



**PUBLIC SUMMARY
RECERTIFICATION
FOR RSPO P&C CERTIFICATION**

**SIME DARBY PLANTATION SDN BHD
RSPO MEMBERSHIP NO: 1-0008-04-000-00
SOU 17 KEMPAS CERTIFICATION UNIT**

Jasin, Melaka, Malaysia

**Certificate Number: RSPO 0005
Date of First Certification: May 2010
Audit Date : 6-8 April 2015**

Prepared by:

Food, Agriculture and Forestry Section
SIRIM QAS International Sdn. Bhd.
Block 4, SIRIM Complex 1, Persiaran Dato' Menteri Section 2,
P.O. Box 7035 40000 Shah Alam, Selangor
MALAYSIA
Tel : 60-3-5544 6400/5544 6448
Fax : 60-3 5544 6763
Website : www.sirim-qas.com.my

18 August 2015



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, P.O. Box 7035, 40911 Shah Alam, Selangor,
Malaysia.

File Ref.: ES10170005

RSPO RECERTIFICATION AUDIT REPORT

CLIENT: Sime Darby Plantation Sdn. Bhd., Strategic Operating Unit (SOU) 17, Kempas

TYPE: Palm Oil Mill and Estates

LOCATION (MAP AND GPS), MILL AND/OR HECTARAGE:
(In the case of multisite certification, list additional sites in attachments) :

Estate/Mill	GPS Location		Location Address
	Latitude	Longitude	
Kempas Oil Mill	2° 36.68"	102° 28' 52.99"	77000 Jasin, Melaka
Kempas Estate	2° 15'	102° 26'	71000 Jasin, Melaka
Kemuning Estate	2° 27'	102° 20'	76460 Tebong, Melaka
Tangkah Estate	2° 22'	102° 37'	84900 Tangkak, Johor
Serkam Division	2° 19'	102° 24'	77009 Jasin, Melaka

AUDIT DATE : 6th to 8th April 2015

DURATION : 12 auditor days

STANDARD : RSPO P&C MY-NI (2008) and RSPO Supply Chain (2014)

SCOPE OF REGISTRATION (specify sites, tonnages and/or approved processes) :
Production of Crude Palm Oil and Palm Kernel using Mass Balance Model

NO OF EMPLOYEES (Applicable to the scope of activities audited) :

The following attachments form part of this report:

Non-conformity Report(s)



List of additional site(s)



Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : VALENCE SHEM

Name : SIME DARBY PLANTATION SDN BHD
(Formerly known as Sime Plantation Sdn Bhd)
KEMPAS ESTATE
CO. NO. 647766 V

Signature :

Signature :

Senior Manager i/c
SUHAIMI BIN ABU BAKAR

Date : 16/7/2015

Date :

24/7/2015

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List of Abbreviation

BOD	Biochemical Oxygen Demand
B.Sc.	Bachelor of Science
CA	Collective Agreement
CB	Certification Body
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CU	Certification Units
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EB	Executive Board
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory and Machinery Act
FSC	Forest Stewardship Council
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISO	International Organization for Standardization
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MPOA	Malaysian Palm Oil Association
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADDOPOD	Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease
NCR	Non-Conformity Report
NGO	Non-Governmental Organisation
OER	Oil Extraction Rate
OG	Oil & Grease
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Act
OHSAS	Occupational Health and Safety Assessment Series
PIC	Person-In-Charge
PK	Palm Kernel
PMM	Proposal of Mitigation Measure
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PTW	Permit To Work
QMS	Quality Management System
RSPO	Roundtable on Sustainable Palm Oil
SDPSB	Sime Darby Plantations Sdn. Bhd.
SIA	Social Impact Assessment
SOCISO	Social Security Organization

SOP	Standard Operating Procedure
UKAS	United Kingdom Accreditation Services
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
VOPS	Voluntary Oil Palm Seedlings

A. INTRODUCTION

1.0 Description of the organization

1.1 Type (mill, estate and mill etc.)

The certification unit, Kempas Certification Unit and commonly known as Strategic Operating Unit 17 (SOU 17) within Sime Darby Plantation Sdn. Bhd. (SDPSB) was assessed for continuing certification against the RSPO Principles and Criteria for Sustainable Palm Oil Production MYNI (RSPO MYNI), ver. 2008. This assessment is the first Recertification Assessment. Kempas CU consists of Kempas Palm Oil Mill and the company-owned estates i.e. Kempas Estate, Kemuning Estate, Tangkah Estate and Serkam Division. The SOU is equivalent to a certification unit (CU) as defined in the RSPO Certification Systems Document. Each SOU consists of one mill and its supply bases.

The focus of the assessment team was to determine Kempas SOU conformance against the RSPO P&C MYNI, RSPO Supply Chain as well as to verify the actions taken on the previous assessment findings.

1.2 Location (map and GPS), mill and/or hectarage statement

Kempas Palm Oil Mill, Kempas Estate and Serkam Division are located in Jasin District, Melaka while Kemuning Estate is located in Alor Gajah District, Melaka. Tangkah Estate is in Ledang District. All of these estates are located in the southern region of Peninsular Malaysia.

The locations of the estates and oil mill which make up SOU 17 are shown in Appendix 1 while their coordinates are detailed in Table 1.

Table 1: Location and addresses of the mill and estates

Estate/Mill	GPS Location		Location Address
	Latitude	Longitude	
Kempas Oil Mill	2° 36.68"	102° 28' 52.99"	77000 Jasin, Melaka
Kempas Estate	2° 15'	102° 26'	71000 Jasin, Melaka
Kemuning Estate	2° 27'	102° 20'	76460 Tebong, Melaka
Tangkah Estate	2° 22'	102° 37'	84900 Tangkak, Johor
Serkam Division	2° 19'	102° 24'	77009 Jasin, Melaka

1.3 Description of supply base (fruit sources)

The FFB is sourced from company owned estates that are certified and also from non-certified third parties. Details of the FFB contribution from each source to the SOU are shown in the following tables:

Table 2: Actual FFB production by the supply base for the last reporting period (March 2014 to March 2015)

Estates	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Kempas	104,388.81	32.01	SIRIM
Kemuning	54,070.02	16.58	SIRIM
Tangkah	46,558.79	14.27	SIRIM
Serkam Div.	29,432.31	9.02	SIRIM
Bukit Asahan	26,663.69	8.18	BSI
Bukit Pilah	271.56	0.08	Intertek
D.Jubilee	7,875.31	2.41	BSI
Kok Foh	1,112.35	0.34	Inter
Lanadron	765.27	0.23	BSI
Pagoh	920.66	0.28	BSI
Pengkalan Bukit	1,002.67	0.31	BSI
Pertang	294.46	0.09	Intertek
Salak	299.14	0.09	SGS
Sengkang	2,005.67	0.61	SGS
Sg. Bharu	991.05	0.30	SGS
Sua Betong	73.93	0.02	SGS
Sg.Sabaling	46.99	0.01	Intertek
St Helier	346.98	0.11	Intertek
Welch	141.92	0.04	BSI
Third parties	48,895.73	14.99	Not certified
Total	326,157.31	100.00	

Table 3: Projected FFB production by the supply base for the next reporting period (May 2015 to April 2016)

Estates	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Kempas	98,078.80	37.81	SIRIM
Kemuning	59,630.78	22.99	SIRIM
Tangkah	57,693.49	22.24	SIRIM
Serkam Div.	34,021.84	13.11	SIRIM
Third parties	10,000.00	3.85	Not certified
Total	259,424.91	100.00	

1.4 Date of plantings and cycle

The details of Kempas CU certified area and its planting profiles are described in the Table 4.

Table 4: Details of Certified Area and Planting Profile

Estate	Year of establishment	Area (ha)					Area (%)	
		Certified	Titled	Planted	Mature	Immature	Mature	Immature
Kempas Palm Oil Mill		Under Kempas Estate		NA	NA	NA	NA	NA
Kempas Estate	1940	4,577.81	4,772.0944	4,441.43	4,051.55	389.88	91	9
Kemuning Estate	1973	2,676.86	2,758.9502	2,540.90	2,212.40	328.50	87	13
Tangkah Estate	1966	2,559.16	2,559.1568	2,496.21	2,337.47	158.74	94	6
Serkam Division	1970	898.90	898.8981	879.64	620.07	259.57	70	30
Total		10,712.73	10,989.0995	10,358.18	9,221.49	1,136.69	89	11

1.5 Other certification held (ISO etc.)

Kempas CU does not hold any other certification.

1.6 Organisational information / contact person

The details of the contact persons for SOU 17 are as shown below:

Name : Suhaimi bin Abu Bakar
 Designation : Senior Manager, Kempas Estate
 Address : Ladang Kempas, KB 1710, 77000 Jasin, Melaka, Malaysia
 Phone # : +606 263 1305
 Fax # : +606 263 5260

1.7 Tonnage certified

**Table 5: Actual CPO and PK tonnage for the last reporting period
(March 2014 - March 2015)**

FFB Received (mt)	326,157.31
FFB Processed (mt)	325,606.73
Total CPO Production (mt)	58,270.59
Total PK Production (mt)	14,140.35
Certified CPO (mt) delivered as MB	8,968.34
Certified PK (mt) delivered as MB	4,909.00

**Table 6: Projected CPO and PK tonnage for the next reporting period
(May 2015 - April 2016)**

FFB Received (mt)	259,424.91
FFB Processed (mt)	259,424.91
Total CPO Production (mt)	56,321.32
Total PK Production (mt)	13,752.52
Certified CPO (mt) to be delivered as MB	54,152.95
Certified PK (mt) to be delivered as MB	13,223.05

2.0 Assessment Process

2.1 Assessment Methodology

The surveillance assessment was guided by the sampling formula of $0.8 \sqrt{y}$. Therefore two estates i.e. Kempas Estate and Serkam Division were sampled to be assessed against the RSPO Standard, in addition to Kempas Oil Mill itself.

The assessment team carried out field and office assessments for conformance against the RSPO-MY principles and criteria. The visits also covered HCV habitats, labour lines, storage areas and other workplaces.

Common systems were identified and specific evidences were recorded for individual estates. Interviews, particularly those with employees, local communities, suppliers and contractors were conducted formally as well as informally, without the presence of company management personnel. In addition to that, records as well as other related documentation were also reviewed.

The assessment programme can be seen in Appendix 2.

2.2 Date of next surveillance visit

The next surveillance assessment shall be carried out within nine to twelve months from the date of the certification.

2.3 Lead Assessor and Assessment Team

The assessment team consisted of four assessors. SIRIM is also very grateful to Kempas CU for accepting the presence of two observers from SIRIM, i.e. Tn Hj. Fadzil Hitam and Tn. Hj. Amir Bahari. Their roles were only to observe the assessment exercise and did not have any influence on the assessment decision. The details of the assessors and their qualification are detailed below:

1) Valence Shem

Roles: Assessment Team Leader

Field: Good Agricultural Practice and Supply Chain

Qualification:

- B.Tech. (Hons) Industrial Technology, Universiti Sains Malaysia
- Nine years' experience in Oil Palm Plantation management
- Successfully completed and passed IEMA accredited Lead Assessor Course for ISO 14001: 2004 and IRCA accredited Lead Assessor Course for ISO 9001: 2008
- Successfully completed and passed the RSPO P&C Lead Assessor Course in 2011
- Successfully completed and passed the RSPO SCCS Lead Assessor Course in 2012
- Collected more than 600 auditor days in auditing various schemes i.e. ISO 14001, RSPO P&C, RSPO Supply Chain, RSPO RED and Malaysian Sustainable Palm Oil (MSPO)

2) Hazani Othman

Roles: Assessor

Field: HCV and Environmental Aspects

Qualification:

- An associate SIRIM's Lead Auditor (ISO 14001, ISO 9001, FSC & MTCC FMC and CoC, RSPO P&C).
- Approximate 20 years total working experience. Approximate 16 years experiences in management systems and sustainability auditing / certification.
- Over 400 auditor days of auditing experience of various scheme and industry
- Successfully completed SCS/FSC Forest Assessor Course - 2000.
- Successfully completed MTCC/Smartwood/GTZ endorsed Forest Certification Assessor Course - 2000.
- Successfully completed IRIM / FDPM / UPM / FRIM / APAFRI endorsed Forest and Environmental Audit Course – 2000.

- Successfully completed EARA ISO 14001 approved Lead Assessor Course - 2000.
- Successfully completed IRCA ISO 9001 approved Lead Assessor Course - 2005.
- Successfully completed MTIB / Sarawak Planted Forest - Forest Plantation Development Course – 2010.
- Successfully completed RSPO endorsed Lead Assessor Course - 2013.
- Successfully completed MTCC endorsed Auditor Course for Natural and Plantation Forests - 2013.
- Hold Bachelor of Forestry Science and Diploma in Forestry, Universiti Putra Malaysia.

3) **Jagathesan a/I Suppiah**

Roles: Assessor

Field: Occupational Health & Safety Aspects and Palm Oil Mill Best Practice

Qualification:

- More than 23 years working experience in Manufacturing concerns at various Managerial position, Managing Operation, Quality Assurance & Regulatory Affairs and Quality & Process Control Disciplines
- Experience of carrying out audits on more than 700 companies around Malaysia for the past 15 years for various schemes i.e. ISO 9000, ISO 13485, ISO 14000, OSHAS 18000 and GMP/FDA regulations
- Successfully completed Lead Assessor training for ISO 9001, ISO 14000, OSHAS 18001, ISO 13485 and RSPO
- Bachelor of Chemical Science (Hons)

4) **Dr. Zahid Emby**

Roles: Assessor

Field: Social Aspects

Qualification:

- 1977- 1992 – Lecturer, Department of Social Sciences, Faculty of Educational Services, Universiti Pertanian Malaysia
- Head, August 1992 – 1994, Department of Social Development Studies, Universiti Pertanian Malaysia
- August 1, 1998 -2001. Reappointed as Head of the renamed Department of Social and Development Science for a three year term
- Head, Department of Music from October 2003 until his retirement on December 17, 2006
- Spent some time as a visiting scholar at University of Hull, U.K. and Victoria University of Wellington, New Zealand.
- Freelance consultant on social issues

2.4 Certification body

SIRIM QAS International Sdn. Bhd. is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Secretariat of the United Nations Framework Convention for Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of 36 leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting assessment related to RSPO assessment. We have certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. We have also conducted pre assessment against RSPO Principle and Criteria.

SIRIM QAS International was approved as a RSPO certification body on 21st March 2008.

2.5 Outline of how stakeholder consultation was managed

SIRIM QAS International Sdn Bhd (SIRIM QAS International) initiated the stakeholder consultation by announcing the invitation in the RSPO and SIRIM QAS International's websites on 6th March 2015. The announcement was also available in the RSPO website. In addition, SIRIM QAS International had also sent invitations through letters to all the relevant stakeholders, including government agencies and Non-Governmental Organizations (NGOs).

Meetings and interview with the relevant stakeholders were also arranged during the on-site assessment. Please see Principle 6.

The method of consultation with the workers, contractors and Kempas CU staff were through random sampling from each group in each of the FFB supplying unit and oil mill (e.g. mill operators, harvesters, general workers and sprayers) visited. The consultations which were conducted at the CU's office had included solicitation of comments on issues relevant to principles 4, 5 and 6 of the RPSO MYNI.

Based on the stakeholder consultation activity, only one stakeholder has given their response i.e. Arus Sagu Sdn. Bhd. (occupational physicians). Generally, they have given very positive remarks on Kempas CU especially in term of safety, environment and social responsibility.

3.0 Assessment Findings

3.1 Summary of Findings

The assessment was conducted as planned using the methodology described in Section 2.1. Findings against each of the RSPO MY-NI indicators are reported below. It was noted that Kempas CU was guided by their Estate/Mill Quality Management System documents for their operations.

A total of one major non-conformity and one minor non-conformity reports against RSPO MYNI: 2008 requirements were raised as shown in Appendix 3. Kempas CU has taken necessary corrective actions in order to close the major non-conformities raised. Minor non-conformities will be verified in the next surveillance assessment. Nonetheless, the CU has submitted their corrective action plan for the minor non-conformity and has been accepted by the assessor.

The non-conformities raised in the previous assessment have also been verified and all of them were satisfactorily closed out. The verification comments can be seen in Appendix 4.

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making	1.1.1	Records of requests and responses must be maintained. <i>Major.</i>	Yes	Kempas CU continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records sighted were correspondences with the authorities, local communities and employees.
C 1.2 Management documents are	1.2.1	Land titles / user rights (C 2.2)	Yes	Land titles were available for public upon request.
	1.2.2	Safety and health plan (C	Yes	Safety and health plan was publicly available.

publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to:-		4.7)		
	1.2.3	Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	Yes	Environmental & social impact assessment and its relevant plans were publicly available.
	1.2.4	Pollution prevention plans (C 5.6)	Yes	Pollution prevention plan for FY14/15 was publicly available.
	1.2.5	Details of complaints and grievances (C 6.3)	Yes	Kempas CU kept a Complaints Book in which details of grievances and complaints and actions taken to solve them were recorded. These documents were publicly available.
	1.2.6	Negotiation procedures (C 6.4)	Yes	Procedures for handling complaints and grievances related to land disputes had been developed by SDPSB. The Flowchart and Procedure on Handling Social Issues and Flowchart and Procedures on Handling Land Disputes developed in 2008 form the basis for land dispute negotiation should the matter arise. This documents were publicly available. Nonetheless, there had been no cases of land disputes in the estates and mill audited.
1.2.7	Continuous improvement plan (C 8.1)	Yes	The visited operating units had each established an Action Plan for FY 2014/2015. The plan was based on findings of the 2013 SIA prepared by the Social and Environment Projects Unit, PSQM Department, SDPSB and subsequent stakeholder consultations. The Action Plan was made available to the auditors by the mill and estates visited. Apart from that the environmental improvement plans were also publicly available.	

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations	2.1.1	Evidence of compliance with legal requirements. <i>Major</i>	Yes	Generally, the visited operating units were able to show their commitment to comply all of the applicable laws and regulations. Related licenses, permits, written approvals and certificates of fitness were available for verification.
	2.1.2	A documented system, which includes written information on legal requirements. <i>Minor</i>	Yes	The CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to the CU operation. Each office of the operating unit (mill and estates) has its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Labour Act, Pesticides Act, Workers' Minimum Standard of Housing and Amenities Act, to name a few.
	2.1.3	A mechanism for ensuring that they are implemented. <i>Minor</i>	Yes	The applicable legal requirements registered in the legal list. Periodically, the CU assigned its personnel to go through the list and cross check the status of compliance. Whenever there is non-compliance detected, appropriate actions will be taken to address the issue.
	2.1.4	A system for tracking any changes in the law. <i>Minor</i>	Yes	A special department (PSQM) which is based in Kuala Lumpur was responsible in tracking the changes to the Acts and Regulations in their legal register by communicating with the publisher of the documents. This mechanism was outlined in its procedure. The revision of the legal register was done from time to time and should there be any update, it would be communicated to the respective CUs.
C 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2.2.1	Evidence of legal ownership of the land including history of land tenure. <i>Major</i>	Yes	Kempas CU was able to demonstrate the evidence of legal ownership if its lands through possession of land titles. The CU has a list of all its land titles which have the information about leasee names, hectare, terms & conditions, lease period and grant numbers.
	2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2] <i>Major</i>	Yes	Kempas CU complied with the terms of their land titles which were mostly for oil palm/agriculture purposes.
	2.2.3.1	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained. <i>Minor</i>	Yes	Estate boundaries were well surveyed, demarcated and mapped out. Boundary stones were selectively verified on the ground and found to be well maintained.

	2.2.3.2	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. <i>Minor</i>	Yes	There was no dispute brought up by any party.
C 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights. <i>Major</i>	Yes	Not applicable since no land encumbered by customary rights at the visited operating unit.
	2.3.2	Map of appropriate scale showing extent of claims under dispute. <i>Major</i>	Yes	Not applicable since no land encumbered by customary rights at the visited operating unit.
	2.3.3	Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6). <i>Minor</i>	Yes	Not applicable since no land encumbered by customary rights at the visited operating unit.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	Annual budget with a minimum 2 years of projection <i>Major</i>	Yes	Kempas CU continued to persevere to make commitment to long-term economic and financial viability. The annual budgets for 2014/15 to 2018/2019 were sighted for both mill and estates. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, FFB processing, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield/ha, OER and total cost of production per metric ton & per ha.
	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. <i>Minor</i>	Yes	The replanting programme for the next five years had been prepared as sighted in the 'Replanting programme 2014 to 2020' at the visited operating units. This programme is reviewed once a year and is incorporated in their annual financial budget. The programme was being implemented as scheduled.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.	4.1.1	Documented Standard Operating Procedures (SOP) for estates and mills. <i>Major</i>	Yes	Kempas CU continued to adopt a comprehensive SOP for all its estate and mill practices. Current version of SOP at the estate is version 1, issue 1 and dated 1/11/2008. Operation activities in the estates and the mills include from seedlings in nursery to planting of young palms and plantation upkeep to mill despatch of CPO, PK and PKO that are guided by the standard operating procedures (SOP). They are established as part of the Estate/Mill Quality Management System documents. For the estates, on top of the Estate Quality Management System, technical guidelines as listed in the Agricultural Reference Manual are also used [dated 2011]. For activities related to environmental requirements, SOPs in the Sime Darby Plantation-Sustainable Plantation Management System are referred to. Briefing on the SOPs and related documents were conducted and workers are frequently reminded about it during the morning muster. Interviews with employees revealed that they understand the requirements of the SOP. It was also noted that relevant SOP were displayed at various work station for easy reference, for example, at estate office notice board and mill workstation notice board.
	4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months. <i>Minor</i>	Yes	Records of monitoring and the actions taken by the estates and mill continued to be maintained. This is to ensure that the established procedures were consistently implemented. The concerned records are being maintained for > 12 months
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	Monitoring of fertilizer inputs through annual fertilizer recommendations. <i>Minor</i>	Yes	Fertilizer application was recommended by an agronomist from Sime Darby Research Sdn. Bhd., Carey Island. Latest recommendation was on 19/9/2014 for January 2015 to Jun 2015 manuring programme. Fertiliser application rate per palm (dosage) varies from field to field using straight and compound fertiliser. The progress of application was found to be in line with their established schedule.
	4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <i>Minor</i>	Yes	Annual fertiliser recommendation was done by the Agronomist with reference to soil and foliar sampling. The foliar sampling is done annually for all fields. The latest foliar sampling report was prepared in middle of the year 2014 and available at the estate office for verification.
	4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. <i>Minor</i>	Yes	Bio-compost application is also recommended by the R&D Department for some of the fields. Method of application is by distributing the bio-compost using machine. EFB is also applied based on recommendation of Sime Darby's agriculture manual.
C 4.3 Practices minimise	4.3.1	Documented evidence of practices minimizing soil	Yes	Among the efforts seen to minimise soil erosion were construction of water conservation terrace, silt pit, planting of cover crop (<i>Mucuna bracteata</i> , <i>Calopogonium caeruleum</i> ,

and control erosion and degradation of soils.		erosion and degradation (including maps). <i>Minor</i>		Pueraria phaseoloides) and transplanting of nephrolepis.
	4.3.2	Avoid or minimize bare or exposed soil within estates. <i>Minor</i>	Yes	Based on site visit, there was no bare or exposed soil found. On weeding, Sime Darby is only practicing circle and selective spraying.
	4.3.3	Presence of road maintenance programme. <i>Minor</i>	Yes	Road maintenance programme is available for year 2014/15. Among the planned maintenance activities are frond tip cutting, grading & compacting.
	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme. <i>Minor</i>	Yes	No peat soil at the visited operating units. Based on the estates' soil map obtained from Sime Darby R&D Dept.), the soil types are of Bungor Series (sandy clay) and Rengam Series (sandy clay). Others are of Kg. Kubor, Gajah Mati, Tavy, etc.
	4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils). <i>Minor</i>	Yes	No fragile and problem soils at the visited operating unit.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate. <i>Major</i>	Yes	There was replant observed in Field 2014A of Kempas / Main Division of Kempas Estate. Nevertheless, observed there was no natural waterways within the field.
	4.4.2	No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate. <i>Major</i>	Yes	There was no natural waterways within the audited supply bases.
	4.4.3	Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may	Yes	There was no outgoing water into main natural waterways observed at the audited supply bases. Nonetheless, the mill continued to carry out periodical outgoing water (effluent) analysis as stated in their license issued by DOE. The license had specified that the approved discharge be onto land. Noted that the analysis results generally comply with the stipulated requirement (i.e. BOD shall not more than 100 mg/l) except

		have negative impacts (Cross reference to C 5.1 and 8.1). <i>Major</i>		an occurrence of sample taken by DOE on 12/8/15 found exceeded permissible limit. Instruction by DOE to rectify had been received and taken.
	4.4.4	Monitoring rainfall data for proper water management. <i>Minor</i>	Yes	The visited supply bases continued monitor rainfall days and rainfall in mm unit for their water management needs. Records from the year 2011 to 2015 was presented.
	4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed). <i>Minor</i>	Yes	The mill continued monitor water consumption and record monthly usage per ton FFB processed. Records of monitoring for FY 2013/14 and FY2014/15 were reviewed.
	4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. <i>Minor</i>	Yes	There were no natural outgoing water and protected areas observed in both audited supply bases.
	4.4.7	Evidence of water management plans. <i>Minor</i>	Yes	The CU maintained documented water management plan. The current plan for FY 2014/15 broadly contains action plan that address routine operation and water management plan during contingency.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	4.5.1	Documented IPM system. <i>Minor</i>	Yes	Implementation of IPM by the CU is guided by its Agriculture Reference Manual.
	4.5.2	Monitoring extent of IPM implementation for major pests. <i>Minor</i>	Yes	Major pest at the visited estate is mainly rats. IPM implemented to suppress the rat population is by rearing barn owl (<i>tyto alba</i>). The barn owls population status is monitored through census done annually.
	4.5.3	Recording areas where pesticides have been used. <i>Minor</i>	Yes	Areas where pesticides had been used were recorded in the progress report book.
	4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/tonne of oil. <i>Minor</i>	Yes	Records of pesticides usage per Ha and per mt FFB basis is available and last updated until March 2015. Based on the records, the consumption trend is going downward.

<p>C 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p>	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. <i>Major</i>	Yes	SOP for safe agrochemicals usage have been established, the safety aspects and the precaution that needs to be practiced are incorporated in the respective SOPs.
	4.6.2	Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). <i>Major</i>	Yes	Register of Chemical Hazardous to Health has been established and periodically reviewed by the management of the visited estates. Pesticides selected used are those officially registered under the Pesticides Act 1974 (Act 149) and in accordance with USECHH act.
	4.6.3	Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. <i>Major</i>	Yes	Based on the site observation, all the pesticides at the visited operating units were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations.
	4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level. <i>Major</i>	Yes	Information regarding the chemicals and its usage, hazards, trade and generic names were available in a form of MSDS/CSDS. Based on interviews conducted with the employees involved with pesticides, their knowledge regarding handling of pesticides in a safe manner were found to be satisfactory.
	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. <i>Major</i>	Yes	Previous CHRA was conducted in 12/01/2010 by a recognised assessor. The CHRA was generic to all operating units of SDPSB in Malaysia. The current CHRA dated March, 2015 was also conducted by a recognised. However, the report was expected to be issued in May 2015. It was found that medical surveillances for all employees were carried out as recommended by the CHRA.
	4.6.6	No work with pesticides for confirmed pregnant and	Yes	Pregnant and breast-feeding women are not allowed to work with Pesticides & Hazardous Chemicals. This was detected through monthly medical check-up by Medical

		breast-feeding women. <i>Major</i>		Assistant (MA).
	4.6.7	Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM. <i>Minor</i>	Yes	Register of Chemical Hazardous to Health reviewed, there is no chemical from Type 1a or 1b or listed by the Stockholm or Rotterdam Conventions is used in the Estate.
	4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. <i>Major</i>	Yes	Aerial application of agrochemicals is not practiced at this CU.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. <i>Minor</i>	Yes	No testing of chemical residues in CPO requested by buyers.
	4.6.10	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5 years or starting November 2007. <i>Minor</i>	Yes	Records of pesticides usage per Ha and per mt FFB basis is available and last updated until March 2015. Based on the records, the consumption trend is going downward.
C 4.7	4.7.1	Evidence of documented		

An occupational health and safety plan is documented, effectively communicated and implemented.		Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act139). <i>Major</i> <u>The safety and health (OSH) plan shall cover the following</u>		
	a)	A safety and health policy, which is communicated and implemented	Yes	Safety and health policy which was signed by top management was available. Communication to the employees were done in various ways such as display on notice boards, daily briefing, training, e-mails, etc.
	b)	All operations have been risk assessed and documented.	Yes	Risk assessments for all operations at the estates and mill had been conducted and reviewed from time to time. The assessments were documented in HIRARC.
	c)	An awareness and training programme which includes the following specifics for pesticides: i. to ensure all workers involved have been adequately trained in a safe working practices (See also C 4.8) ii. all precautions attached to products should be properly observed and applied to the workers.	Yes	Training and briefing provided for workers to educate them on safe working practices and ensure the applicable precautions are adhered to. Training records were available for verification.
	d)	The appropriate personal protective equipment (PPE) are used for each risk assessed operation. i. Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land	Yes	Based on the HIRARC carried out the PPE types for the various station are identified using the 'PPE usage form'. 'Personnel Protective Equipment Matrix' used to identify the applicable PPE required for a particular station.

		preparation, harvesting and if used, burning.		
	e)	The responsible person (s) should be identified.	Yes	Safety and Health Committees were available which includes workers and management representation.
	f)	There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed.	Yes	The Safety and Health Committees conducted meetings at quarterly basis which agendas generally to improve the safety culture in the company. Meeting minutes were available for verification.
	g)	Accident and emergency procedures should exist and instructions should be clearly understood by all workers.	Yes	Accident and emergency procedures were available which mainly established based on risk assessment. The procedures were tested for effectiveness through trainings and drills.
	h)	Workers trained in First Aid should be present in both field and mill operations.	Yes	Workers trained in first aid were present at the visited operations for both mill and estates.
	i)	First Aid equipment should be available at worksites	Yes	First aid kits were available at the visited operations for both mill and estates.
	4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals. <i>Major</i>	Yes	Accident statistics were being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meetings.
	4.7.3	Workers should be covered by accident insurance. <i>Major</i>	Yes	Local Workers are covered by SOCSO while foreign workers by Workmen Compensation provided as per Compensation Act 1952
C 4.8 All staff, workers, smallholders and contractors are appropriately trained.	4.8.1	A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept. <i>Major</i>	No	The CU continued their training needs identification and programmes for the fiscal year 2014/15. Trainings were either conduct internally by its own staff or externally by other department within Sime Darby Group or by private training providers. Training records observed were updated and maintained. Interview with workers showed that they understand the training given, except the new personnel in-charge of scheduled wastes. Further review noted that relevant training pertaining their job in handling scheduled wastes yet to be conducted. Therefore, NCR HO-01 was raised.

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

Clause	Indicators		Comply Yes/No	Findings
<p>C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p>	5.1.1	<p>Documented aspects and impacts risk assessment that is periodically reviewed and updated. <i>Major</i></p>	Yes	<p>The CU maintain its documented assessment of its environmental aspects and impact associated to its activities. The CU also continued periodically reviewed its assessment. Generally, there was no significant change of activity / environmental in the CU, except replanting activities, which had been identified and included in the assessment.</p>
	5.1.2	<p>Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. <i>Minor</i></p>	Yes	<p>The CU continued implement its environmental improvement / pollution prevention plan. The plan for FY 2014/15 had been developed that include action plan for current significant impact to the operation.</p>
<p>C 5.2 The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exists in the plantation or</p>	5.2.1	<p>Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings. <i>Major</i></p>	Yes	<p>There were not HCV habitats and protected areas identified in and surrounding of the audited supply bases, as reported in the Biodiversity Baseline Assessment report. Nevertheless, the CU observed in the midst of 5-year review and reassess their areas.</p>

that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.	5.2.2	Management plan for HCV habitats (including ERTs) and their conservation. <i>Major</i>	Yes	There were not HCV habitats and protected areas identified in and surrounding of the visited supply bases.
	5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts. <i>Minor</i>	Yes	Signage prohibiting illegal activities, such as fishing, swimming observed maintained to inculcate conservation and protection awareness.
C 5.3 Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner.	5.3.1	Documented identification of all waste products and sources of pollution. <i>Major</i>	Yes	Kempas CU maintain its documented identification of all wastes and sources of pollution, as documented in Waste Management Plans FY 2014/15 document.
	5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. <i>Minor</i>	No	<p>Pollution / waste operational plans maintained to guide the waste disposal activities and to reduce pollution associated to its operation.</p> <p>Domestic wastes from line-sites in Kempas Division maintained collected by local authority. Meanwhile, domestic wastes from line-sites in Serkam Division maintained collected by the CU at a frequency of 3 times per week and weekly landfilled in its designated area. Industrial / mill process wastes had been disposed as follows; i.e. EFB were sent for composting, while crop residue/biomass i.e. fibre and shell were used as fuel in the boiler.</p> <p>Effluent quality monitoring continued monitored on the monthly basis. Quarterly report for final discharge maintained submitted as stipulated in the written approval.</p> <p>Nevertheless, there were plan observed not effectively implemented, i.e.:</p> <ol style="list-style-type: none"> 1. Traces of oil spills at: <ol style="list-style-type: none"> (a) Kempas Mill (inside and outside scheduled wastes store). (b) Serkam Division (at workshop, parking bay). 2. Domestic wastes: <ol style="list-style-type: none"> (a) not completely land filled (Serkam Division). (b) disposed on the ground at Block A linesite of Kempas Estate, Kempas / Main Division. <p>Therefore, NCR HO-02 raised.</p>
	5.3.3	Evidence that crop residues / biomass are recycled (Cross	Yes	Crop residue / biomass produced in the supply bases observed were used to enrich soil structure and fertility. Pruned fronds were stacked in the field to decompose. Palms that

		ref. C 4.2). <i>Minor</i>		were felled during replanting were shredded, windrowed and left to decompose in the field as evident in the replants area.
C 5.4 Efficiency of energy use and use of renewable energy is maximized.	5.4.1	Monitoring of renewable energy use per tonne of CPO or palm product in the mill. <i>Minor</i>	Yes	The CU maintained monitor the renewable energy (fibre and shell) used per tonne of CPO in the mill. Records of Renewable Energy Usage for FY 2013/14 and FY 2014/15 were reviewed.
	5.4.2	Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill). <i>Minor</i>	Yes	Kempas POM has no longer used diesel for electricity generation since October 2013 after TNB substation installation. Diesel was only used for prime movers and vehicle in the mill. Nevertheless, the CU maintained monitor the diesel used in the mill.
C 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.	5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003. <i>Major</i>	Yes	There was no evidence of open burning observed.
	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ploughed and mulched. <i>Minor</i>	Yes	Palms that were felled during replanting were shredded, windrowed and left to decompose in the field as evident in the replanting area.
	5.5.3	No evidence of burning waste (including domestic waste). <i>Minor</i>	Yes	There was no evidence of burning of waste observed.
C 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	Documented plans to mitigate all polluting activities (Cross ref to C 5.1). <i>Major</i>	Yes	The CU maintained its documented plans to mitigate environmental pollution associates to its activities.
	5.6.2	Plans are reviewed annually. <i>Minor</i>	Yes	The CU noted had reviewed its plans. Significant environmental aspects and mitigation method related to replanting, and progress of action plan observed been updated.
	5.6.3	Monitor and reduce peat subsidence rate through water table management. (Within ranges specified in C 4.3). <i>Minor</i>	Yes	No peat soil at Kempas CU.

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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
<p>C 6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p>	I 6.1.1	A documented social impact assessment including records of meetings. <i>Major</i>	Yes	A documented SIA report (carried out in December 2013) including records of meetings with stakeholders was sighted at the POM and estates audited. This report replaced the April 2011 SIA.
	I 6.1.2	Evidence that the assessment has been done with the participation of affected parties. <i>Major</i>	Yes	Minutes of stakeholder meetings carried out during the SIA and the attendance list were made available to the auditors.
	I 6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. <i>Minor</i>	Yes	Each of the estates and POM audited made available to the auditors an updated action plan (FY 2014/2015) which includes a timetable with responsibilities for mitigation and monitoring and the actions taken and their results.
<p>C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>	I 6.2.1	Documented consultation and communication procedures. <i>Major</i>	Yes	The internal and external communications of the CU was guided by the Guidelines and Procedures for Communication, Participation and Consultation, the Responsibility, Authority and Communication Procedure and the Procedure for External Communication. The management of the CU communicated with their stakeholders through various means, such as briefings and meetings, notice boards, emails and letters. The morning briefings appeared to be the most popular channel for management-employee communication.
	I 6.2.2	A nominated plantation management official at the operating unit responsible for these issues. <i>Minor</i>	Yes	A few management officials were appointed by the company to be the persons responsible to handle any issues with the stakeholders.
	I 6.2.3	Maintenance of a list of stakeholders, records of all communication and records	Yes	The list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders were found to be consistently maintained by the CU.

		of actions taken in response to input from stakeholders. <i>Minor</i>		
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	6.3.1	Documentation of the process by which a dispute was resolved and the outcome. <i>Major</i>	Yes	SDPSB had developed procedures entitled “Flowchart and Procedure on Handling Social Issues and Flowchart” and “Procedures on Handling Land Disputes” for handling any complaint or grievance which are followed by the SOU to handle disputes arising from social as well as land issues (refer the Estate/Mill Quality Management Manual). Based on this each estate and mill audited had provided a Grievance/Complaint Book for recording the complaints as well as actions taken to address them.
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. <i>Minor</i>	Yes	A perusal of the Grievance/Complaint Books at Kempas POM, Merlimau Division (Kempas Estate) and Serkam Division (Serkam Estate) showed that the system resolved complaints/grievances in an effective, timely and appropriate manner.
	6.3.3	The system is open to any affected parties. <i>Minor</i>	Yes	The system is open to all affected parties, internal and external.
C 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. <i>Major</i>	Yes	Flowchart and Procedures on Handling Land Disputes had been established by SDPSB for identifying legal and customary rights and for identifying people entitled to compensation. There was also a related Flowchart and Procedures on Handling Social Issues.
	I 6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups’ proof of legal versus communal ownership of land.	Yes	As stated in the Flowchart and Procedures on Handling Land Disputes if there were any case related to compensation, the calculating and distributing of fair compensation would be carried out at the company level.

		<i>Minor</i>		
	I 6.4.3	The process and outcome of any compensation claims is documented and made publicly available. <i>Minor</i>	Yes	Since the last audit, there had been no claim for compensation made against the CU by any local communities.
C 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	I 6.5.1	Documentation of pay and conditions. <i>Major</i>	Yes	<p>Pay and conditions for workers were spelled out in the Collective Agreement (CA) between the Malaysian Agriculture Producers Association (MAPA) and the National Union of Plantation Workers (NUPW). Currently, the agreement for harvesters were spelled out in the Collective Agreement of 2010. The agreement though expired in 2013 remains effective until a new agreement, currently being negotiated, is reached. The pay and conditions of the new agreement will be backdated to the expiry date of the agreement. This was stated in the CA of 2010.</p> <p>As for the administrative staff, pay and conditions were spelled out in the CA of 2014 between MAPA and the All Malaysian Estates Staff Union (AMESU) for a four year period. A perusal of samples of payslip statement (for local and foreign workers) confirmed that the pay and conditions met legal minimum standards.</p>
	I 6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. <i>Minor</i>	Yes	Workers employment contract for the visited operating units were written in Bahasa Malaysia which explained their work terms such as service period, salary, working hours, medical facilities, housing, transportation and phone allowance, maternity leave, entitlement for sick leave and annual leave. Workers and employees interviewed at the visited operating units affirmed that they understood the employment contract and payslip statement.
	I 6.5.3	Growers and millers provide	Yes	The amenities provided by SDPSB to its employees (workers and administrative staff)

		adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). <i>Minor</i>		were in accordance to Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There were no records of complaints made regarding this issue. All estates and the mill audited provided either 2 or 3 bedroom houses for the workers and staff. The employees were also provided with free potable water, electricity (billed by the provider TNB), clinics, Muslim prayer houses (<i>surau</i>), Hindu temples, recreational facilities (such as badminton/volleyball court, football field) and sundry shops. The staff and workers interviewed affirmed that they were satisfied with the housing and amenities provided.
C 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	Documented minutes of meetings with main trade unions or workers representatives. <i>Major</i>	Yes	As noted above, each estate/mill has two local unions, one for the workers and the other for the administration staff i.e. NUPW and AMESU, respectively. Meetings between estate/mill management and local union leaders were held annually or whenever the need arose. Minutes were kept in the " <i>Pekerja, Individu "dan Komuniti"</i> file or the Stakeholder/Trade Union file.
	6.6.2	A published statement in local languages recognizing freedom of association. <i>Minor</i>	Yes	A statement recognizing freedom of association (FOA) was found incorporated in the company Social Policy. This Policy, in Bahasa Malaysia and English was sighted on notice boards in the estates and mill audited.
C 6.7 Children are not employed or exploited. Work by children is	6.7.1	Documented evidence that minimum age requirement is met. <i>Major</i>	Yes	An inspection of the employees register and copies of workers' passports confirmed that no employee below the minimum working age under Malaysian Labour Laws (Am. Act A238) was recruited by the company. This was also affirmed by administration staff and workers interviewed during the audit.

acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.				
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy. <i>Major</i>	Yes	A statement on equal opportunities was embedded in SDPSB's Social Policy statement. This Policy was displayed on notice boards in the estates and mill audited.
	6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against. <i>Minor</i>	Yes	An inspection of the employment offer letters in relation to the MAPA-NUPW and MAPA-AMESU agreements revealed no case of discrimination based on race, religion, gender, national origin or any other form of discrimination stated in Criterion 6.8. The payments and conditions of employment, for example, for either foreign or local, male or female employees, were not decided arbitrarily by the estate/mill management, but instead followed strictly the MAPA-NUPW and MAPA-AMESU agreements. All employees, regardless of their socio-cultural and political backgrounds, were provided with the same housing and amenities as required by the law. Staff and workers interviewed also confirmed that they were treated equally and neither had they come across any case of discrimination.
C 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	6.9.1	A policy on sexual harassment and violence and records of implementation. <i>Major</i>	Yes	SDPSB had continued to maintain its explicit policy statements on sexual harassment and violence against women. A newly developed Gender Committee Handbook First Edition 2014 presently provides the guidelines for taking actions on sexual harassment cases. This was an update of the manual on handling sexual harassment and violence against women developed some years ago A Gender Committee had for some time now been established by Kempas POM, Merlimau Division (Kempas Estate) and Serkam Division (Serkam Estate) whose mandate was to plan programmes and activities related to the prevention of sexual harassment and all other forms of violence against women and the protection of their reproductive rights. An examination of minutes of meetings held (kept in the Gender Committee file) showed records of activities carried out. A training on gender issues for SOU 6 was held at the Merlimau Training Centre on 16/3/15.

	6.9.2	A specific grievance mechanism is established. <i>Major</i>	Yes	A specific grievance mechanism for handling sexual harassment/violence against women which was established by SDPSB some years ago had been updated. This updated version can be found in the Gender Committee Handbook mentioned in 6.9.1 above. The company had also established a standard report form, the 'Complaint Form' to be used by employees to report on sexual harassment directed against her. Women workers could also verbally report to Chairperson of the Gender Committee. Currently, there had been no report of sexual harassment cases.
C 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.	6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented. <i>Major</i>	Yes	The pricing mechanism for FFB was attached to the contract drawn between SDPSB and the suppliers of FFB while the pricing of other inputs/services could be found in their respective contracts and quotations.
	6.10.2	Current and past prices paid for FFB shall be publicly available. <i>Minor</i>	Yes	Current and past prices paid for FFB were displayed at the weighbridge counter.
	6.10.3	Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <i>Minor</i>	Yes	The contractors and suppliers (including FFB suppliers) interviewed affirmed that they understood the contractual agreement that they entered into and that the contracts were fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. <i>Minor</i>	Yes	All contractors and suppliers (including FFB suppliers) stated that the agreed payments were made in a timely manner. There were no cases of delayed payments.
C 6.11 Growers and millers contribute to local sustainable development wherever appropriate.	6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities. <i>Minor</i>	Yes	Contributions to local development were mainly directed to internal stakeholders. Contributions to external stakeholders were carried out on an ad hoc basis, given upon requests made by the local stakeholders during stakeholder meetings or through correspondence.

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Kempas CU has no plan for any new planting and no new development of area was observed during the visit. Therefore, Principle 7 is not applicable.

Clause	Indicators		Comply Yes/No	Findings
<p>C 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>	7.1.1	<p>An independent and participatory social and environmental impact assessment (SEIA) to be conducted and documented (Cross ref. to C 7.2, 7.3, 7.4, 7.5, 7.6). <i>Major compliance</i></p>		NA
	7.1.2	<p>The results of the SEIA to be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <i>Minor compliance</i></p>		NA
	7.1.3	<p>Where the development includes smallholder schemes of above 500ha in total, the impacts and implications of how it is managed should be documented and a plan to manage the impacts produced. <i>Minor compliance</i></p>		NA
<p>C 7.2 Soil surveys and topographic information are used for site planning in the establishment of</p>	7.2.1	<p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation should be available. <i>Major compliance</i></p>		NA

new plantings, and the results are incorporated into plans and operations.	7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available. <i>Minor compliance</i>		NA
C 7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	7.3.1	A HCV assessment, including stakeholder consultation, is conducted prior to any conversion. <i>Major compliance</i>		NA
	7.3.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as per Peninsular Malaysia's National Physical Plan (NPP) and Sabah Forest Management Unit under the Sabah Forest Management License Agreement. <i>Major compliance</i>		NA
	7.3.3	No new plantings on floodplains (reference to be made to State DID). <i>Major compliance</i>		NA
	7.3.4	Dates of land preparation and commencement are recorded. <i>Minor compliance</i>		NA
C 7.4 Extensive planting (to be determined by SEIA) on steep terrain, and/or on marginal and fragile soils, is avoided.	7.4.1	All new plantings should not be cultivated on land more than 300m above sea level and on land more than 25 degrees slope unless specified by local legislation (Ref: MSGAP Part 2: OP 4.4.1.3 & 4.4.1.4) <i>Major compliance</i>		NA

	7.4.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <i>Minor compliance</i>		NA
C 7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	7.5.1	This activity should be integrated with SEIA required by C 7.1 <i>Major compliance</i>		NA
C 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreement.	7.6.1	Documented identification and assessment of legal and customary rights. <i>Major compliance</i>		NA
	7.6.2	Establishment of a system for identifying people entitled to compensation. <i>Major compliance</i>		NA
	7.6.3	This activity should be integrated with the SEIA required by C 7.1.		NA

		<i>Major compliance</i>		
	7.6.4	Establishment of a system for calculating and distributing fair compensation (monetary or otherwise). <i>Major compliance</i>		NA
	7.6.5	The process and outcome of any compensation claims should be documented and made publicly available. <i>Major compliance</i>		NA
	7.6.6	Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development. <i>Minor compliance</i>		NA
C 7.7 Use of fire in the preparation of new plantings is avoided other than in specific cases as identified in the ASEAN Guidance or other regional best practice.	7.7.1	No evidence of clearing by burning. This activity should be integrated with the SEIA required by C 7.1 <i>Major compliance</i>		NA
	7.7.2	Evidence of approval for controlled burning, as per Environmental Quality (Declared Activities) (Open Burning) Order 2003. <i>Major compliance</i>		NA

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

Clause	Indicators		Comply Yes/No	Findings
<p>C 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p> <p>MY NIWG commits to demonstrate progressive improvement to the following but not limited to:</p>	8.1.1	Minimise use of certain pesticides (C4.6). <i>Major</i>	Yes	The CU is committed to minimise the use of pesticides by continuously planting beneficial plants and reduce spraying in the inter rows by slashing woody growths and by encouraging the growth of soft weeds and <i>Nephrolepis biserrata</i> . Paraquat is no longer being used by the CU.
	8.1.2	Environmental impacts (C5.1). <i>Major</i>	Yes	Identification and evaluation of environmental impact assessment has been carried annually as to identify other aspect and activities that can impact the environment. With the comprehensive assessment of impact, appropriate mitigation measure can be determined for continual improvement.
	8.1.3	Maximizing recycling and minimizing waste or by-products generation. <i>Major</i>	Yes	<p>The CU continued implement to maximize recycling and minimize waste as observed stack pruned fronds in the field to decompose, felled palms were shredded, windrowed and left to decompose in the field as well, use of EFB and POME for composting, shell and fibre continued reuse as boiler fuel, etc.</p> <p>For next continual improvement plan, the CU plans generally to further maximize recycling and minimize usage of chemicals and paper.</p>
	8.1.4	Pollution prevention plans (C5.6). <i>Major</i>	Yes	The CU continued to implement its pollution prevention plan, which reviewed annually for the mill and estates.
	8.1.5	Social impacts (C6.1). <i>Major</i>	Yes	<p>Kempas CU have implemented continual improvement for social impacts by revising current SIA (2011-2015). Sime Darby HQ has conducted stakeholders' consultation at the Kempas CU on 16-20 December 2013 by PSQM Department - Social & Environment Projects Unit (SEPU).</p> <p>Based on stakeholder consultations Social Action Plans for mitigating negative impacts of oil palm plantation operations and enhancing positive ones were annually updated.</p>
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. <i>Minor</i>	Yes	The CU continued to capture the expenditure in social and environmental aspects in its annual and five-year budget program.

RSPO Supply Chain Certification Standard, 2014

Module E – Mass Balance

E.3 Documented procedures		
E.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:	
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements;	Procedure is available: SOP for RSPO Supply Chain Certification System and Traceability, Version 1, Issue 1, dated March 2013. It was prepared by Plantation Sustainability & Quality Management (PSQM) dept. which is based at Sime Darby HQ. The procedure covers handling RSPO certified products under Mass Balance model.
	b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	The Assistant Engineer has been appointed to be the person having overall responsibility for and authority over the implementation of the supply chain requirements w.e.f. 1/7/2014.
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs	Mechanism is stated in the procedure, Section 5.1 and 5.2 for both receiving and processing of certified and non-certified FFB respectively.
E.4 Purchasing and goods in		
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received	The FFB were received from the CU's certified estates (i.e. Kempas, Kemuning, Tangkah and Serkam Div) and non-RSPO certified third parties which came from two collection centres. The volume of its suppliers' contribution is verified and recorded on daily basis by Kempas POM.
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage	In the period under review, Kempas POM has delivered 8,968.34 mt of CPO/MB [first delivery was on 1/11/2014 and last delivery on 30/3/2015]. The volume registered in the e-Trace License was 56,542.56 mt. There has been no PK delivered as MB certified in the period under review.
E.5 Record keeping		
E.5.1	a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	The record and balance for all of the receipt and deliveries of its materials and products were adequately maintained. Through verification of the accounting records, it was found that the input data was accurate.
	b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Through verification of Mass Balance accounting, the deductions were correctly done in accordance to actual yield conversion.

	<p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short. (I.e. product can be sold before it is in stock.)</p> <p><i>For further details refer to Module C.</i></p>	No delivery from negative stock.
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement	Outsource only for CPO & PK Transportation, which contracts handled by Sime Darby's Group Trading and Marketing (GTM). There is no outsourcing activity with regards to processing the material or product.

3.2 Identified non-conformances and noteworthy Positive Components

Kempas CU had improvement made to their RSPO implementation. This can be seen from physical improvement of social responsibilities for its employees, minimal number of incidents related to environmental & occupational and maintaining its productivity at the best possible to maximise the company's profit.

Commitment from top management on the RSPO implementation is also evident during the assessment. The level of awareness among the employees on the RSPO implementation has also improved. They are able to explain not only the operating procedure related to their work but also the impact of its deviation, the consequence for not following them and the importance in achieving conformity to the RSPO requirements. Nonetheless, the assessment team has issued two non-conformities as detailed in Appendix 3.

B. DETAILS OF NON-CONFORMITY REPORT:

Total no. of minor NCR(s): 1 List: HO-02
Total no. of major NCR(s): 1 List: HO-01

C. RECOMMENDATION

No NCR recorded. Recommended for certification.

Minor NCR(s) recorded. Recommended to continue certification conditional upon acceptance of corrective action plans within 1 month of the date of this audit.

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

Major NCR(s) recorded. Proposed corrective action and evidence of implementation within 2 months of the date of this audit to be submitted to SIRIM QAS International Verification on major NCRs is required :

On-site audit of the following areas is recommended within 6 months (if applicable)

On-site audit not required. Records of implementation of corrective action to be submitted for verification.

Note: The major NCRs raised during recertification audit shall be addressed within 60 days or certificate shall be suspended. Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

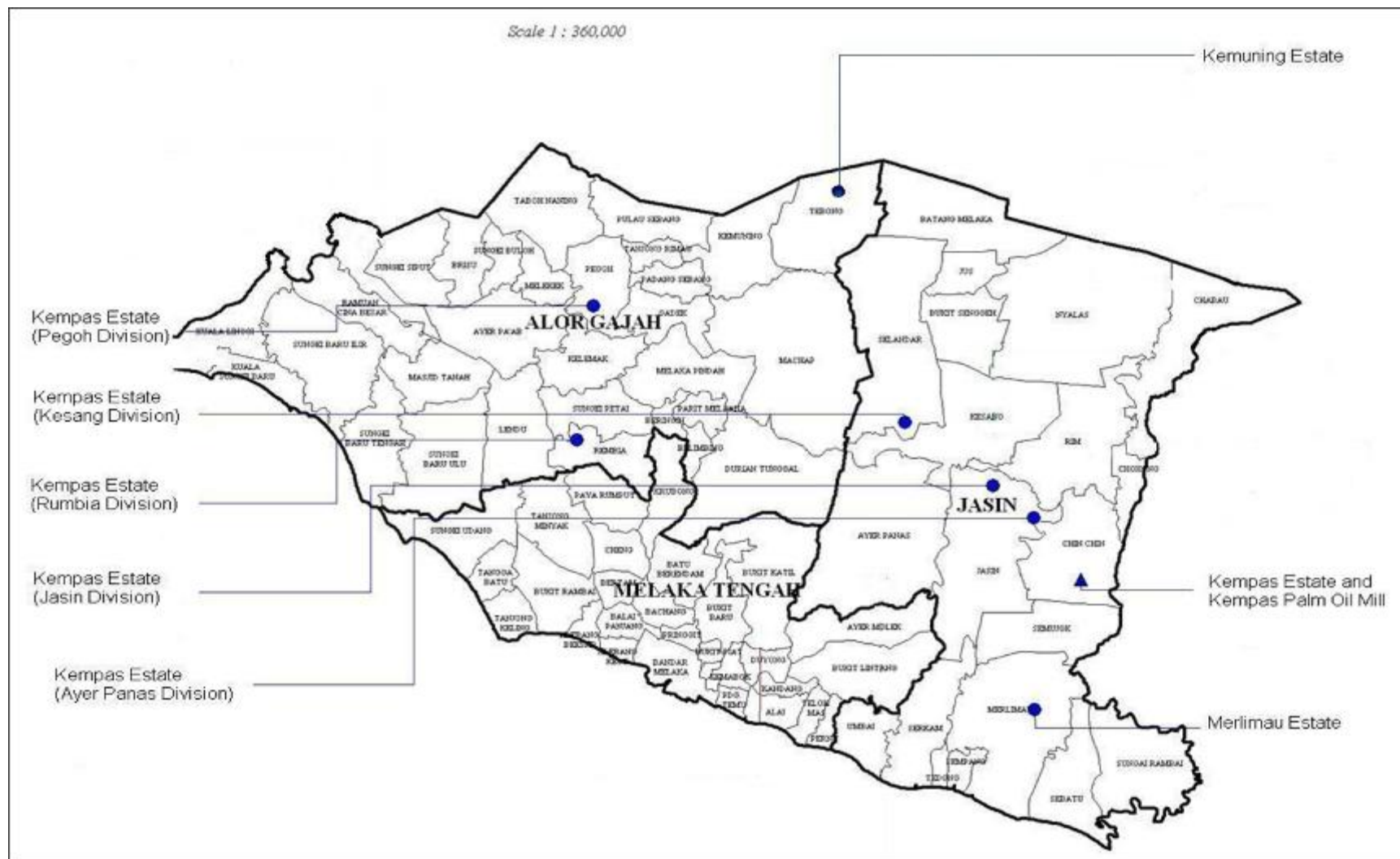
It is confirmed that all corrective actions taken have been satisfactorily verified. Recommended for certification.

Audit Team Leader: Valence Shem
(Name)


(Signature)

22/5/2015
(Date)

Location map of Kempas Certification Unit



Assessment Programme

Day 1: 6 April 2015 (Monday)				
Time	Activities / areas to be visited			
0930-1000	<u>Opening Meeting with Kempas CU</u> <ul style="list-style-type: none"> Introduction and briefing on Recertification assessment objectives, scope, methodology, criteria and programmes by the Audit Team Leader Briefing on the organization background and implementation of RSPO (including actions taken to address assessment findings of Annual Surveillance 2014) and progress of Time Bound Plan by the management representative 			
0930-1300	Valence	Hazani & Fadzil	Jagathasan & Amir	Dr. Zahid
	Site visit and assessment at Kempas POM relating to Supply Chain implementation including the model used	Site visit and assessment at Kempas Estate (Merlimau Div.) relating to HCV & biodiversity environment. Assessment on related indicators of P1, P2, P4, P5, P6, P8	Site visit and assessment at Serkam Division relating to occupational safety & health Assessment on related Indicators of P1, P2, P4, P8	Site visit and assessment at Kempas POM relating to social concerns and stakeholders consultation Assessment on related Indicators of P1, P2, P6, P8
1300-1400	Lunch break			
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment

Day 2: 7 April 2015 (Tuesday)				
Time	Activities / areas to be visited			
0900-1300	Valence & Fadzil	Hazani	Jagathasan & Amir	Dr. Zahid
	Site visit and assessment at Kempas Estate (Merlimau Div.) relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P8	Site visit and assessment at Serkam Division relating to HCV & biodiversity environment. Assessment on related indicators of P1, P2, P4, P5, P8	Site visit and assessment at Kempas POM relating to occupational safety & health Assessment on related Indicators of P1, P2, P3, P4, P8	Site visit and assessment at Kempas Estate (Merlimau Div.) relating to social concerns and stakeholders consultation Assessment on related Indicators of P1, P2, P6, P8
1300-1400	Lunch break			
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment

Appendix 2 (cont'd)

Day 3: 8 April 2015 (Wednesday)				
Time	Activities / areas to be visited			
0900-1300	Valence & Amir	Hazani	Jagathasan	Dr. Zahid
	Site visit and assessment at Serkam Division relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P8	Site visit and assessment at Kempas POM relating to environment. Assessment on related indicators of P1, P2, P4, P5, P8	Site visit and assessment at Merlimau Estate relating to occupational safety & health Assessment on related Indicators of P1, P2, P4, P8	Site visit and assessment at Serkam Division relating to social concerns and stakeholders consultation Assessment on related Indicators of P1, P2, P6, P8
1300-1400	Lunch break			
1400-1500	Continue assessment	Continue assessment	Continue assessment	Continue assessment
1500-1600	Audit Team discussion, preparation on audit findings and issuance of NCR (if any)			
1600-1700	Closing meeting – presentation of assessment findings			

Detail of Non-Conformity and Corrective Actions Taken

No.	Clause	Non-conformity	Corrective Action	Status
HO-01 Major	4.8.1: A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept.	<p>Finding: There was no evident of training provided for new in-charge personnel related to scheduled wastes management.</p> <p>Objective evidence: There was no evident of training provided for En. Kamilrul b. Kamaruddin (Serkam Division) and Pn. Nor Suhaila bt. Medan (Kempas Mill) related to scheduled wastes management.</p>	The CU will send both personnel to undergo the Schedule Waste Training by PSQM-ESH on 17/4/15.	<p>Closed.</p> <p>Training for the relevant personnel had been provided on 17/4/15. Evidence of training attendance and training material have been submitted to the assessor for verification.</p>
HO-02 Minor	5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution.	<p>Finding: Plan to avoid or reduce pollution not effectively implemented.</p> <p>Objective evidence: Observed:</p> <ol style="list-style-type: none"> 1. Traces of oil spills at: <ol style="list-style-type: none"> (a) Kempas Mill (inside and outside scheduled wastes store). (b) Serkam Division (at workshop, parking bay). 2. Domestic wastes: <ol style="list-style-type: none"> (a) not completely land filled (Serkam Division). (b) disposed on the ground at Block A linesite of Kempas Estate, Kempas / Main Division. 	<ul style="list-style-type: none"> • To include workplace inspection (monitoring). • To barricade the landfill and establish monitoring logbook. • To provide domestic waste management awareness training. • To erect visual signboard on cleanliness at line-site. 	<p>Corrective action plan is accepted.</p> <p>Verification on the outlined actions for closing will be conducted in the next audit.</p>

Verification on NCRs raised in the Previous Assessment (ASA IV, 2014)

NCR No.	Clause	Non-conformity	Corrective Action	Status
MH-1	Indicator 2.1.4 A system for tracking any changes in the law <i>Minor</i>	No changes and updates incorporated in the legal register QSHE/04/5.2.4 at all operating units. Legal register file QSHE/04/5.2.4 was not updated with regards to <ol style="list-style-type: none"> i. Environment Quality Act 1974, 49A on competence person (amendment 2012) ii. Code of Practice Confined Space 2010 iii. CLASS(Classification, Labelling and Safety Data Sheet) Regulation 2013 iv. Medical Assistant Act 1977 v. FMA 1967, Person In Charge Regulations, 1970 - Regulation 5(6)(i)(ii) vi. Workers Minimum Standard of Housing and Amenities Act 1990 - Section 19(3) VMO visit every fortnightly & section 23(2) weekly line site inspection vii. Requirements under “Jadual Pematuhan” for Kempas Palm Oil Mill (000190) validity period 1/7/13-30/6/14 	For the short term, PSQM will update the LORR to include the above regulations. Long term wise, Group Compliance, which have the expertise, have launched an initiative to revisit all laws & regulations require to comply by all estates and mills. Operating Units to cross check with the list whether they are in compliance.	The legal register has been updated with all the missed-out requirements have been included. Status: Closed
MH-2	Indicator 2.1.1 Evidence of compliance with legal requirements <i>Major</i>	<ol style="list-style-type: none"> i. Stack sampling for boiler no.1 & 2 were not carried out in timely manner. Last monitoring was carried out on 29/4/13 for boiler no.2. Stack sampling monitoring report was not made available boiler no.1 since last assessment <ul style="list-style-type: none"> • Faulty of the smoke density 	<ul style="list-style-type: none"> • Retrieved report from an accredited laboratory and compiled the report accordingly. Assistant Engineer will monitor closely for any compiling report in future and ensure there is no lap for the sampling. • To appoint a consultant to repair on mid-March 2014 and plan to verify 	<ul style="list-style-type: none"> • Smoke Density Meter was tested and found to be working well • Based on the CEMS report, quality of dark smoke found to be improving • CePPOME – attended by Assistant Manager. Exam

		<p>indicator alarm for boiler no.1 during site review. Alarm was not triggered although opacity is above 40% opacity</p> <ul style="list-style-type: none"> • CEMS report dated 1-28/2/14 and 3/3/14 was above Ringellman 2 during boiler no.1 operation • No competent operator available at Kempas POM for air pollution control equipment and schedule waste manager 	<p>weekly to ensure no reoccurrences.</p> <ul style="list-style-type: none"> • For the immediate action, mill will reduce load and combine with genset if the reading above the Ringellmann 2 indicator. For the long term, mill will replace new boiler to cope-up the operation and has already been included in the CAPEX 2014/15 waiting for approval. • Kempas POM has sent an Assistant Engineer to CePPOME course on July 2013 till September 2013 however the certificate still not receive yet from DOE and for competent person to handle schedule waste management, ESH-PSQM had an engagement meeting with DOE Putrajaya on 22 August 2013 and was advised for SDP to focus first on Competent Environmental Professional POME (CePPOME), after a year then only on other CeP programs such as Scheduled Waste. 	<p>results and Certificate of attendance were available for verification.</p> <p>Status: Closed</p>
		<p>ii. There was no scheduled waste manager for Tangkah and Kemuning Estate.</p>	<p>Immediately a SW Training will be conducted by SDP ESH Officer on 20 March 2014 and attended by all personnel in charge of handling SW. For the long term, SDP will engage with EiMAS on the training for competent person handling SW.</p>	<p>Training records were still in place for verification.</p> <p>Status: Closed</p>
MH-3	<p>Indicator 5.6.2 Plans are reviewed annually <i>Minor</i></p>	<p>The waste management plan has not been reviewed. The last revision was for financial year of 2012/2013.</p>	<p><u>Kempas POM</u> To update the waste management accordingly and assistant engineer will monitor and ensure the documents are updated every financial year.</p> <p><u>Tangkah Estate</u> The records will be updated and maintained accordingly and management</p>	<p>The waste management plan has been updated for FY 2014/15 at the visited operating units.</p> <p>Status: Closed</p>

			has been decided all document related to schedule waste will be located at the main office. Management has also appointed new person fully in charge for schedule waste and will monitor these matters.	
MH-4	Indicator 5.3.2 Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid and reduce pollution. <i>Minor</i>	Operational plan for scheduled waste management was not consistently implemented. i. Identification of license schedule waste contractor at Tangkah estate, i.e. OSLT license and <i>Jadual Pematuhan</i> was not available during assessment. ii. Inventory records for all scheduled waste generated was not properly maintained. Only the latest inventory can be retrieved during the assessment. iii. Labelling of schedule waste has yet to be consistent with 3rd Schedule of the regulations, i.e. solid and liquid waste (empty grease container SW409)	The record will be updated and maintained accordingly and management has been decided all document related to schedule waste will be located at the main office. Management has also appointed new person fully in charge for schedule waste and will monitor these matters.	i. The DOE's licenses for the appointed contractor for SW disposal have been made available ii. SW inventory records have been maintained according to the regulated formats iii. Labelling of SW have been corrected
MH-5	Indicator 4.7.1 Evidence of documented Occupational Safety and Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967(Act 139) a) All operations have been risk assessed and documented. g) Accident and emergency	i. Risk assessment and documentation (HIRADC) not available for workshop machines, e.g. Lathe machine/Drilling Machine & etc. ii. Significant spillage of oils traced at the poison store, Bulumong division iii. No spill kit available at the poison store, Bulumong division to contain the spillage of oils iv. Instructions documented in the emergency response plan in the event of oil spillage was not clearly understood by the responsible person for poison store, Bulumong division.	<ul style="list-style-type: none"> Establish HIRADC for the equipment accordingly and for time being QMO will conduct training for HIRADC. For long term planning HIRADC training will be requested to ESH-PSQM for all workers to enhance on effectiveness of HIRADC implementation at workplace at least once a year. Spillage kit will be placed at all chemical store immediately with ERT responsibility and ERP procedures. Briefing will be given to all members during ESH meeting. 	<ul style="list-style-type: none"> Evidence provided to support that the HIRADC has been established at the Tangkah Estate workshop Evidence provided with pictures to support that the ERP has been conducted at Bulumong Division. <p>Status: Closed</p>

	<p>procedures should exist and instructions should be clearly understood by all workers</p> <p><i>Major</i></p>			
NAJ-1	<p>Indicator 4.4.1 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate.</p> <p><i>Major</i></p>	<p>During the site review, it was found the riparian buffer zone along natural waterways at Tangkah Estate, (OP 05A, Ayer Panas Division) and Kempas Estate (field 2003) was not maintained. Spraying activities / trace has been identified along the riparian buffer zone.</p>	<p>i. The Management has decided to conduct survey with R&D GPS team and government department (JPS) to identify the area as natural waterways or manmade drains from previous management for Kempas Estate</p> <p>ii. To erect pictorial signboard (photo with no spraying activities) and mark the palms with paint which indicates the buffer zone areas.</p> <p>iii. To conduct regular briefings to sprayers regarding no agronomic activities at the designated areas for buffer zones.</p>	<p>No more trace of spraying activity observed at the designated buffer zone during the field visit.</p> <p>Status: Closed</p>
MRS-1	<p>Indicator 4.8.1 All staffs, workers, smallholders and contractors are appropriately trained.</p> <p><i>Major</i></p>	<p>Gender committee did not specifically addressing matters such as training on women's rights, counselling for women affected by violence and & child care facilities in their meeting minutes and annual program. Based on meeting minutes of Gender Committee at the Kempas POM on 21 Feb 2014 & 8 March 2013, the meeting only discussing about fund collection, <i>gotong-royong</i> at the line-site & cooking class. At the Serkam Estate, Gender Committee Programme for FY 2013/2014 till 2015/2016 only stated programme for <i>Keselamatan Jalan Raya</i>, First Aid, Fire Drill, Hygiene, Cooking competition & Family Day.</p>	<p>Gender committee will communicate with Social & Environmental Projects Unit (SEPU), PSQM or government agency regarding the social training such as women right and childcare facility at mill. Annual planning program will be include:</p> <ul style="list-style-type: none"> • Women Right • Counselling • Child Care Facilities 	<p>Records of training on women's right and counselling were available for verification.</p> <p>Status: Closed</p>
VS-1	RSPO SCCS	There is no evidence that the	Kempas POM / PSQM	There was no more case where

	<p>Clause E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received. <i>Major</i></p>	<p>certification status of the FFB transferred to Kempas POM from other mill has been verified. 90.91 mt of FFB was transferred from Diamond Jubilee POM to Kempas POM in September 2013. However, there is no evidence that Kempas POM has verified the certification status of the received FFB.</p>	<ol style="list-style-type: none"> 1. PSQM will update the RSPO SCCS SOP to include verification of certified and non-certified material. 2. Kempas POM will conduct verification of all incoming materials whether certified or non-certified. 	<p>FFB were transferred from other Sime Darby's POMs to Kempas POM ever since the last assessment. Nonetheless, interview with the staff showed that they understand the mechanism of verifying should such case happen again.</p> <p>Status: Closed</p>
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