and communicate with local communities to get cooperation in not dumping their wastes on the estate land. 			

<ul style="list-style-type: none"> To update Waste Management Plan to include the clinical waste SW404 To retrain management team on waste management 	
Evidence of Conformity: 1. Waste Management Plan 2. Disposal records of SW404 to Kualiti Alam 3. Training records of Waste Management	
Review of evidences submitted to CUC: Management has identified SW404 as schedule waste and included this in their waste management plan. This plan included way to disposed in appropriate method, identification of waste generates, person in-charge etc. Estate also has appointed licensed schedule waste collector to disposed all the clinical waste.	
Conclusion by CUC: Corrective action and evidence received as sufficient. This NC will be 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: 06/11/2017

NC number:	NC-05		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21 st September 2017		
Major or Minor:	Minor	Site:	New Labu Estate
Raised by:	Mohd Razaleigh	Deadline:	Next Surveillance Audit
Aspect of standard: 4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate			
Evidence of non-conformity: Sime Darby Plantation have established SOP for barn owl boxes sighted in the SOP Plant protection section 15 version 1 in year 2008. As per mentioned in the SOP, barn owl can be used to control of rat damage in oil palms. Stated the procedure to setting up the Barn Owl Box (BOB) as per below <ul style="list-style-type: none"> 1st phase: 1:40ha (>5% damages) 2nd phase 1:20ha (occupancy exceeds 50%) 3rd phase 1:10Ha (occupancy exceeds 50% in the 2nd phase) In indicator 6.5.1, stated that monitoring of BOB should be carried out once in six months and census result need to be submitted to Plant protection section. Total 19 BOB have been established in Kirby division. And sighted the BOB census for August 2017 and results of the census is 55% occupancy rates. It is vice versa with the procedure stated that 1 st phase is ratio 1:40 and need to add up 1:20 ha if occupancy reach more than 50%. Total hectarages 1131.51ha. As per stated in the OSH manual, stated that risks assessment need to be revised immediately after any accident, near accident, miss accident happen. Accident happen in New Labu Estate, Mr Shamsul Redza, Senior Assistant Manager of New Labu Estate dated 24 th August 2017 while travelling using motorcycle in field. There is no evidence the risk assessment have been revised. Latest revision is in July 2017.			

 Muhd Jamalul Arif Hamid Date: 21 st September 2017	
Root Cause Analysis and extent: (To be filled by Auditee) <ul style="list-style-type: none"> The barn owl ratio is maintained at current ratio due to future land development and that estate could not afford to add more BOB while the exercise is going on. However, decision making on such was never recorded. Management has overlooked to investigate accident involving Sr. Assistant Manager. 	
Corrective/Preventive Actions: (To be filled by Auditee) <ul style="list-style-type: none"> To record the decision making of maintenance of current BOB ratio and minute. To review HIRARC for related activity To discuss during management meetings any decision that deviates from the policy. To ensure all accidents are investigated and HIRARC reviewed as per SOP. 	
Evidence of Conformity: <ul style="list-style-type: none"> Meeting minutes to agree on current BOB ratio maintenance. Reviewed HIRARC on in-field travelling by motorcycle. 	
Review of evidences submitted to CUC: To be verified on next surveillance audit	
Conclusion by CUC: To be verified 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-06								
Client name:	Sime Darby Plantation - Labu								
Date raised:	21 st September 2017								
Major or Minor:	Minor	Site:	New Labu Estate						
Raised by:	Mohd Razaleigh	Deadline:	Next ASA						
Aspect of standard: 4.4.1 An implemented water management plan shall be in place.									
Evidence of non-conformity: RSPO guidance stated that <ul style="list-style-type: none"> Aim to ensure that the plantation activities do not cause adverse impacts to the water sources of local communities, workers and their families. Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts <p>Water management plan sighted for New Labu estate. Stated in the management plan that water usage monitoring at bulk meter need to be monitored weekly. Rainwater harvesting at mixing area water to be used for chemical mixing. Water sampling at water ways need to be conducted</p> <p>Water samplings records sighted dated 22nd August 2017 and 6 parameters have been listed base on the water sampling records test report no IE904/2017. Total 6 samples have been tested upstream, midstream and downstream. Results as per below:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Sampling point</th> <th style="width: 40%;">COD results mg/L</th> </tr> </thead> <tbody> <tr> <td>Upstream</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Midstream</td> <td style="text-align: center;">8</td> </tr> </tbody> </table>				Sampling point	COD results mg/L	Upstream	4	Midstream	8
Sampling point	COD results mg/L								
Upstream	4								
Midstream	8								

Downstream	32
<p>According to the results, the parameter exceeds the parameter and the quality is getting worst from upstream, midstream and downstream.</p> <p>There is no evidence that management has carried out any management plan to address the issues identified.</p>	
	
<p>Muhd Jamalul Arif Hamid Date: 21st September 2017</p>	
<p>Root Cause Analysis and extent: (To be filled by Auditee) Management has overlooked the results of water quality analysis. PIC coverage was only up to sending samples and not until results received.</p>	
<p>Corrective/Preventive Actions: (To be filled by Auditee)</p> <ul style="list-style-type: none"> To initiate investigation of why the results exceeded parameter limits PIC on water quality monitoring to follow up until results received and plan for corrective actions for off-specs. 	
<p>Evidence of Conformity: Corrective action & preventive action report for off-spec parameter investigation.</p>	
<p>Review of evidences submitted to CUC: To be verified on next surveillance audit</p>	
<p>Conclusion by CUC: To be verified on next surveillance audit</p>	
<p>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"/></p>	
<p>Lead Assessor signature:</p>	<p>Date:</p>

NC number:	NC-07		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21 st September 2017		
Major or Minor:	Minor	Site :	KKS Labu, Labu Estate, New Labu Estate
Raised by:	Supun Nigamuni	Deadline :	Next ASA
<p>Aspect of standard: 5.2.4 (Min) Where a management plan has been created, there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the management plan. 			
<p>Evidence of non-conformity:</p> <p>- HCV 4.2 Areas with steep slopes >25 degree conserved for soil protection. The company has set it aside. The content has been discussed in the new HCV report of Oct 2016 but not recognized as an HCV. In contrarily April 2009 Biodiversity Baseline Assessment Report as well as the Doc: A conservation assessment of estates within BU 04 conservation values and recommendations, Wild Asia (2008) identifies HCV 4 area due to steep slopes (30.37 ha in New Labu Division, 104.6 ha in Kirby and 4.41 ha in Ainsdale division). No valid justification on why the HCV type has been dropped. Graded as an observation as the area is set aside.</p> <p>- NO RTE species under IUCN but protected species under WCA 2010 is present. Doc: HCV assessment 2016. The new HCV assessment (HCV Assessment 2016) do not attempt to compare the wildlife distribution and</p>			

population of the plantation overtime especially with reference to the previous assessment conducted in 2008. Also, important to note that there was high diversity of Odonata (dragonflies and Damselflies) present along the clear waters within the catchment forest.



Muhd Jamalul Arif bin Hamid

Date: 21st September 2017

Root Cause Analysis and extent: (To be filled by Auditee)

- a) The re-designation of areas is done in accordance to the “Common Guidance for HCV Identification by HCVRN” in October 2013 which states that “HCV 4 occurs in areas that contain natural vegetation types (e.g. forest or native grasslands) in good condition” – (page 38, para 4), this is only quoted in the references of the report, however there was no explicit justification and elaboration mentioned in the report why the HCV type has been dropped.
- b) The focus of the HCV Assessor team is on the presence of HCV 1-6 at the area focusing on the ERT species and other HCV values within our boundary. For the monitoring of water quality/HCV 4 at the estates, the emphasis by the assessor is on other physical monitoring measures such as water sampling result rather than using the population of Odonata as biological indicators, as the presence of Odonata can also be due to the presence of other factors such as food in the area.

Corrective/Preventive Actions: (To be filled by Auditee)

PSQM to share with the Operating Unit:

- i) the justification for re-classification of HCV 4 areas planted with oil palm from HCV to non-HCV areas
- ii) the reason for not using Odonata as biological indicators in the HCV Assessment

PSQM to include any justification for the change/re-designation of HCV type for future HCV Assessment reporting.

HCV Internal Assessor team to re-look into the need of assessing the population of Odonata as biological indicators given the changes of the physical conditions of the HCVs at the estate overtime. This will be done in the next HCV re-assessment exercise (which will be conducted every 5 years).

Evidence of Conformity:

1. PSQM justification
2. Past 5 years records of HCV Management Plan for SOU 13 Labu

Review of evidences submitted to CUC:

To be verified on next surveillance audit

Conclusion by CUC:

To be verified on next surveillance audit

NC Status: Yes (CLOSED) No (OPEN)

ON SITE VERIFICATION REQUIRED Yes No

Lead Assessor signature:

Date:

NC number:	NC-07		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21 st September 2017		
Major or Minor:	Minor	Site :	Labu Estate, New Labu Estate
Raised by:	Supun Nigamuni	Deadline :	Next ASA
Aspect of standard:			
5.3.1 [Maj]			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. All waste products and sources of pollution shall be identified and documented			

5.3.3 (Min)

A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.

Evidence of non-conformity:

Labu Estate

- The wastes generated from the clinic being located in the estate is not been identified in the Waste Management Plan. However, the company identifies the waste in other documents and maintain records as per Fifth Schedule under Regulation 11.

Company currently dispose scheduled wastes by sending along with the visiting (OHD) doctor. 2 consignments have been sent on 15/6/2017, 2/8/2017. The visiting doctor is having a private clinic and said to be having a process to dispose the clinical waste. However no contractual agreement or assessment done available from the company. Reporting is available in hard copy of Fifth Schedule under Regulation 11 manually by the Estate Hospital Assistant (EHA). However, those are not found to be officially declared to DOE from the estate.

Additional information provided on 20-09-17

Company has reregistered Kualiti Alam Sdn Bhd as a registered collector and made a request to Kualiti Alam to collect the clinical waste.

Also, the consignment records are now available to OHD. However, no information yet to demonstrate that the OHD is having appropriate methods of disposal and registered with the government authorities.

- During the site visits of Labu estate multiple locations were observed where open dumping is being practiced. (Surrounding the Hindu Shrine, Roadside along the area transmission line) demonstrates the inadequacies of the domestic waste management system.

New Labu Estate

- During the interviews it was observed Kirby is maintained as a temporary storage where it is being transported to New Labu and registered. However, records at New Labu showed that the last dispatch was 01/01/17.

- Last disposal of Clinical Waste – 12 Feb 2016 – 0039623 – Kualiti Alam Sdn Bhd
No disposal records from Feb 2016 and clinical waste is stored in the clinic since then which is also violating the legal prescriptions of 180 days. The clinical waste bins were observed full during the visits to the clinic.

Above violates the regulations of handling scheduled wastes as well as organization procedures.



Muhd Jamalul Arif bin Hamid

Date: 21st September 2017

Root Cause Analysis and extent: (To be filled by Auditee)

- Management team has overlooked that clinical waste was not included in the Waste management plan.
- There has been a process of acquiring approval from DOE of the current management of clinical waste (disposal to VMO), however no approval received yet.
- Requesting information of subsequent disposal by the VMO has been very challenging.
- Open dumping was made by the neighbouring communities that awareness has never been given to them.

Corrective/Preventive Actions: (To be filled by Auditee)

- To update Waste Management Plan to include the clinical waste SW404
- To arrange disposal of SW with Kualiti Alam that is more proper and licensed contractor by DOE.
- To housekeep the highlighted areas and communicate with local communities to get cooperation in not dumping their wastes on the estate land.

<ul style="list-style-type: none"> To retrain management team on waste management To install signage on no dumping at strategic locations 	
Evidence of Conformity: <ul style="list-style-type: none"> Waste Management Plan Disposal records of SW404 to Kualiti Alam Communication records to local communities on commitment to no open dumping Training records of Waste Management Photo of No waste dumping signage at strategic locations Photo of cleaned dumping areas highlighted. 	
Review of evidences submitted to CUC: To be verified on next surveillance audit	
Conclusion by CUC: To be verified 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-08		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21/09/2017		
Major or Minor:	Minor	Site:	Labu POM, Labu Estate
Raised by:	Mahas	Deadline:	Before Next ASA
Aspect of standard: 6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.			
Evidence of non-conformity: The SIA was done on complex level [SOU Labu – Strategic Operating Unit] has covered both internal and external stakeholders. There were at minimum 6 negative comments identified by the assessment team and effectively incorporated in the action plan for 2017/18. However, the action plans for avoidance or mitigation of negative impacts are seen not updated of the status since from Nov 2016.			
			
Muhd Jamalul Arif bin Hamid Date: 21 st September 2017			
Root Cause Analysis and extent: (To be filled by Auditee) Recording of status was not done in a way that it details out the status update as of the time of review			
Corrective/Preventive Actions: (To be filled by Auditee) <ul style="list-style-type: none"> To update the SIA Action Plan for last financial year to ensure all plans were carried out. Modification of SIA Action Plan template to ensure all issues are taken up and monitored. 			
Evidence of Conformity: Updated SIA Action Plan FY17/18 detailing out status as of the time of review.			
Review of evidences submitted to CUC: To be verified on next surveillance audit			
Conclusion by CUC: To be verified 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-09		
Client name:	Sime Darby Plantation - Labu		
Date raised:	21/09/2017		
Major or Minor:	Minor	Site:	Labu POM
Raised by:	Mahas	Deadline:	Before Next ASA

Aspect of standard: 6.2.3

A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.

Evidence of non-conformity:

Sighted the recent stakeholder meeting minutes dated on 21/07/2017 was attended by 41 stakeholders and various issues were discussed. However, found the minutes with inadequate information on action taken, accomplished date and current status for the issues discussed in the meeting.



Muhd Jamalul Arif bin Hamid

Date: 21st September 2017

Root Cause Analysis and extent: (To be filled by Auditee)

Meeting minutes did not capture the progress of actions taken to address issues from the previous stakeholder meetings.

Corrective/Preventive Actions: (To be filled by Auditee)

- To ensure all issues raised and discussed having agreed actions to be taken, by who, target timeline and current progress. All these shall be minutes.
- To standardize agenda to be discussed during management meetings – communication by SQM CWR.

Evidence of Conformity:

- Meeting Minutes of stakeholder meeting
- Email standardization by SQM CWR

Review of evidences submitted to CUC:

To be verified on next surveillance audit

Conclusion by CUC:

To be verified on next surveillance audit

NC Status: Yes (CLOSED) No (OPEN)

ON SITE VERIFICATION REQUIRED Yes No

Lead Assessor signature:	Date:
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4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA

The following NC's were raised during the last audit and the status was reviewed as indicated below.

NC number:	m01		
Client name:	Sime Darby Plantation - Labu		
Date raised:	04/11/2016		
Major or Minor:	Minor	Site:	-
Raised by:	-	Deadline:	Next ASA

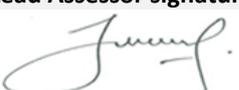
Aspect of standard: 4.1.2

A mechanism to check consistent implementation of procedures was not in place.

Evidence of non-conformity: No mechanism or checklist sighted in NLE to check on consistent implementation of procedures	
Root Cause Analysis and extent: (To be filled by Auditee) Implementation of the SOP is ensured through briefings/trainings. Post training evaluation is also conducted to ensure that the briefings/trainings given are understood. However, the present mechanism of tracking whether an evaluation has been done is not effective.	
Corrective/Preventive Actions: (To be filled by Auditee) To conduct training evaluation for briefings/trainings that has been completed e.g. Harvesting, Pruning, manuring and spraying.	
Evidence of Conformity: To establish a logbook that list the trainings/briefings done and include a column to indicate when the evaluation is to be carried out and who the person in charge	
Review of evidences submitted to CUC: The implementation was verified during this annual surveillance audit. No breakdown or lacking of implementation on company's procedure especially on training programme. NLE been verified as full compliance to P4.1.2.	
Conclusion by CUC: Minor NC Closed.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature: 	Date: 21/09/17

NC number:	m02		
Client name:	Sime Darby Plantation - Labu		
Date raised:	04/11/2016		
Major or Minor:	Minor	Site:	-
Raised by:	-	Deadline:	Next ASA
Aspect of standard: 4.5.2 Training of those involved in IPM implementation shall be demonstrated.			
Evidence of non-conformity: Training of those involved in IPM implementation was not demonstrated. No training of IPM sighted in their training programme for New Labu Estate.			
Root Cause Analysis and extent: (To be filled by Auditee) IPM training was carried out on 9th August 2016. However, the documents were not retrievable during the point of audit as the person in charge of the filing system has left the company on a very short notice and a new PIC has yet to be appointed. The current document management system also needs to be improved as it is heavily dependent on the PIC.			
Corrective/Preventive Actions: (To be filled by Auditee) 1. To submit the IPM training records. 2. To appoint and train a new PIC for document management.			
Evidence of Conformity: To improve the current document management system to ensure that files/documents are retrievable at all times.			
Review of evidences submitted to CUC: Management has appointed PIC for documentation in all units been audited. Training records for IPM sighted during the audit. The training has been given to do the census workers for barn owl boxes and field workers for beneficial planting. The main objective of the training is to ensure that all the workers understand the correct method to carried the works. Training records sighted for IPM dated 18th July 2017 with attendance of 9 workers for BOB census and beneficial plants.			

Conclusion by CUC: Minor NC Closed.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature: 	Date: 21/09/17

NC number:	m05		
Client name:	Sime Darby Plantation - Labu		
Date raised:	04/11/2016		
Major or Minor:	Minor	Site:	-
Raised by:	-	Deadline:	Next ASA
Aspect of standard: 4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts.			
Evidence of non-conformity: Applicators were not calibrated as evidence that application of pesticides are used by proven methods that minimise risk and impacts. In New Labu Estate conventional knapsack sprayer with nozzle (chocolate colour) of spray volume 195 lit/ ha is used. Calibration is done for the other coloured nozzles however it was noted that the calibration records are done in 2015. Similarly, no calibration was done for the blue 225 lit / ha nozzles at Labu Estate			
Root Cause Analysis and extent: (To be filled by Auditee) The 195L/ha nozzle is supplied by MyCrop Sdn Bhd and the blue 225 lit/ha is supplied by MyCrop Sdn Bhd. Calibration for the nozzles are done by the suppliers when they bring in the supply i.e. on 24th July 2016 for 195L/ha nozzle and on 24th July 2016 for the blue 225 lit/ha. However, the calibration records were not documented by the OUs.			
Corrective/Preventive Actions: (To be filled by Auditee) 1. To obtain the calibration methods from the supplier and retrieve the evidence of the supplier visit to the estates. 2. To do internal calibration as an addition to the supplier calibration and keep records.			
Evidence of Conformity: Calibration records also sighted dated 1st July 2017 prepared by Mr Mohd Subhi Zanalbidin, remarks in the report 3 of the spraying pump in the poor condition and sighted the evidence of replacement from the purchasing records.			
Review of evidences submitted to CUC: Record of calibration available during this ASA.			
Conclusion by CUC: Minor NC Closed.			
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Lead Assessor signature: 	Date: 21/09/17		

NC number:	m07		
Client name:	Sime Darby Plantation - Labu		
Date raised:	04/11/2016		
Major or Minor:	Minor	Site:	-
Raised by:	-	Deadline:	Next ASA
Aspect of standard: 4.7.6			

All workers shall be provided with medical care, and covered by accident insurance	
Evidence of non-conformity: No evidence that all workers are provided and covered by accident insurance Records show that workers in New Labu Estate are covered by insurance. There are insurance policy available to cover the workers (foreign workers) through the FWCS insurance. However during the audit it was shown that the insurance has expired and they are awaiting the renewal of their insurance. In Labu Estate , although they have a list of workers that have been covered , there were some workers like Alam Malik and Alfaz Uddin , do not have evidence /records that they are covered	
Root Cause Analysis and extent: (To be filled by Auditee) All workers who arrive at the Operating Units (OUs) for the first time are covered by insurance as the immigration approval (calling visa) will not be issued without the insurance. For the insurance renewal, it is an automated process by Malaysia E-Government Service (MYEG) where the insurance will be renewed together with the permit renewal application. The application is done by the Sime Darby Plantation Head Quarters (HQ). However, the initial mechanism for dissemination of the insurance policy/cover note to the OUs is inefficient where the policy is sent to OUs based on individual requests. Hence, although the insurance has been renewed, the copy of the policy is at the HQ. Realizing this situation, the company has made the effort to rectify it where OUs have now been instructed to request for the policy on a financial year basis.	
Corrective/Preventive Actions: (To be filled by Auditee) New Labu and Labu estate to request to HQ for copies of the valid insurance policy. HQ to instruct OUs to request for the insurance policy based on financial year and as per specified format.	
Evidence of Conformity: All the insurance policy for foreigner workers available during application or renewal of working permit. Copy of the documents available and been verified through workers interviews with the workers.	
Review of evidences submitted to CUC: Record of insurance policy for foreigner workers in Labu and New Labu Estate available during the audit.	
Conclusion by CUC: Minor NC Closed.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature: 	Date: 21/09/17

NC number:	m08		
Client name:	Sime Darby Plantation - Labu		
Date raised:	04/11/2016		
Major or Minor:	Minor	Site:	-
Raised by:	-	Deadline:	Next ASA
Aspect of standard: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.			
Evidence of non-conformity: The documented waste management and disposal plan and its implantation is not sufficient to reduce pollution. However it was found that recycled materials (e.g. paper, plastics) have not been segregated with other domestic wastes at the line- site			
Root Cause Analysis and extent: (To be filled by Auditee) 3R bins have been provided to workers. However, the present guidelines on segregation and 3R are not sufficient.			
Corrective/Preventive Actions: (To be filled by Auditee) To conduct awareness training on 3R.			
Evidence of Conformity: There is comprehensive "Waste Management Plan" sighted during the audit. Recycle bin was well maintained and during the interview with the workers, they are aware of the 3R campaign made by the company.			

Review of evidences submitted to CUC: Was verified during this ASA.	
Conclusion by CUC: Minor NC Closed.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature: 	Date: 21/09/17

NC number:	m09		
Client name:	Sime Darby Plantation - Labu		
Date raised:	04/11/2016		
Major or Minor:	Minor	Site:	-
Raised by:	-	Deadline:	Next ASA
Aspect of standard: 6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.			
Evidence of non-conformity: A list of stakeholders is not complete. The list of stakeholders in the estate is available and updated. However, observed during site visit evident that there is Quarry Company operated nearby (border) New Labu Estate but the Quarry has not been listed in the stakeholder list of New Labu Estate. Based on interview, this is organising by HQ.			
Root Cause Analysis and extent: (To be filled by Auditee) The quarry has already been identified as a stakeholder where it mentioned has also been mentioned in the HCV reports and communication records are available. However, the documents were not retrievable during the point of audit as the person in charge of the filing system has left the company on a very short notice and a new PIC has yet to be appointed. The current document management system also needs to be improved as it is heavily dependent on the PIC.			
Corrective/Preventive Actions: (To be filled by Auditee) 1. To submit the samples of communications and latest stakeholder list to PT SGS. 2. To appoint and train a new PIC for document management. 3. To improve the current document management system to ensure that files/documents are retrievable at all times.			
Evidence of Conformity: There is comprehensive "Stakeholders List" maintained in each OU's sighted during the audit. Also OU's has maintained complete stakeholder map that shown the surrounding stakeholders with the OU's.			
Review of evidences submitted to CUC: Was verified during this ASA.			
Conclusion by CUC: Minor NC Closed.			
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Lead Assessor signature: 	Date: 21/09/17		

4.3.3 Observations Raised During this Audit

Client name:	Sime Darby Plantation - Labu		
Date raised:	21/09/2017		
Raised by:	Mahaswaran Maliyapan		
Aspect of standard	6.1.4 - The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.		
During the site visit to Quarry that adjacent to Block 06A of New Labu Estate, the audit team observed several issues that respective operating unit[s] can include in their next SIA review period [expected to be in 2018]. Among the observed issues were the road and culvert maintenance in poor condition, the air pollution during dry season, stream and/or field drain contaminated resulted from quarry operation and to engage the quarry operator for stakeholder meeting as to assist in addressing environmental and social issues.			
Assessors Signature		Date	21/09/2017

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	1. Good cooperation from the estate and mill to the request made from schools such as, transport during school sports day, excavator, facilities, school drainage clearance and if there would be any monetary contribution it will be appreciated. As at now, the school has no water, electricity, or pollution problems due to mill or estate operations.	All are positive findings and client has been briefed on the interview output after the stakeholder meeting
2 - Compliance with applicable laws and regulations	2. Good relationship maintained by the estate towards the smallholders and villagers. 3. There are no social issues reported nor felt by the villagers, policemen, and school teachers with the presence of foreigners. There are no traces of illegal workers as far as the stakeholder’s concern as the local police team tracks the movement of the estate and mill workers by cross referencing to the name list that submitted by the respective management.	
3 - Commitment to long-term economic and financial viability	4. The estate’s security guards always have high integrity and respond to any needs by the stakeholder. The police from Labu and Nilai has given very positive comments.	
4 - Use of appropriate best practices by growers and millers	5. The cow encroachment into estate perimeter always being the issue within Labu district as there are many smallholders and business people having farms as their sole business purpose. The interviewed stakeholders collectively agreed the issue might not be possible to solve by the estate management, however they can continue brief the negative impacts during stakeholder meetings.	
5 - Environmental responsibility and conservation of natural resources and biodiversity	6. The Orang Asli community head has given positive remarks of the estate’s respond, commitment, and transparency at all time. They appreciate if the estate management restrict the entrance of mount climbers through the access of estate road.	
6 – Responsible consideration of employees, and of individuals and communities affected by growers and mills	7. Grievances and complaint mechanism	

<p>7 - Responsible development of new plantings</p>	<p>well understood by the stakeholders. The surrounding village heads hopes the estate can clear those wild trees in the trenches as it may sometimes look untidy. However, the estate management claims they purposely let it to be as to control cow intruding.</p>	
<p>8 - Commitment to continuous improvement in key areas of activities</p>	<p>8. Local contractors are very comfortable and no issue on the payment. Contract agreements are well interpreted and understood by both parties.</p> <p>9. The NUPW representative from Seremban has good remarks on the estate and mill management as they always seen very supportive and committed while being transparent.</p>	

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	Mill Capacity	Location	Supply Chain Model
(POM)	MT/Hour	Address	(IP or MB)
Labu Palm Oil Mill	28	Pusat Teknologi Kilang Kelapa Sawit Labu (POMTEC), P.O.Box 5, KM 16, Jalan Labu, 71900 Labu, Negeri 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	24,712.7	6,211.88	Forecasted volumes between 01/09/2017 to 31/08/2018. See also 1.6 above. Note: please provide forecasted certified volume

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

Labu POM is running under approved capacity of 28MT/Hour to process FFB received from own estates and external supplier within this complex.

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	Sep 2016	10344.331	0.00	10344.331
2	Oct 2016	10367.025	0.00	10367.025
3	Nov 2016	8607.703	0.00	8607.703
4	Dec 2016	10333.939	0.00	10333.939
5	Jan 2017	8109.284	0.00	8109.284
6	Feb 2017	8897.736	0.00	8897.736
7	Mar 2017	13774.009	0.00	13774.009
8	Apr 2017	11278.996	0.00	11278.996
9	May 2017	11090.152	0.00	11090.152
10	Jun 2017	9296.523	0.00	9296.523
11	Jul 2017	10946.119	0.00	10946.119
12	Aug 2017	12669.894	0.00	12669.894
	TOTAL	125715.711	0.00	125715.711

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	Sep 2016	2202.645	520.526
2	Oct 2016	2234.395	490.319
3	Nov 2016	1714.870	376.305
4	Dec 2016	2155.468	498.233
5	Jan 2017	1702.642	380.935
6	Feb 2017	1791.749	427.663
7	Mar 2017	2827.239	786.973
8	Apr 2017	2381.754	600.685
9	May 2017	2287.907	552.225
10	Jun 2017	1914.646	476.912
11	Jul 2017	2268.418	566.660
12	Aug 2017	2573.196	637.857
	TOTAL	26054.929	6315.293

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 GreenPalm to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	No sales of GreenPalm			

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 sales of RSPO – all were sold as conventional			

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 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 28 MT/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:	N/A
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
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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:	N/A. All closed.
• 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:		 Signature
Name:	Mohd Nur Mohd An	
Position:	Senior Manager	
Date:	DD/MM/YYYY 20/10/17	

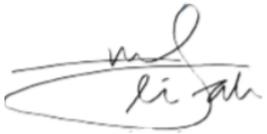
6.4 Signing by the Lead Auditor

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:		 Signature
Name:	Muhd Jamalul Arif	
Position:	Lead Auditor	
Date:	20/12/2017	

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:		 Signature
Name:	Nor Atiqah	
Position:	Certifier	
Date:	26/12/2017	

PART 7: APPENDICES

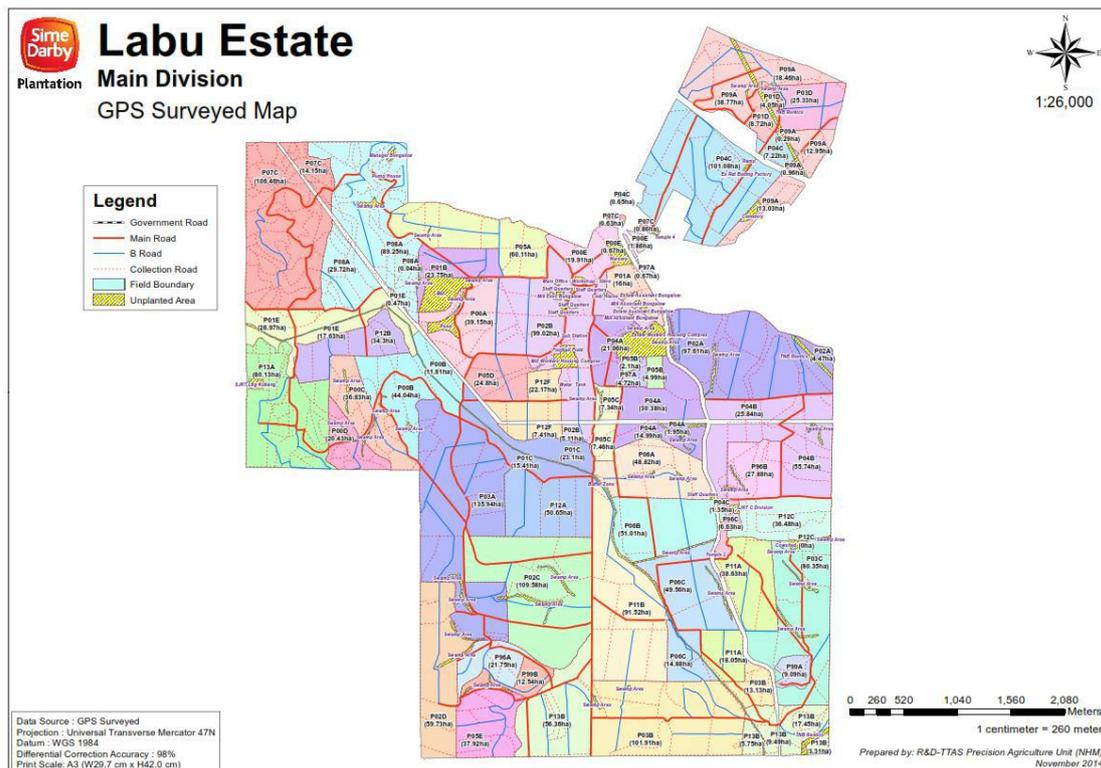
Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)

Figure 1: Location Map for the Sime Darby Plantations Sdn Bhd Estates and Mills within Peninsular Malaysia.



Figure 2: Estates and Mills: GPS Location of SOU 13 Labu Palm Oil Mill (KKS Labu)



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	1.1
PK	1.1

Extraction	%
OER	25.91
KER	6.34

Production	t/yr
FFB processed	111752.59 MT
CPO Produced	28956.49 MT

Land use	ha
OP planted area	19308.16
OP planted on peat	114.4505
Conservation (forested)	0
Conservation (non-forested)	0
Total	19,422.61 Ha

Summary of Field Emissions and Sinks

Emissions	Own Crop			Group			3 rd Party		
	tCO ₂ e	tCO ₂ e /ha	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /ha	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /ha	tCO ₂ e /tFFB
Land Conversion	44153.09	9.28	0.55	21464.64	9.91	0.61	0	0	0
*CO ₂ Emissions from Fertiliser	5440.06	1.14	0.07	3074.13	1.26	0.08	0	0	0
**N ₂ O Emissions	3830.77	0.8	0.05	1686.40	0.73	0.05	0	0	0
Fuel Consumption	487.64	0.1	0.01	232.15	0.09	0.01	0	0	0
Peat Oxidation	0	0	0	87.68	0.43	0.03	0	0	0
Sinks									
Crop Sequestration	-43024.32	-9.05	-0.53	-20302.3	-9.26	-0.57	0	0	0
Conservation Sequestration	0	0	0	0	0	0	0	0	0
Total	10887.24	2.28	0.14	6242.7	3.16	0.2	0	0	0

Summary of Mill Emissions and Credits

	tCO ₂	tCo _{2e} /tFFB
<i>Emissions</i>		
<i>POME</i>	21905.4	0.2
<i>Fuel Consumption</i>	51.48	0
<i>Grid Electricity Utilisation</i>	638.2	0.01
<i>Credits</i>		
<i>Export of Grid Electricity</i>	0	0
<i>Sales of PKS</i>	0	0
<i>Sales of EFB</i>	0	0
<i>Total</i>	22595.08	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

N/A. No new planting.

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