



**PUBLIC SUMMARY
SURVEILLANCE 4 ASSESSMENT (FIRST CYCLE)
FOR RSPO P&C CERTIFICATION**

**SIME DARBY PLANTATION SDN BHD
RSPO MEMBERSHIP NO: 1-008-04-000-00
SERI INTAN STRATEGIC OPERATING UNIT (SOU 5) CERTIFICATION UNIT**

Teluk Intan, Perak Darul Ridzuan, Malaysia

**Certificate Number: RSPO 0015
Date of First Certification: 3 March 2011 (by Control Union)
Audit Date : 5 – 8 January 2015**

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EXECUTIVE SUMMARY

This public certification summary provides the general information on the Seri Intan Strategic Operating Unit (SOU 5) Certification Unit (Seri Intan Strategic Operating Unit (SOU 5) CU) of the Sime Darby Plantation Sdn Bhd (SDPSB), the assessment process, the findings of the surveillance, Non-Conformity Reports (NCRs), verification of corrective actions on the NCRs raised during the previous surveillance as well as the decision on the continued certification of the CU against the requirements of the RSPO Principles & Criteria for Sustainable Palm Oil Production, Malaysian National Interpretation Working Group (MY-NI) :2010.

This assessment on the Seri Intan Strategic Operating Unit (SOU 5) CU was conducted on 5-8 January 2015. SIRIM QAS International Sdn. Bhd. (SIRIM QAS International) was contracted by SDPSB to conduct this assessment. SIRIM QAS International is the leading testing, inspection and certification body (CB) in Malaysia having provided its services to all sectors of the business and industry for over 30 years. SIRIM QAS International, as an accredited CB by the United Kingdom Accreditation Service (UKAS) and STANDARDS MALAYSIA provides a comprehensive range of management system certification services on quality, environment, and health and safety.

SIRIM QAS International has wide experience in conducting assessments on palm oil mills and oil palm estates for certification of management system against the requirements of the ISO 14001 and OHSAS 18001. SIRIM QAS International was approved as a CB by RSPO on 21 March 2008. Since then, it has conducted many assessments on RSPO sustainable production of palm oil in Malaysia.

The 1 Major and 1 Minor NCRs raised during this surveillance assessment has been adequately addressed and therefore closed out. Corrective actions of previous NCRs has been verified and closed.

Based on the findings of this surveillance, it could be concluded that the Seri Intan Strategic Operating Unit (SOU 5) CU has continued to comply with the requirements of the RSPO MY-NI: 2010. The assessment team therefore recommends the Seri Intan Strategic Operating Unit (SOU 5) CU to maintain its certification against the RSPO MY-NI: 2010.

RSPO P & C SURVEILLANCE AUDIT REPORT

1.0. SCOPE OF CERTIFICATION ASSESSMENT

1.1. Introduction

This surveillance assessment report described one Strategic Operating Unit (SOU) of Sime Darby Plantation Sdn. Bhd. (SDPSB), i.e. Seri Intan Strategic Operating Unit (SOU) or also known as SOU 5. SOU is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Seri Intan SOU / SOU 5 / Seri Intan CU was certified by other certification body, i.e. Control Union Certification on 3rd March 2011. The certificate is valid until 2nd March 2016. SDPSB has decided to transfer the certifier to SIRIM QAS International Sdn. Bhd. beginning from the first surveillance audit.

Each SOU consists of one mill and its supply bases. The supply bases are made up of supply bases owned by SDPSB. This assessment covered Seri Intan Palm Oil Mill (Seri Intan POM) and its supply bases as indicated in the cover page. The supply bases assessed were confined to estates owned by SDPSB. There are four main estates supplying to Seri Intan POM i.e. Sabrang Estate, Sungai Wangi Estate, Seri Intan Estate (Main Division) and Sogomana Estate (Main Division). The mill capacity is 60 mt/hr.

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

1.2 Progress and Changes

a) Changes to certified products in accordance to the production the previous year

No changes were observed concerning certified products.

b) Progress and Changes of Time bound plan

i) Changes and reasons for the changes see below

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New acquisition: PNG (NBPOL).
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- labour conflicts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Dispute of retirement benefit due medically unfit

ii) Overall comment in terms of acceptance or non acceptance on the changes in timebound plan (including details of non adherence or the conditions justifying a time-bound plan have changed),

Sime Darby Plantation Sdn Bhd (SDPSB) observed committed to certify all 59 (including Malaysia and Indonesia) Strategic Operating Units (SOUs) / Certification Unit (CU) as outlined in its timebound plan. All of its SOUs noted already been certified, except 1 SOU in Indonesia, which pending to solve social issue.

c) Progress of all associated smallholders certification

All associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, are audited within 3 years from when their fruit was first included in the mill certification.

Yes No

If no, please state reasons No associated smallholders.

d) New acquisition

Any new acquisition which has replaced primary forests or HCV areas

Yes No

e) Other changes (e.g. organizational structure, new contact person, addresses, etc.).

Observed no significant changes, except:

- (a) common practices of changes (rotation) of few key personnel among the operating units.
- (b) commissioned of new 20ha effluent treatment pond for the mill.
- (c) upgrading of house in Seri Intan Estate from 2 to 3 bedroom in phases.

2.0 ENVIRONMENTAL / SOCIAL ISSUE

Generally there was no environmental issue or complaint observed. The CU generally complies with environmental legislation. However, management of scheduled wastes at Sungai Wangi Estate need to improve. A **Major NCR HO-2015-01/MRS 01** raised concerning this matter.

There was no social issue observed, except one dispute in the mill from resigned person claiming for retirement benefits upon had diagnosed of medically unfit to perform current work. Also observed the claim was paid accordingly, and both parties agreed on the resolution.

3.0 COMPLAINT RECEIVED FROM STAKEHOLDER (IF ANY)

There were no complaints observed from external stakeholders, except common complaints from internal stakeholders (employee). Most of complaints were about house repairing related issues. Actions noted been taken and recorded.

4.0 SUMMARY OF NON-CONFORMITY REPORT:

Total no. of minor NCR(s) : 1 List : **HO-2015-02**

Total no. of major NCR(s) : 1 List : **HO-2015-01 / VS01/2015**

5.0 AUDIT TEAM AND PLAN

5.1 Audit Team Members

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Hazani Othman	Assessment Team Leader Environmental and Social scopes	<ul style="list-style-type: none"> • 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. • Freelance consultant on environmental, quality and social management.
Mohd. Razman Salim	Auditor Occupational Health & Safety, and Conservation scopes	<ul style="list-style-type: none"> • Collected more than 23 Auditor days in auditing RSPO • 6 years experience in Forest Management, forest, HCVF and ecology • Successfully completed System 3M accredited Lead Assessor training for ISO 9001 • Successfully completed System 3M accredited Lead Assessor training for ISO 14001 • Successfully completed System 3M accredited Lead Assessor training for ISO 18001 • B.Sc.Forestry (Hons) - University Putra Malaysia
Valence Shem	Auditor Good Agricultural Practice, Good Milling Practices, and Supply Chain scopes	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 500 auditor days in auditing various schemes i.e. ISO 14001, RSPO P&C and RSPO Supply Chain
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5.2 Audit Plan

See Attachment 2.

6.0 CERTIFICATION UNIT AND PRODUCTION INFORMATION

6.1 Certification Unit Details

The details of the certification unit and contact persons for SOU 5 are as shown below:

Certification Unit:	Seri Intan Strategic Operating Unit (SOU 5)
Parent company:	Sime Darby Plantation Sdn. Bhd.
RSPO membership number:	1-0008-04-000-00
Certification date:	03/03/2011
Name of contact person:	Sabarinah Marzuky
Designation:	Vice President II
Address:	Level 3A Plantation Tower, No. 2Jalan PJU 1A/7, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia
Phone #:	+603 7848400

6.2 Description of Volume of Processing, Dispatched and Supply Base Based on Palm Age Profile

i) Description of Volume of Processing and Dispatched

Details of the actual and projected volume of processing and dispatched are shown in the following tables.

Table 1: Actual FFB received and CPO & PK delivered by Seri Intan POM since date of last reporting period (December 2013 to November 2014)

	Quantity (MT)
FFB Received	213,551.460
FFB Processed	213,515.993
CPO Production	45,590.518
PK Production	12,356.223
CPO delivered as Segregation	0
CPO delivered as Mass Balance	45,590.518
CPO delivered as non-RSPO certified	0
PK delivered as Segregation	0
PK delivered as Mass Balance	12,356.223
PK delivered as non-RSPO certified	0

Table 2: Projected FFB received and CPO & PK delivered by Seri Intan POM for next reporting period (December 2014 to November 2015)

	Quantity (MT)
FFB Received	255,401.33
FFB Processed	255,401.33
CPO Production	55300.2
PK Production	14802.89
CPO delivered as Segregation	0
CPO delivered as Mass Balance	55300.2
CPO delivered as non-RSPO certified	0
PK delivered as Segregation	0
PK delivered as Mass Balance	14802.89
PK delivered as non-RSPO certified	0

ii) Description of The Supply Base

The FFB is sourced from company owned estates that are certified and a small percentage from smallholders' crop.

Details of the FFB actual and projected contribution from each source to the SOU are shown in the following tables.

Table 3: Seri Intan CU - Actual FFB production since date of last reporting period (January 2014 to December 2014)

Supply base	FFB Production	
	Tonnes	Percentage (%)
Sabrang Estate	37,884.10	24.36
Sungai Wangi Estate	12,541.36	8.07
Main Division of Seri Intan Estate	63,369.27	40.75
Main Division of Sogomana Estate	25,179.69	16.19
Smallholders	16,524.55	10.63
Others	0	0
Total	155,498.97	100.00

Table 4: Seri Intan CU - Projected FFB production for next reporting period (January 2015 to December 2015)

Supply base	FFB Production	
	Tonnes	Percentage (%)
Sabrang Estate	94,812	44.16
Sungai Wangi Estate	30,680	14.29
Main Division of Seri Intan Estate	63,305	29.49
Main Division of Sogomana Estate	25,900	12.06
Smallholders	0	0
Others	0	0
Total	214,697	100.00

iii) Certified Area and Date of Planting and Replanting Cycle

The certified area and planting profiles for each supply base is detailed in the following tables:

Table 5: Planted and certified area of Seri Intan CU

Supply base	Planted (ha)	Certified (ha)
Sabrang Estate	3,703.74	3,844.22
Sungai Wangi Estate	1,834.47	2,258.99
Main Division of Seri Intan Estate	2,552.53	2,960.40
Main Division of Sogomana Estate	1,065.66	1,121.96
Total	9,156.40	10,185.57

Table 6: Planting profile for Sabrang Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1996	2nd	Mature	133.47	3.58
1996	2nd	Mature	87.53	2.35
1996	2nd	Mature	92.33	2.48
1997	2nd	Mature	82.64	2.22
1997	2nd	Mature	80.90	2.17
1998	2nd	Mature	48.73	1.31
1998	2nd	Mature	137.89	3.70
2000	2nd	Mature	92.74	2.49
2000	2nd	Mature	73.51	1.97
2000	2nd	Mature	62.31	1.67
2000	2nd	Mature	55.77	1.50
2001	2nd	Mature	74.18	1.99

2001	2nd	Mature	66.42	1.78
2001	2nd	Mature	61.57	1.65
2001	2nd	Mature	70.34	1.89
2002	2nd	Mature	85.12	2.29
2002	2nd	Mature	96.23	2.58
2002	2nd	Mature	42.41	1.14
2003	2nd	Mature	100.18	2.69
2006	3rd	Mature	51.33	1.38
2008	3rd	Mature	134.14	3.60
2010	3rd	Mature	86.52	2.32
2010	3rd	Mature	98.45	2.64
2011	3rd	Immature	24.88	0.67
1992	2nd	Mature	113.00	3.03
1995	2nd	Mature	117.89	3.17
1995	2nd	Mature	148.16	3.98
1996	2nd	Mature	116.90	3.14
2000	2nd	Mature	104.40	2.80
2001	2nd	Mature	97.43	2.62
2002	2nd	Mature	100.89	2.71
2002	2nd	Mature	93.24	2.50
2005	3rd	Mature	121.31	3.26
2006	3rd	Mature	134.43	3.61
2010	3rd	Mature	85.11	2.29
2011	3rd	Immature	73.23	1.97
2012	3rd	Immature	96.29	2.59
2013	3rd	Immature	61.55	1.65
2013	3rd	Immature	106.71	2.87
2013	3rd	Immature	70.04	2.32
2015	3rd	Immature	127.53	3.42
Total			3703.74	100.00

Table 7: Planting profile for Sungai Wangi Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1990	1st	Mature	139.43	9.46
1991	1st	Mature	37.27	2.53
1993	1st	Mature	29.33	1.99
1993	1st	Mature	69.89	4.74
1997	1st	Mature	346.10	23.47
1999	1st	Mature	159.91	10.84
1999	1st	Mature	110.62	7.50
1999	1st	Mature	91.94	6.24
1999	1st	Mature	149.71	10.15
2000	1st	Mature	154.31	10.46
2000	1st	Mature	135.58	9.19
2004	1st	Mature	17.72	1.20
2006	1st	Mature	32.76	2.22
Total			1474.57	100.00

Table 8: Planting profile for Main Division of Seri Intan Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1991	2nd	Mature	54.36	2.13
1991	2nd	Mature	99.75	3.91
1991	2nd	Mature	78.65	3.08
1992	2nd	Mature	75.65	2.96
1992	2nd	Mature	66.82	2.62
1992	2nd	Mature	59.10	2.32
1993	2nd	Mature	120.68	4.73
1995	2nd	Mature	80.01	3.13
1995	2nd	Mature	59.10	2.32
1995	2nd	Mature	58.71	2.30
1995	2nd	Mature	46.58	1.82
1995	2nd	Mature	91.88	3.60
1995	2nd	Mature	82.98	3.25
1996	2nd	Mature	68.35	2.68
1996	2nd	Mature	34.77	1.36
1996	2nd	Mature	55.52	2.18
1996	2nd	Mature	75.28	2.95
1996	2nd	Mature	67.40	2.64
1996	2nd	Mature	69.44	2.72
1997	2nd	Mature	97.22	3.81
1997	2nd	Mature	73.87	2.89
1998	2nd	Mature	91.26	3.58
1998	2nd	Mature	42.85	1.68
2004	2nd	Mature	66.21	2.59
2004	2nd	Mature	95.46	3.74
2004	2nd	Mature	59.52	2.33
2005	2nd	Mature	91.44	3.58
2005	2nd	Mature	57.88	2.27
2005	2nd	Mature	50.14	1.96
2007	2nd	Mature	99.67	3.90
2007	2nd	Mature	74.20	2.91
2009	2nd	Mature	142.35	5.58
2013	2nd	Immature	85.53	3.35
2013	2nd	Immature	79.90	3.13
Total			2552.53	100.00

Table 9: Planting profile for Main Division of Sogomana Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2014	2nd	Immature	46.60	4.37
1992	1st	Mature	89.05	8.36
1993	1st	Mature	35.82	3.36
1993	1st	Mature	65.83	6.18
2015	2nd	Immature	74.16	6.96
1997	1st	Mature	104.23	9.78
1998	1st	Mature	61.20	5.74
1998	1st	Mature	55.34	5.19
1998	1st	Mature	61.04	5.73
1998	1st	Mature	50.06	4.70
1999	1st	Mature	54.85	5.15

1999	1st	Mature	26.25	2.46
1999	1st	Mature	32.58	3.06
1999	1st	Mature	28.80	2.70
1999	1st	Mature	79.10	7.42
1999	1st	Mature	124.29	11.66
1999	1st	Mature	76.46	7.17
Total			1065.66	100.00

7.0 AUDIT FINDINGS AND RESULT

7.1 Details of Audit Findings

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	<p>Seri Intan 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. Among the records sighted were correspondences with the authorities, local communities and employees.</p> <p>There was no request of information received by the CU on environmental, social and legal issues from stakeholders, except from DOSH for HIRARC for Confined Space from Seri Intan mill during monthly inspection in April 2014. And Seri Intan mill has submitted the document to the officer in June 2014.</p>
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles / user rights (C 2.2)	Yes	Copies of land titles / user rights were available at the audited operating units.
	1.2.2	Safety and health plan (C 4.7)	Yes	SDPSB continued to use the internet for disseminating public information. Information relating to safety and health plans maintained available through SDPSB website at http://plantation.simedarby.com .
	1.2.3	Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	Yes	Social and environmental impact assessments and its relevant plans continued made available. Cross-refer to Criterion 5.1 and 6.1.

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:-	1.2.4	Pollution prevention plans (C 5.6)	Yes	Pollution prevention plans for FY14/15 were available during the assessment. Refer to C 5.6.
	1.2.5	Details of complaints and grievances (C 6.3)	Yes	Details of grievances and complaints and actions taken to solve them, if any, maintained to be documented according to respective procedures of type of issues and stakeholders (i.e. either related to workers, social, land, external parties etc.).
	1.2.6	Negotiation procedures (C 6.4)	Yes	The CU maintained its documented negotiation procedures, which covered either by Procedures for Handling Boundaries Dispute or Procedures for Handling Squatters Dispute or Procedures for Handling Social Disputes, depending on type of issues and stakeholders.
	1.2.7	Continuous improvement plan (C 8.1)	Yes	The CU maintained publicly available its continuous improvement plan. Cross-refer to C 8.1.

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>	No	<p>Generally, the CU maintained complies to its various applicable legal requirements, such as related to OSH, environmental, employment and social. Among of evident of compliance observed were:</p> <ul style="list-style-type: none"> (a) availability of regulated competence persons, e.g. engineers for steam and engine driver; (b) valid licenses, permits and certificates of fitness, e.g. MPOB License, diesel permit, metamidophos permit, (CF) for steam boiler and unfired pressure vessel (UPV), prescribed premise license, written approvals for boiler / chimney and effluent treatment plant etc.; (c) various regulated periodical monitoring and measurement conducted accordingly, .e.g. audiometric, effluent, workplace inspection, black smoke, dust particulate, etc. (d) various regulated contribution / coverage been continued made, e.g. EPF, SOCSO, insurance, etc. <p>However, observed:</p> <ul style="list-style-type: none"> (a) management of scheduled wastes at Seri Intan Estate not comply with

				<p>Regulation 3(1), 9(3), 9(5), 10(1) and 11, i.e. concerning notification, closing of containers, period of storage, information on the label, and accurate and up-to-date inventory respectively.</p> <p>(b) deduction of wage made by Seri Intan Estate not comply with Section 24(4)(c), i.e. concerning prior permission in writing of the Director General. E.g. deduction for transport cost for Friday prayers.</p> <p>(c) permit to store diesel No. A009096, quantity 35,100 has expired and yet to be renewed.</p> <p>Due the non-compliances for above cases, a Major NCR HO-2015-01/VS01/2015 raised.</p>
	2.1.2	A documented system, which includes written information on legal requirements. <i>Minor</i>	Yes	<p>Seri Intan 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 operations. Each office of the mill and supply bases has its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance.</p> <p>Among the identified legal requirements are Environmental Quality Act and Regulations, 1974, Factories and Machinery Act and Regulations, 1967, Occupational Safety and Health Act and Regulations, 1994, Pesticides Act, 1974, & Worker's Minimum Standards of Housing and Amenities Act, 1990, Code of Practice for Confined Space 2010 and other applicable requirements for mill and estate operation.</p>
	2.1.3	A mechanism for ensuring that they are implemented. <i>Minor</i>	Yes	<p>The mechanism to ensure compliance to legal and other requirement maintained implemented, as documented in EQMS & MQMS (Estate / Mill Quality Management System) under Standard Operation Manual. The documents distributed to all operating units under Seri Intan CU. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance [ref.: Estate / Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008].</p> <p>The Legal and Other Requirements Register (LORR) for Seri Intan mill, Sg. Wangi Estate and Seri Intan Estate noted had been reviewed on 11 Jan 2014, 24 Oct 2014 and 19 Aug 2014. It was prepared by the Quality Management Officer (QMO), checked by the Assistant Manager (AM) and approved by Manager of respective unit.</p>

	2.1.4	A system for tracking any changes in the law. <i>Minor</i>	Yes	An assigned department (PSQM) which is based in Kuala Lumpur maintained 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 Sime Darby procedure. The revision of the legal register would be done from time to time and would be communicated to the respective Sime Darby's certification units, should there be any update. As to date, observed no change to SOU 5 activities and no new legal requirements associated to their operation.
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	Copy of legal ownership of the lands of the audited supply base was available. All original copies of ownership documents are kept at the Sime Darby Headquarters in Kuala Lumpur. The list of land grants (19 grants for Sg. Wangi and 23 grants for Seri Intan - Freehold) were sighted. Noted the transfer of ownership from previous owners to Sime Darby is still ongoing. The copy of a letter was addressed to the Lembaga Tanah Ladang, Negeri Perak, pertaining to the application for transfer of land ownership from Golden Hope Plantations Sdn Bhd to Sime Darby Plantation Sdn Bhd. Seri Intan Estate also in the progress of transfer the land titles ownership, which is still under name of Consolidated Plantations Berhad.
	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	Based on land titles, the audited supply base has recorded previous land uses as rubber and orchards. A letter from Land Management Department, dated 15 March 2013, which addressed to several Sime Darby estates in Lower Perak, including Seri Intan, Sg. Wangi and Sabrang, clarify permission for conversion to oil palm from previous land uses was sighted.
	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 maintained demarcated and mapped as reported in previous surveillances. Estate maps were sighted by the auditor including specific maps based on GPS surveys and those showing boundary stone location in the audited supply base. Boundary stones noted were visibly maintained. While at Seri Intan Estate, boundary stones was also visibly maintained between the estate and neighbouring plantations such as Jaya Plantation, Sykt Peladang (Tei San) and Ladang UP.
	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	Yes	There was no land related disputes observed.

		implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. <i>Minor</i>		
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	Observed there was no claim of customary land in the area.
	2.3.2	Map of appropriate scale showing extent of claims under dispute. <i>Major</i>	Yes	There was no land related disputes observed.
	2.3.3	Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6). <i>Minor</i>	Yes	There was no land related disputes observed.

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	<p>Seri Intan CU continued committed to long-term economic and financial viability. The annual budgets for 2014/15 to 2018/2019 were available. The budget provisions cover activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield/ha, and total cost of production per m ton & per ha. For the supply bases.</p> <p>Annual budget for the mill (CAPEX and OPEX) with 2 years of projection was also available. The Budget includes performance targets (OER & KER), operation, maintenance, training, occupational safety and health and environmental upkeep for the mill.</p>

	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. <i>Minor</i>	Yes	<p>The replanting programme for the next five years had been prepared as sighted in the 'Replanting programme 2014/15 to 2018/19, as shown in the tables below. This programme is reviewed once a year and is incorporated in their annual financial budget.</p> <p><u>Sungei Wangi Estate</u></p> <table border="1" data-bbox="1081 344 2121 568"> <thead> <tr> <th>Year</th> <th>Programmed (Ha)</th> <th>Actual (Ha)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>178</td> <td>-</td> <td>Oldest palm is planted in 1990</td> </tr> <tr> <td>2015/16</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>2016/17</td> <td>96</td> <td>-</td> <td></td> </tr> <tr> <td>2017/18</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>2018/19</td> <td>-</td> <td>-</td> <td></td> </tr> </tbody> </table> <p><u>Seri Intan Estate</u></p> <table border="1" data-bbox="1081 632 2121 887"> <thead> <tr> <th>Year</th> <th>Programmed (Ha)</th> <th>Actual (Ha)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>178.40</td> <td>0</td> <td>Delayed for a month due to unfavourable weather</td> </tr> <tr> <td>2015/16</td> <td>-</td> <td>-</td> <td>Oldest palm is planted in 1991</td> </tr> <tr> <td>2016/17</td> <td>124.32</td> <td>-</td> <td></td> </tr> <tr> <td>2017/18</td> <td>138.91</td> <td>-</td> <td></td> </tr> <tr> <td>2018/19</td> <td>142.47</td> <td>-</td> <td></td> </tr> </tbody> </table>	Year	Programmed (Ha)	Actual (Ha)	Remarks	2014/15	178	-	Oldest palm is planted in 1990	2015/16	-	-		2016/17	96	-		2017/18	-	-		2018/19	-	-		Year	Programmed (Ha)	Actual (Ha)	Remarks	2014/15	178.40	0	Delayed for a month due to unfavourable weather	2015/16	-	-	Oldest palm is planted in 1991	2016/17	124.32	-		2017/18	138.91	-		2018/19	142.47	-	
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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	The CU continued to practice as per the established documented references. Among the references are Plantations / Mill Quality Management System (PQMS / MQMS). Manual, PQMS / MQMS Standard Operating Manual and Procedures (SOP) and Sustainable Plantation Management System (SPMS) Manual, RSPO Supply Chain Manual, ESH Management System Manual, Occupational Safety and Health Manual, Pictorial Safety Standards, Laboratory Process Control Manual and Security Guidelines. Generally, the documents include operation activities, good practices, OSH, environmental and social aspects in the estates and mill, i.e. covering:

				<ul style="list-style-type: none"> • from seedlings in nursery to planting of young palms and plantation upkeep; • to mill FFB receipt, grading, processing, quality analysis and despatch of CPO, PK and PKO. • as well as security of the SOU. <p>For the estates, on top of the PQMS, technical guidelines as listed in the Agricultural Reference Manual is also referred. Briefing on the SOPs and related documents were conducted and workers are frequently reminded about it during the morning muster.. The reference documents are kept in the administration office for reference. It was also seen that relevant SOPs, sometimes an abridged version, were displayed at various workstations, e.g. at estate office notice board and mill workstation notice board for easy reference.</p>
	4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months. <i>Minor</i>	Yes	<p>Records of monitoring and the actions taken by the estates and mill continued maintained and kept for a minimum of 12 months. Those records generally related to OSH, environmental, GAP, employment and social aspects.</p> <p>Among the monitoring records sighted were:</p> <ul style="list-style-type: none"> • Plantation Advisor's Report; • related to work activities, such as fertilizer application, herbicide spraying and replanting. • control / issuance records, such as stock books, store requisition and issue sheets. etc. • progress report of application of fertilisers, EFB and bio-compost.; • results of audiometric, effluent, dust and black smoke, etc. • stakeholders visits and communication log books / files, including complaint, etc
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	<p>SOU 5 continued to monitor its fertilizer input as recommended by Sime Darby's upstream research and development unit Latest recommendation was on 31/7/2014 for August 2014 to March 2015 manuring programme. Fertiliser application rate per palm (dosage) noted varies from field to field.</p> <p>Also noted, as at December 2014, Sungei Wangi Estate has completed around 30% progress of the entire programme. The progress was behind schedule due to delay delivery from supplier.</p> <p>The actual progress of fertilizer application is recorded in the estate's manuring progress record. The records include field number, quantity of fertilisers applied and store issue</p>

				note number.
	4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <i>Minor</i>	Yes	Periodic foliar and soil sampling to monitor changes in nutrient status maintained implemented in the audited supply base. 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 April 2014 and available at the estate office for verification. Whereas the last soil analysis was done on 25/10/2010 [report # S105/2010] by Chief Chemist from Sime Darby's R&D Centre, Carey Island.
	4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. <i>Minor</i>	Yes	<p>EFB application was recommended by the R&D Department for some of the fields in Sungei Wangi Estate. Verification of weighbridge tickets for lorry trips against programme confirmed the application of EFB and bio-compost was done at recommended rate.</p> <p>Meanwhile, bio-compost application was recommended by the R&D Department for some of the fields in Seri Intan Estate. Verification of weighbridge tickets for lorry trips (recorded in "Compost Plant Record" book) against programme confirmed the application of EFB and bio-compost was done at recommended rate.</p>
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps). <i>Minor</i>	Yes	It was observed that practices to minimise and control erosion and degradation of soils were advocated through proper stacking of fronds, EFB application, construction of terraces in hilly terrains, avoidance of blanket spraying and maintenance of soft vegetation in interlines.
	4.3.2	Avoid or minimize bare or exposed soil within estates. <i>Minor</i>	Yes	No exposed or bare soil was observed during the field audit in the supply bases.
	4.3.3	Presence of road maintenance programme. <i>Minor</i>	Yes	Road maintenance programme was available for FY 2014/15. Among the planned maintenance activities were frond tip cutting, grading & compacting. As at December 2014, the road maintenance progress has reached around 5%. It was behind schedule due to unfavourable weather in September to December 2014.
	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management	Yes	No peat soil observed at the audited supply base. Based on its soil map provided by Sime Darby's R&D Department, the soils are of Briah (78%), Selangor-b (13%), Selangor-a (3%), Jawa-b (4%) and Jawa-a (1%) series.

		programme. <i>Minor</i>		
	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 soil observed at the audited supply base.
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 is no river crossing in the audited supply base. Hence, riparian zone is not necessary.
	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 observation of bunds, weirs or dams across any water ways in any of the audited supply base.
	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 have negative impacts (Cross reference to C 5.1 and 8.1). <i>Major</i>	Yes	No river observed crossing the audited supply base. Therefore, monitoring of outgoing water to main natural waterways is not necessary.
	4.4.4.	Monitoring rainfall data for proper water management. <i>Minor</i>	Yes	Rainfall records based on rain gauge reading were available on site. Average rainfall per year is 2,000 mm over 86 rain-days for the past ten years (2004-13). Based on the records, there was no significant dry period throughout a year. Potable water supply is 100% from <i>Lembaga Air Perak</i> .

	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 reported monthly its usage against per ton FFB processed. The average water usage per mt FFB in 2014 was 1.52 m ³ .
	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 is no water drainage observed going to any protected areas at the audited supply bases.
	4.4.7	Evidence of water management plans. <i>Minor</i>	Yes	Current water management plan mainly focusing on desilting of field drain to maintain the right amount of moisture in the field at 60 cm water table. For 2014/15 Seri Intan Estate noted has programmed to desilt about 17,300 cm of field drain. As at to-date progress is around 13%.
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	Seri Intan CU maintained the documented IPM techniques as outlined in SOP/Section B13/Pest & diseases and ARM/Section B15/Plant Protection. Usage of pesticides noted justified and monitored. Information on the quantity of pesticides and areas applied were documented and used to monitor in relations to FFB produced or land area.
	4.5.2	Monitoring extent of IPM implementation for major pests. <i>Minor</i>	Yes	Major pest and disease at Sungei Wangi Estate noted were rat and rhinoceros beetles. IPM implemented so far is uses of owl and beneficial plants such as <i>tunera sp.</i> , <i>cassia cobanensis</i> , <i>antigonon leptopus</i> . Other beneficial plants that left to grow in the field were <i>euphorbia heterophylla</i> and <i>nephrolepis biserrata</i> . At Main Division and Walbrook Division of Sungei Wangi Estate, the owl population was 83% based on census in February 2014.
	4.5.3	Recording areas where pesticides have been used. <i>Minor</i>	Yes	Application area for pesticides can be seen in the "Store Issue Note", which has the information about date, type of chemicals and its quantity and field number.
	4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient	Yes	Pesticides usage per ha. and per mt FFB basis was available, and last updated until December 2014. Noted that the consumption (mainly warfarin and cypermethrin) trend was going downward.

		(a.i.) used/ tonne of oil. <i>Minor</i>		
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.	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. <i>Major</i>	Yes	Usage and method of agro-chemicals applications (pesticides and herbicides) were justified and stipulated in the ARM and SOP as well as in Safety Pictorial procedure.
	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	No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found in SOU 5. Usage and storage of agrochemicals including pesticides were in accordance with Pesticide Act 1974, Occupational Safety & Health Act 1994 and USECHH Regulations 2000. Empty chemical containers were triple rinsed, pierced and stored for disposal in accordance to the legal requirements. Nevertheless, the audited supply bases noted using highly toxic pesticide, which contain methamidophos. The CU however, noted had followed the Pesticides Act Regulation by sending their field workers for medical examination before handling the pesticide. The CU also had recorded the usage of methamidophos in the Form I, II and III as set out in the Second Schedule as required by Pesticide (Highly Toxic Pesticide) Regulations 1996.
	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	Chemical stores at audited supply bases were observed locked. The ventilation facility was found to be working well. The safety sign and communication reference documents, i.e. chemical register, which indicates the purpose of chemical usage (intended target), MSDS, hazards signage, trade and generic names noted was available.
	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	Relevant information of the agrochemical used by estate workers were conveyed, largely via morning muster and the use of Safety Pictorial poster. Training in chemical handling especially to the sprayers, had been conducted with the aim of disseminating the correct information and ensuring understanding regarding the usage and hazards of the agrochemicals. Nevertheless during the audit, the spraying and manuring operations were temporary discontinued due to rainy season.

	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. <i>Major</i>	Yes	Based on recommendation of the CHRA, medical surveillance had been conducted for workers at all operating units by Occupational Health Doctor registered with DOSH on 16 July 2014. Workers that exposed to chemicals (n-hexane and agriphosphate) and toxic gas (manganese) such as estate sprayers, store-keepers, workshop and mill laboratory operators had attended the medical check-up. Results of medical check-up showed that worker who expose to n-hexane and manganese still below the permissible limit.
	4.6.6	No work with pesticides for confirmed pregnant and breast-feeding women. <i>Major</i>	Yes	Noted that pregnant and breast-feeding women are strictly not allowed to work with pesticides as practised by Slme Darby.
	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	Noted that Paraquat was totally replaced by a systemic herbicide, i.e. glufosinate ammonium.
	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 noted was not practiced by the CU.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. <i>Minor</i>	Yes	As to date, no buyer requested for testing of chemical residues in CPO. Nevertheless, parameters for testing would follows Palm Oil Refiners Association of Malaysia (PORAM) and Malayan Edible Oil Manufacturers Association (MEOMA) standard, if requested.

	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	Audited supply bases maintained and kept up-to date records of agrochemicals use including active ingredients used, area treated, amount applied per ha. and number of applications by financial year (July- June).
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act139). <i>Major</i> The safety and health (OSH) plan shall cover the following:		
	a)	A safety and health policy, which is communicated and implemented	Yes	The CU maintained its established Occupational Safety and Health (OSH) policy. The OSH policy largely communicated to all employees through toolbox and standing meeting and displayed on the mill and estates notice boards. Generally, interview with workers and staffs, review of relevant records and operation revealed that the OSH policy had been communicated and implemented.
	b)	All operations have been risk assessed and documented.	Yes	The CU maintained its hazard identification, risk assessment and risk control (HIRARC) that covered activities in the estates and mill. The HIRARCs were established and maintained by respective operating units. The latest updates for HIRARC by Seri Intan Mill, Sg. Wangi Estate and Seri Intan Estate were on 01 Oct 2014, 20 Aug 2014 and 19 Aug 2014.
	c)	An awareness and training programme which includes the following specifics for pesticides: i. to ensure all workers	Yes	Safety trainings for pesticides noted had been conducted and records of the training were available and kept at the mill and estate office respectively.

	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.		
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 preparation, harvesting and if used, burning.	Yes	Appropriate PPE were distributed for the specific risk assessed operations and records of PPE issuance were kept in the PPE file. PPE such as safety helmet, safety vest, safety harness, respiratory equipment (dusk mask, cartridge type respirator) noted had been provided to relevant employees.
e)	The responsible person (s) should be identified.	Yes	SOU 5 has appointed the mill manager and assistant estate manager to be responsible for the OSH implementation.
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	Safety meetings between the responsible persons and workers about safety and health noted conducted regularly. Safety Committee Meeting observed had been conducted once in three months by all audited units. The meeting minutes were available at the mill and estate office.

	g)	Accident and emergency procedures should exist and instructions should be clearly understood by all workers.	Yes	Accidents and emergency procedures maintained available and briefing had been conducted during safety meeting and noted understood by those workers interviewed..
	h)	Workers trained in First Aid should be present in both field and mill operations.	Yes	Staffs, which had been trained on First Aid noted were present at their respective fields and operation at Seri Intan mill, Sg. Wangi Estate and Seri Intan Estate during daily routine.
	i)	First Aid equipment should be available at worksites	Yes	It was noted that first aid box was provided to supervisors at respective units and available at several strategic locations at the mill and estate office. The first aid boxes were inspected monthly and their contents were found adequate and not expired.
	4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals. <i>Major</i>	Yes	Records of accident noted maintained be kept by respective operating units. All accidents also noted that had been reviewed on case by case basis and the findings from the review were discussed in OSH Meeting, which at least once every 3 months.
	4.7.3	Workers should be covered by accident insurance. <i>Major</i>	Yes	Workers noted maintained been covered by accident insurance. Examples, migrant workers at Sg. Wangi Estate were covered with Insurance Policy No: D13WFWC8622127KL under 'Foreign Worker Compensation Scheme', which coverage from 01 July 2014 until 30 June 2015. The local workers were covered by SOCSO as verified in Borang 8A SOCSO payment for Nov 2014 (Employer No. – D4404816A). While at Seri Intan Estate, foreign workers was covered by insurance similar with Sg. Wangi Estate; Policy No. : FW073068.
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>	Yes	SOU 5 continued its training needs identification and programmes for the fiscal year 2014/15. The training programmes noted also extended to the contractors and suppliers, where relevant. Generally, trainings were either been conducted internally by its own staff or externally by other department within Sime Darby Group or consultant. Training records noted maintained and updated. Examples of training reviewed: <ul style="list-style-type: none"> a) Harvesting operation – normally through morning briefing and on-the-job basis. b) Spraying operation – latest on 13/2/2014, attended by 17 workers, conducted by agrochemical supplier's (Mycrop) staff. c) Fertiliser application – latest on 16/11/2013, attended by 6 workers, conducted by Assistant Manager. d) HCV - 11 Dec 2014. e) Chemical safety handling – 9 Apr 2014 and 11 Dec 2014.

				f) Fire prevention & Fire extinguisher – 9 Apr 2014. g) Hearing conservation & PPE – 18 July 2014. h) First Aid – 4 Sept 2014. i) Safety training – 12 Sept 2014.
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Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill 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.	5.1.1	Documented aspects and impacts risk assessment that is periodically reviewed and updated. <i>Major</i>	Yes	The CU maintained its documented assessment of environmental aspects and impact associated to its activities. The CU also continued periodically reviewed its assessment. Generally, there was no significant change of aspects and impacts risk in the CU.
	5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. <i>Minor</i>	Yes	<p>The CU continued to implement its environmental improvement plan contained in Environmental Management Plan (EMP). EMP for FY 2014/15 had been developed that included action plan for current significant impact to the operation. Among the improvements were:</p> <ul style="list-style-type: none"> • commissioned of new 20ha effluent pond in the mill to increase effectiveness of treatment. • use of beneficial plant to reduce use of methamidophos for bag worm. • increase of owl population and distribution to reduce use of warfarin for rat baiting. • use of EFB, compost and POME to reduce inorganic fertiliser.
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	5.2.1	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>	Yes	<p>Noted periodical reassessment of biodiversity had been conducted. However, the report currently is still in the review phase. Thus, the auditor has to refer to the existing Biodiversity Baseline Assessment Report 2008 for Sg. Wangi Estate. The HCVs identified at Sg. Wangi Estate are water catchment, worship area and graveyard.</p> <p>While for Seri Intan Estate, the existing HCV report, i.e. 'An Assessment of the Biodiversity of Sime Plantation's Lower Perak Estates (BU2)' dated 01 Mei 2007 has been reviewed by auditor. However, there was no HCV determined, except buffer zone for Sg. Perak.</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	<p>Progress in implementation of the action plans for 2014/2015 were reviewed and verified selectively on the ground. Tree planting program has been conducted by Sg. Wangi Estate by planting local forest tree species. Noted the CU had implemented actions such as staff and public awareness on enhancing biodiversity, posting of relevant information in the Sime Darby webpage, erection of signage at strategically locations.</p> <p>Noted there were no resident of ERT species/IUCN Red List or areas of significant biodiversity values were reported in the Biodiversity Assessment. The estates noted maintained places of worship and burial grounds for their employees in particular Hindus worship and graveyard.</p> <p>While for Seri Intan Estate, there was no management for HCV area except for buffer zone and cemetery.</p>						
	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	Warning signage to discourage illegal or inappropriate hunting, fishing or collecting activities noted were strategically placed along boundaries especially with neighboring estates and smallholders (entrances of each estate) and at HCVs areas and they had been maintained legibly.						
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	<p>The CU maintained its documented identified wastes and source of pollution. For the mill and estate operation, the source and type of waste generated are:</p> <table border="1" data-bbox="1079 963 1861 1398"> <thead> <tr> <th>Source: Estate & Mill Processes / Activities</th> <th>Waste Generated</th> </tr> </thead> <tbody> <tr> <td>Lab, Boiler , Engine room, Workshop, Clinic</td> <td>Scheduled Wastes: Spent lubricant, spent hydraulic oil, used batteries, used oil filters, contaminated rags, empty container (grease, lubricant and hydraulic), Spent solvent (Hexane), Spent chemical (IPA), empty bottle and container for chemical, clinical wastes.</td> </tr> <tr> <td>Line site and Mill office</td> <td>Domestic Waste: Rubbish and Sewage</td> </tr> </tbody> </table>	Source: Estate & Mill Processes / Activities	Waste Generated	Lab, Boiler , Engine room, Workshop, Clinic	Scheduled Wastes: Spent lubricant, spent hydraulic oil, used batteries, used oil filters, contaminated rags, empty container (grease, lubricant and hydraulic), Spent solvent (Hexane), Spent chemical (IPA), empty bottle and container for chemical, clinical wastes.	Line site and Mill office	Domestic Waste: Rubbish and Sewage
Source: Estate & Mill Processes / Activities	Waste Generated									
Lab, Boiler , Engine room, Workshop, Clinic	Scheduled Wastes: Spent lubricant, spent hydraulic oil, used batteries, used oil filters, contaminated rags, empty container (grease, lubricant and hydraulic), Spent solvent (Hexane), Spent chemical (IPA), empty bottle and container for chemical, clinical wastes.									
Line site and Mill office	Domestic Waste: Rubbish and Sewage									

				FFB processing	Industrial Waste: POME and EFB	
				Chemical mixing	Empty pesticide containers	
	5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. <i>Minor</i>	Yes	Waste management plan that contained wastes operational plan maintained developed and implemented. The documented plan for FY 14/15 was presented. Summary of operational plan is as follows:		
				Source: Estate & Mill Processes / Activities	Waste Generated	Operational plan
				Lab, Boiler, Engine room, Workshop, Clinic	Scheduled Waste: Spent lubricant, spent hydraulic oil, used batteries, used oil filters, contaminated rags, empty container (grease, lubricant and hydraulic), Spent solvent (Hexane), Spent chemical (IPA), empty bottle and container for chemical, clinical wastes.	Stipulated under EQMS and MQMS, SOP, Section VII – Handling of Schedule Waste. As per EQA 1974, Scheduled Waste Regulations 2005.
				Line site and Mill office	Domestic Waste: Rubbish and Sewage	Dust bin for segregation and 3R initiative. Awareness on hygiene and sanitation at line site. Periodic monitoring as per Worker Minimum Standard Housing and Amenities Regulations 1990 requirement. Septic/Sedimentation tank cleaning @ desilting when necessary.
				FFB processing	Industrial Waste: POME and EFB	Monitoring of POME discharge (waterways and land application) - Daily/Monthly effluent analysis

						- Land Application programme
				Chemical mixing	Empty pesticide container	Collected back by suppliers.
	5.3.3	Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). <i>Minor</i>	Yes	Cross refer to Indicator 4.2.3		
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 mill noted continued to use renewable energy (fibre and shell) as burning fuel for boiler operations. It was recorded for 2014; total of fibre & shell used per mt CPO produced was 0.84 mt.		
	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	Monitoring of diesel consumption continued being monitored by 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 in all the replants visited on both estates. No fire was used for waste disposal and for replanting.		
	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ploughed and mulched. <i>Minor</i>	Yes	Field audit at the latest replanting area (2013) Block 2013A & B, noted there was no trace of open burning. Previous crop observed was felled, chipped, windrowed and mulched.		
	5.5.3	No evidence of burning waste (including domestic waste). <i>Minor</i>	Yes	There was no open burning of wastes 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	Cross refer to C5.1.
	5.6.2	Plans are reviewed annually. <i>Minor</i>	Yes	The CU continued periodically reviewed its plan. Progress of action 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 was observed at the audited Seri Intan Estate. Based on its soil map provided by Sime Darby's R&D Department, the soils are of Briah (78%), Selangor-b (13%), Selangor-a (3%), Jawa-b (4%) and Jawa-a (1%) Series.

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

Clause	Indicators		Comply Yes/No	Findings
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.	6.1.1	A documented social impact assessment including records of meetings. <i>Major</i>	Yes	A Social Impact Assessment (SIA) and records of meetings maintained by SOU 5. The report prepared in 2014 by the Social and Environment Projects Unit, PSQM Department, SDPSB for the mill and all the estates under SOU 5. The report highlighted the various issues raised by the stakeholders of the respective estates and mill. Stakeholders' complaints, requests and comments were documented in the report, and in minutes of meetings, where any.
	6.1.2	Evidence that the assessment has been done with the participation of affected parties. <i>Major</i>	Yes	Observed there was evident that assessment had been done with the participation of stakeholders, as recorded in the SIA report and attendance of meetings. Interview with stakeholders confirmed that were consulted.
	6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. <i>Minor</i>	No	The CU maintained reviewed its social action plan. However, observed the mill had not included a timetable with responsibilities for mitigation and monitoring the success of its Social Action Plan. Thus, Minor NCR HO-2015-02 raised.
C 6.2 There are open and	6.2.1	Documented consultation and communication	Yes	The CU maintained to refer to documented consultation and communication procedures established by HQ, which applied company-wide. The procedures maintained available

transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		procedures. <i>Major</i>		at respective operating units
	6.2.2	A nominated plantation management official at the operating unit responsible for these issues. <i>Minor</i>	Yes	Observed that the CU maintained to have nominated management officials at respective operating units for responsible of social issues.
	6.2.3	Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders. <i>Minor</i>	Yes	Observed the CU maintained its list of stakeholders and records of communication and actions taken in response to input from stakeholders, where applicable.
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	There was one dispute in the mill observed from resigned person claiming for retirement benefits upon had diagnosed of medically unfit to perform current work. Observed the claim was paid accordingly, and both parties agreed on the resolution. The documentation of the claim, process and resolution was evident.
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. <i>Minor</i>	Yes	Observed the dispute was resolved in an effective, timely and appropriate manner.
	6.3.3	The system is open to any affected parties. <i>Minor</i>	Yes	Observed the system maintained open to all aggrieved parties as observed in the mentioned case and as well as through interview conducted with internal and external stakeholders.
C 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with	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	The CU maintained its documented procedures for identifying legal and customary right and for identifying people entitled to compensation, which covered either by Procedures for Handling Boundaries Dispute or Procedures for Handling Squatters Dispute or Procedures for Handling Social Disputes, depending on type of issues and stakeholders.

<p>through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	6.4.2	<p>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. <i>Minor</i></p>	Yes	<p>The CU maintained its documented procedures for calculating and distributing fair compensation, which covered either by Procedures for Handling Boundaries Dispute or Procedures for Handling Squatters Dispute or Procedures for Handling Social Disputes, depending on type of issues and stakeholders. According to the procedure, the calculation and distribution of compensation to be carried out at the company level not at the estate/mill level. Nevertheless, no case of compensation related to loss of legal or customary rights of indigenous peoples, local communities or external stakeholders was observed.</p>
	6.4.3	<p>The process and outcome of any compensation claims is documented and made publicly available. <i>Minor</i></p>	Yes	<p>No case of compensation related to loss of legal or customary rights of indigenous peoples, local communities or external stakeholders was observed.</p>
<p>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.</p>	6.5.1	<p>Documentation of pay and conditions. <i>Major</i></p>	Yes	<p>Documentation of pay and conditions maintained spelled out in the employment documents i.e. offer / acceptance letter or Employment Contract and payslip. Employment documents among other indicate salary, working hour, accommodation, medical, transport, equipment, etc. Meanwhile, payslip among other indicates earning, deduction, nett pay.</p>
	6.5.2	<p>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</p>	Yes	<p>The CU observed maintained to provide detail of condition of employment in compliance to laws and agreement in its employment documents, as well as to provide explanation to its employees.</p>

		workers or explained carefully to them by a plantation management official in the operating unit. <i>Minor</i>		
	6.5.3	Growers and millers provide 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>	Yes	The amenities provided by the CU to its workers and staff observed maintained in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Also observed, the CU: (a) was in phases upgrading of house from 2 to 3 bedroom at Seri Intan Estate. (b) planned to build children playground and to improve drainage at housing.
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	6.6.1	Documented minutes of meetings with main trade unions or workers representatives. <i>Major</i>	Yes	Observed the CU maintained its documented minutes with trade union and workers.
	6.6.2	A published statement in local languages recognizing freedom of association. <i>Minor</i>	Yes	The freedom of association statement incorporated in the company Social Policy statement together with other policy statements were maintained and sighted on notice boards in the estate and mill.

and bargaining for all such personnel.				
C 6.7 Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.	6.7.1	Documented evidence that minimum age requirement is met. <i>Major</i>	Yes	Review of the employees register and monthly salary payment observed that was no employee below 18 years of age employed by the company. This was also affirmed by administration staff and workers interviewed.
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 maintained in SDPSB's Social Policy statement. The policy observed posted on notice boards in the estate and mill.
	6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against. <i>Minor</i>	Yes	Review the employment documents and interviews with administration staff and workers observed no case of discrimination based on race, religion, gender, national origin or any other form of discrimination.
C 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their	6.9.1	A policy on sexual harassment and violence and records of implementation. <i>Major</i>	Yes	The CU maintained its policy on sexual harassment and violence against women. In conjunction with this policy, the manual on handling sexual harassment and violence against women developed some years ago had been enhanced. A newly developed Gender Committee Handbook First Edition 2014 provides guidelines for taking actions on sexual harassment cases. The Gender Committee observed maintain functioning whose mandate to carry out

reproductive rights is developed and applied.				activities related to the prevention of sexual harassment and all other forms of violence against women and the protection of their reproductive rights. Records of meetings of Gender Committee were sighted.
	6.9.2	A specific grievance mechanism is established. <i>Major</i>	Yes	A specific grievance mechanism for handling sexual harassment/violence against women established as stated in the Gender Committee Handbook.
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 maintained available.
	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	Interview with contractors and suppliers observed that they understood the contractual agreement that they entered into and acknowledged 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 interviewed acknowledged that the agreed payments were made in a timely manner. There were no issues observed pertaining 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	There were demonstrable contributions to local development that were based on the results of consultation with local communities, such as contribution for: <ul style="list-style-type: none"> (a) <i>Hari Raya Haji</i> (festive day). (b) nearby orphan organisation. (c) maintenance work of building and compound of nearby school.

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

No new planting was observed. Thus, this principle is not applicable.

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

Clause	Indicators		Comply Yes/No	Findings
<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	SOU 5 observed continued to minimise use of pesticides by: (a) substituting through the planting of cover crops and beneficial plants. (b) increase of owl population and distribution to reduce use of warfarin for rat baiting.
	8.1.2	Environmental impacts (C5.1). <i>Major</i>	Yes	The CU maintained to continue to periodically review its environmental aspects. There was no significant environmental impact or change of aspects observed in the CU. The CU also continued to implement its environmental improvement plan contained in Environmental Management Plan (EMP).
	8.1.3	Maximizing recycling and minimizing waste or by-products generation. <i>Major</i>	Yes	The CU observed continued to maximizing recycling and minimizing waste. Among the actions were: <ul style="list-style-type: none"> • recycle of EFB for plant mulching. • recycle of POME for EFB composting. • reused of fertiliser bag. • recycle of empty agrochemical containers through authorised third-party collection program. • reuse triple-rinsed water for mixing.
	8.1.4	Pollution prevention plans (C5.6). <i>Major</i>	Yes	The CU observed continued to implement pollution prevention plan through minimise use of pesticides and maximizing recycling as well as minimizing waste programmes.
	8.1.5	Social impacts (C6.1). <i>Major</i>	Yes	The CU maintained to continue to periodically assess its social aspects through participation of stakeholders. There was no significant social impact or change of aspects observed in the CU. Previous determined actions noted had been implemented, such as increased number of Auxiliary Police (AP) and frequency of patrolling. Next, noted the CU planed to construct children playground and improve drainage at housing.
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. <i>Minor</i>	Yes	The CU maintained to capture its performance and expenditure of social and environmental aspect through CAPEX and reviewed / updated action plans.

RSPO Supply Chain at the palm oil mill – Mass Balance Model –Module E

Item No	Requirement	Findings
<p>E.1</p> <p>E.1.1</p> <p>E.1.2</p>	<p>Documented procedures</p> <p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p> <p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p><u>E.1.1.a</u> The CU maintained its documented procedure (SOP), i.e. SOP for RSPO Supply Chain Certification System and Traceability, Version 1, Issue 1, dated March 2013. It was prepared by PSQM. The procedure covers handling RSPO certified products under Mass Balance model.</p> <p><u>E.1.1.b</u> The Mill Manager has been appointed to be the person having overall responsibility for and authority over the implementation of the supply chain requirements.</p> <p><u>E.1.2</u> Mechanism for receiving and processing certified and non-certified FFBs is maintained as stated in the procedure, Clause 5.1 and 5.2.</p> <p>For receiving, two documents involved i.e.:</p> <ol style="list-style-type: none"> 1) FFB Consignment Note (Delivery Note) from the estate brought by lorry driver – to indicate the Field No., No. of bunch, date harvested, vehicle no and name of driver. 2) FFB Receive Ticket from the mill (weighbridge ticket) – to indicate the mill weight, estate estimated weight, estate’s consignment no.
<p>E.2</p> <p>E.2.1</p> <p>E.2.2</p>	<p>Purchasing and goods in</p> <p>The facility shall verify and document the volumes of certified and non-certified FFBs received.</p> <p>The facility shall inform the CB immediately if there is a projected overproduction.</p>	<p><u>E.2.1</u> The volume of its suppliers’ contribution noted was verified and documented on daily basis by Seri Intan POM.</p> <p><u>E.2.2</u> Based on records of mass balance accounting, there was no overproduction occurred.</p>
<p>E.3</p> <p>E.3.1</p>	<p>Record keeping</p> <p>The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</p>	<p><u>E.3.1</u> Seri Intan POM noted had maintained up-to-date records and accessible. Examples of documents reviewed during the audit:</p> <p><u>Records of receiving FFB:</u></p> <ul style="list-style-type: none"> • Consignment note

E.3.2	Retention times for all records and reports shall be at least five (5) years.	<ul style="list-style-type: none"> • Weighbridge tickets (from the mill and/or estate, if any)
E.3.3	<p>a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.</p>	<p><u>Records of CPO dispatch:</u></p> <ul style="list-style-type: none"> • Seri Intan POM's CPO Weighbridge ticket • Transporter's DN • Borang MPOB L3 • Buyer's Goods Receipt Note (make reference to Contract Number) <p><u>Records of PK dispatch:</u></p> <ul style="list-style-type: none"> • Seri Intan's Weighbridge ticket • Transporter's job order • <i>Delivery term for kernel is FOB</i>
E.3.4	The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	<p><u>E.3.2</u> The CU observed conform to its requirement as stated in the procedure Clause 5.2.1.1 to retain all records for at least 5 years, which includes:</p> <ol style="list-style-type: none"> 1) Weighbridge ticket 2) FFB Consignment Note 3) FFB Receive Note 4) CPO Dispatch Note 5) MPOB L3 form 6) CPO Dispatch Authorization Note 7) Other (e.g. production report, logistic report, etc.)
E.3.5	In cases where a mill outsources activities to an independent 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.	<p><u>E.3.3</u> Records of FFB received and CPO & PK dispatch were recorded on daily basis and available for three monthly compilations.</p> <p><u>E.3.4</u> Trade name including model used shall be stated in the sales contract and relevant delivery documents as required by the CU procedure. However, all sales and purchase are managed by Global Trading Marketing (GTM) of Sime Darby Berhad. The sales invoices were also issued by GTM. Therefore, unable to verify at Seri Intan CU/POM.</p> <p><u>E.3.5</u> Outsource only for CPO & PK Transportation, which contracts handled by GTM. Before taking the CPO or PK, the AP will check the transport by using "<i>Pemeriksaan Lori Tangki Minyak</i>" and "<i>Pemeriksaan Lori Produk Kernal</i>" in term of cleanliness, fitness of</p>

		<p>the lorry and opportunity to manipulate the weight.</p> <p>There is no outsourcing activity with regards of processing the material or product.</p>
E.4	Sales and good out	
E.4.1	<p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <p>a) The name and address of the buyer;</p> <p>b) The date on which the invoice was issued;</p> <p>c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)</p> <p>d) The quantity of the products delivered;</p> <p>e) Reference to related transport documentation.</p>	<p>All sales and purchase are managed by Global Trading Marketing (GTM) of Sime Darby Berhad. The sales invoices were also issued by GTM. Therefore, unable to verify at Seri Intan CU/POM.</p>
E.5	Training	
E.5.1	<p>The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.</p>	<p>Relevant training observed had been provided. Last training conducted was on:</p> <p>i) 23/7/2014; Introduction of RSPO MB Dispatch, by En. Hasif (AM), attended by 4 staff: 2 weighbridge clerks & 2 office clerks.</p> <p>ii) 5/1/2015; Refresher & Introduction of RSPO MB Dispatch by En. Hasif (AM), attended by 9 staff i.e. Manager, 3 office Clerks, 1 weighbridge clerk, 3 FFB Graders, 1 Lab operator.</p> <p>Further, Seri Intan POM has planned to conduct training on SC in February 2015 as included in their training matrix.</p>
E.6	Claims	
E.6.1	<p>The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.</p>	<p>RSPO Trade logo observed was not used for all of the delivered CPO/MB.</p>

RSPO P & C SURVEILLANCE AUDIT REPORT

7.2 Details of Non-conformities and Opportunities for Improvement (if any) raised

Details of non-conformities provided in the Attachment 3.

7.3 Status of Non-conformities Previously Identified

Previous nonconformities were verified for the corrective actions effectiveness. Corrective actions had been taken, verified and closed by the assessors.

7.4 Issues Raised by Stakeholders

There were various stakeholders interviewed during this assessment comprising of workers, surrounding villagers and contractors / suppliers. Generally, all of the stakeholders had given positive feedback towards Seri Intan CU.

7.5 Noteworthy Positive and Negative Observation

The level of awareness among the workers on the RSPO implementation was found to be improving. They were 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. However, there are areas which require action for improvement as raised in the non-conformity reports.

7.6 Date of Next Audit

The next audit will be conducted within nine to twelve months from the date of the main assessment.

8.0 AUDIT CONCLUSION

Generally, Seri Intan CU continues maintained the implementation of RSPO P&C certification in accordance with the requirements of the standard as well as the organization's documented procedures. Positive observation was also noted during the audit generally on the social aspects, the practices of IPM, as well as environmental and safety and health management. Awareness on the RSPO generally has been improved since the last audit. However further actions are required with regards to legal, particularly on specific requirements of environmental as highlighted in the NCR reports.

9.0 RECOMMENDATION

No NCR recorded. Recommended to continue 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 2 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 surveillance 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 ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader

Hazani Othman

Hazani Othman

11/7/15

(Name)

(Signature)

(Date)

10. FORMAL SIGN-OFF OF SURVEILLANCE ASSESSMENT FINDINGS

I, the undersigned, on behalf of **SIRIM QAS International Sdn. Bhd.** acknowledge and confirm the content of the assessment report and findings of the assessment.

Signature: *Hazani Othman*

Name: Hazani Othman

Designation: Lead Auditor

Date: 11/7/15

I, the undersigned, on behalf of **Sime Darby Plantation Sdn. Bhd., Seri Intan Certification Unit** acknowledge and confirm the content of the assessment report and findings of the assessment.

Signature:

Name:

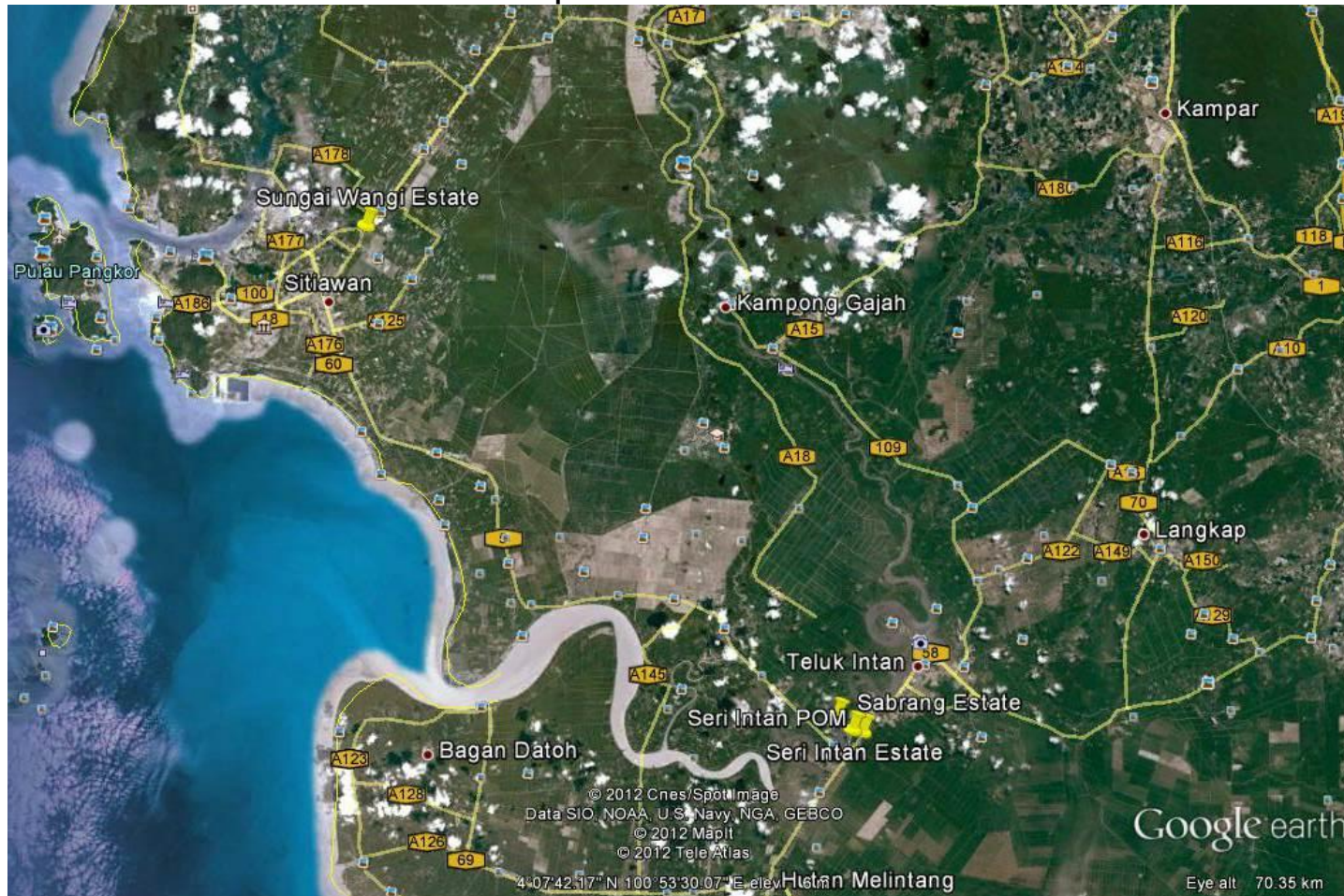
Designation

Date:

SIME DARBY PLANTATION SDN. BHD
COMPANY NO. 647786-V
SERI INTAN ESTATE

.....
(ANIN BIN SWARDI)
MANAGER

Map of SOU 5-Seri Intan CU



SIRIM QAS INTERNATIONAL SDN. BHD.

RSPO ANNUAL SURVEILLANCE ASSESSMENT PLAN

1. Objectives

The objectives of the assessment are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MY-NI) and RSPO Supply Chain Certification Standard.
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

2. Date of assessment : **5th – 8th January 2015**

3. Site of assessment : Sime Darby Plantation Sdn. Bhd.
Kilang Kelapa Sawit Seri Intan
360009 Teluk Intan
Perak Darul Ridzuan

4. Reference Standard

- a. RSPO P&C MY-NI 2010
- b. RSPO Supply Chain Standard (November 2011)
- c. Company's audit criteria including Company's Manual/Procedures

5. *Assessment Team

- a. Lead Assessor : Hazani Othman
- b. Assessors : Valence Shem
: Mohd. Razman Salim

**If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.*

6. Audit Method

Site audits including observation of practices, interviews with interested parties (employees, nearby population, etc.), documentation evaluation and evaluation of records.

7. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 60 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 60 days, the certificate shall be terminated. For minor non conformities raised in the surveillance audit , corrective action plans shall be submitted within 30 days and these shall be upgraded to major non conformities if the corrective actions are not implemented in the next audit.

8. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

9. Working Language : English and Bahasa Malaysia

10. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : 30 days after the date of assessment
- d) Distribution list : client file

11. Facilities Required

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

11. Assessment Programme Details : As follows

Assessment Program

Day 1: 5th January 2015 (Monday)

Time	Hazani	Valence	Mohd. Razman	Auditee
0900-0930	Opening Meeting, assessment team introduction and briefing on audit objectives, scope, methodology, criteria and programmes by Lead Assessor.			Top mgmt & Committee Member
0930-1000	Briefing on the organization background and implementation of RSPO (including action taken to address previous assessment findings, progress of time bound plan, and significant changes of organisation, usage of SIRIM / RSPO logo, if any.			Management Representative
1000-1300	<p>Assessment of Seri Intan Estate and its amenities related to environmental and social practices, which may include:</p> <ul style="list-style-type: none"> • Oils and Chemicals store • Scheduled wastes store • Workshop • Genset • Plantation boundary • SIA assessment and mitigation plan • Water supply • Interviews with employees, committees union representatives, contractors, local peoples, and other relevant stakeholders, if available. <p>Assessment on related indicators of P1, P2, P4, P5, P6, P7, P8.</p>	<p>Assessment of Sungai Wangi Estate, related to Good Agricultural Practices, which may include:</p> <ul style="list-style-type: none"> • Verification of CU's hectarage, yield and GPS maps (KML / KMZ / Shack file) • Estate and planting profile • Nursery • Water management • Projection and actual yield • Replanting programme • EFB, POME application, if applicable • Road maintenance • IPM application, if any. • Steep area • Riparian zone • Sensitive area, if any. • Interview with employees <p>Assessment on related indicators of P1, P2, P3, P4, P5, P7, P8.</p>	<p>Assessment of Seri Intan POM, related safety and health, which may include:</p> <ul style="list-style-type: none"> • Mill operation • Oils and Chemicals store • WTP and Water management • Boiler • Engine room • Workshop • Emergency equipment / facilities • Interviews with employees and committees <p>Assessment on related indicators of P1, P2, P4.</p>	Guide/PIC
1300-1400	Lunch Break			
1400-1700	Continue assessment	Continue assessment	Continue assessment	Relevant PIC

Day 2: 6th January 2015 (Tuesday)

Time	Hazani	Valence	Mohd. Razman	Auditee
0830-1300	Continue unfinished assessment at Seri Intan Estate, if any.	<p>Assessment of Seri Intan Estate, related to Good Agricultural Practices, which may include:</p> <ul style="list-style-type: none"> • Verification of CU's hectarage, yield and GPS maps (KML / KMZ / Shack file) • Estate and planting profile • Nursery • Water management • Projection and actual yield • Replanting programme • EFB, POME application, if applicable • Road maintenance • IPM application, if any. • Steep area • Riparian zone • Sensitive area, if any. • Interview with employees <p>Assessment on related indicators of P1, P2, P3, P4, P5, P7, P8.</p>	<p>Assessment of Sungai Wangi Estate, relating to safety, health and HCV, which may include:</p> <ul style="list-style-type: none"> • Oils and Chemicals stores • Emergency equipment / facilities • Genset room • Workshop • HCV assessment and management plan • Sensitive area, if any. • Interviews with employees, committees and relevant stakeholders, if any. <p>Assessment on related indicators of P1, P2, P4, P5, P7.</p>	Guide/PIC
1300-1400	Lunch Break			
1400-1700	<p>Assessment of Seri Intan POM and its amenities related to environmental and social practices, which may include:</p> <ul style="list-style-type: none"> • Oils and Chemicals store • Scheduled wastes store • Workshop • Genset • Plantation boundary • SIA assessment and mitigation plan 	Continue assessment	Continue assessment	Guide/PIC

	<ul style="list-style-type: none"> • Water supply • WWTP • Interviews with employees, committees union representatives, contractors, local peoples, and other relevant stakeholders, if available. <p>Assessment on related indicators of P1, P2, P4, P5, P6, P7, P8.</p>			
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Day 3: 7th January 2015 (Wednesday)

Time	Hazani	Valence	Mohd. Razman	Auditee
0830-1300	Continue assessment at Seri Intan POM	Assessment at Seri Intan POM related to Supply Chain implementation and the model used, which include: <ul style="list-style-type: none"> • General requirements • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims • Interview with relevant personnel 	Assessment of Seri Intan Estate , relating to safety, health and HCV, which may include: <ul style="list-style-type: none"> • Oils and Chemicals stores • Emergency equipment / facilities • Genset room • Workshop • HCV assessment and management plan • Sensitive area, if any. • Interviews with employees, committees and relevant stakeholders, if any. <p>Assessment on related indicators of P1, P2, P4, P5, P6, P7.</p>	Guide/PIC
1300-1400	Lunch Break			
1400-1700	Continue assessment	Continue assessment	Continue assessment	Guide/PIC

Day 4: 8th January 2015 (Thursday)

Time	Hazani	Valence	Mohd. Razman	Auditee
0830-1300	Continue with unfinished assessment	Assessment of Seri Intan POM , related to good practices, which may include: <ul style="list-style-type: none"> • Operation projection and budget • Improvement plan Assessment on related indicators of P1, P2, P3, P4, P8.	Continue with unfinished assessment	Guide/PIC
1300-1400	Lunch Break			
1400-1530	Assessor team discussion, concluding and preparation for verbal reporting of assessment findings, and writing and issuance of NCR (if any)			
1530-1700	Closing Meeting			Top mgmt & Committee Member

Note: Time and duration shown are approximate. The time shown for field visit is assumed that daily weather is in our favour. Otherwise, field visit will be adjusted accordingly.

		concerning prior permission in writing of the Director General. E.g. deduction for transport cost for Friday prayers.		
	2.1.1 Evidence of compliance with legal requirements. <i>Peraturan 9(2)</i> <i>Peraturan Kawalan Bekalan 1974</i> <i>P.U (A) 103(21.3.1974)</i> Major	Page 2: <u>Finding:</u> Permit to store diesel had expired. <u>Objective evidence:</u> Permit to store diesel [ref.: Permit No. A009096, quantity 35,100 lt] at Sungei Wangi Estate has expired since 3/3/2014.	Permit had been renewed.	Closed. Follow up of effective method for monitoring of permit and license will be verified in the next audit.
2.	6.1.3 A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. Minor	<u>Finding:</u> Documented Social Action Plan had not included a timetable with responsibilities for mitigation and monitoring. <u>Objective evidence:</u> Kilang Kelapa Sawit Seri Intan had not included a timetable with responsibilities for mitigation and monitoring the success of its Social Action Plan.	Will included new column to show responsibilities for mitigation and monitoring the plan and timetable for settle the issue	Accepted. Follow up of documentation of necessary information, i.e. timetable with responsibilities for mitigation and monitoring will be verified in the next audit.