



**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  
TENNAMARAM STRATEGIC OPERATING UNIT (SOU 6) CERTIFICATION UNIT**

**Batang Berjuntai, Selangor Darul Ehsan, Malaysia**

**Certificate Number: RSPO 0014  
Date of First Certification: 3 March 2011 (by Control Union)  
Audit Date : 24 – 27 February 2015**

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## EXECUTIVE SUMMARY

This public certification summary provides the general information on the Tennamaram Strategic Operating Unit (SOU 6) Certification Unit (Tennamaram Strategic Operating Unit (SOU 6) 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 Tennamaram Strategic Operating Unit (SOU 6) CU was conducted on 24 - 27 February 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 accepted for closing. Corrective actions of previous NCRs has been verified and closed.

Based on the findings of this surveillance, it could be concluded that the Tennamaram Strategic Operating Unit (SOU 6) CU has continued to comply with the requirements of the RSPO MY-NI: 2010. The assessment team therefore recommends the Tennamaram Strategic Operating Unit (SOU 6) 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. Tennamaram Strategic Operating Unit (SOU) or also known as SOU 6. SOU is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Tennamaram SOU / SOU 6 / Tennamaram CU was certified by other certification body, i.e. Control Union Certification on 3<sup>rd</sup> March 2011. SDPSB then decided to transfer the certifier to SIRIM QAS International Sdn. Bhd.

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 Tennamaram Palm Oil Mill (Tennamaram POM) and its supply bases as indicated in the cover page. The supply bases assessed were confined to estates owned by SDPSB. There are three estates supplying to Tennamaram POM i.e. Tennamaram Estate, Bukit Talang Estate and Sungai Buloh Estate. The mill capacity is 60 mt/hr.

The focus of the assessment team was to determine Tennamaram 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 type="checkbox"/>	<input checked="" type="checkbox"/>	

##### 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

Not applicable. 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) new contact person, i.e. Vice President II, which based main office.
- (b) common practices of changes (rotation) of few key personnel among the operating units.
- (c) replanting in 2014.
- (d) the planted hectares in Tennamaram has changed to 1835.02 Ha as result of GPS Survey.
- (e) 25.68 Ha of planted area in was Sungai Buloh Estate converted to be part of the Kampong Kuantan Golf Club. However, the land title still remains under the estate. Because of this coversion the planted hectargae has changed to 4823.22 Ha.
- (f) the planted hectares in Bukit Talang has changed to 3578.22 Ha as a result of GPS Survey.
- (g) new activities and enviromental aspects for biogas / methane capturing plant and new sewage treatment plant at Tennamaram housing complex.

**2.0 ENVIRONMENTAL / SOCIAL ISSUE**

Generally there was no environmental issue or complaint observed. The CU generally maintained complies with environmental legislation.

There was also no social issue observed.

**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-2015-01

Total no. of major NCR(s) : 1 List : HO-2015-02, HO-2015-03

## 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 HCV, good milling practices and Supply Chain scopes	<ul style="list-style-type: none"> <li>• An associate SIRIM's Lead Auditor (ISO 14001, ISO 9001, FSC &amp; MTCC FMC and CoC, RSPO P&amp;C).</li> <li>• Approximate 20 years total working experience. Approximate 16 years experiences in management systems and sustainability auditing / certification.</li> <li>• Over 400 auditor days of auditing experience of various scheme and industry</li> <li>• Successfully completed SCS/FSC Forest Assessor Course - 2000.</li> <li>• Successfully completed MTCC/Smartwood/GTZ endorsed Forest Certification Assessor Course - 2000.</li> <li>• Successfully completed IRIM / FDPM / UPM / FRIM / APAFRI endorsed Forest and Environmental Audit Course – 2000.</li> <li>• Successfully completed EARA ISO 14001 approved Lead Assessor Course - 2000.</li> <li>• Successfully completed IRCA ISO 9001 approved Lead Assessor Course - 2005.</li> <li>• Successfully completed MTIB / Sarawak Planted Forest - Forest Plantation Development Course – 2010.</li> <li>• Successfully completed RSPO endorsed Lead Assessor Course - 2013.</li> <li>• Successfully completed MTCC endorsed Auditor Course for Natural and Plantation Forests - 2013.</li> <li>• Hold Bachelor of Forestry Science and Diploma in Forestry, Universiti Putra Malaysia.</li> <li>• Freelance consultant on environmental, quality and social management.</li> </ul>
Dr. Zahid Emby	Auditor Social scope	<ul style="list-style-type: none"> <li>• 1977- 1992 – Lecturer, Department of Social Sciences, Faculty of Educational Services, Universiti Pertanian Malaysia</li> <li>• Head, August 1992 – 1994, Department of Social Development Studies, Universiti Pertanian Malaysia</li> <li>• August 1, 1998 -2001. Reappointed as Head of the renamed Department of Social and Development Science for a three year term</li> <li>• Head, Department of Music from October 2003 until his retirement on December 17, 2006</li> <li>• Spent some time as a visiting scholar at University of Hull, U.K. and Victoria University of Wellington, New Zealand.</li> <li>• Freelance consultant on social issues</li> </ul>

Jagathesan Suppiah	A/L	Auditor Occupational safety, health, environmental and good milling practices scopes	<ul style="list-style-type: none"> <li>• More than 23 years working experience in manufacturing concerns at various managerial positions (Operation, Quality Assurance, Regulatory Affair and Process Control disciplines).</li> <li>• Experience of carrying out audits on more than 700 companies around Malaysia for the past 15 years for various schemes., i.e. ISO 9001, ISO 13485, ISO 14001, OHSAS 18001 and GMP/FDA regulations.</li> <li>• Successfully completed Lead Assessor training for ISO 9001, ISO 14001, OHSAS 18001, ISO 13485 and RSPO.</li> <li>• Bachelor of Chemical Science (Hons).</li> </ul>
Selvasingam Kandiah	T.	Auditor Good Agricultural Practices (GAP) scope	<ul style="list-style-type: none"> <li>• 8 days experience as Technical Adviser to RSPO Audits.</li> <li>• 14 days of auditing experience in RSPO.</li> <li>• B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Bangalore, India (1969-1973)</li> <li>• A Planter with Kumpulan Guthrie Berhad (1995-2002 – retired)</li> <li>• Inclusive of One year in Liberia and</li> <li>• 2 years in Estate Department in Guthrie head quarters</li> <li>• Experience in Managing: Nursery : Rubber and Cocoa Immature Area : Cocoa Replant, Rubber Replant, Oil Palm Replant &amp; Oil Palm New Clearing Area: Cocoa, Rubber &amp; Oil Palm.</li> </ul>

## 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 6 are as shown below:

Certification Unit: Tennamaram Strategic Operating Unit (SOU 6)  
 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 Marzuki  
 Designation: Vice President II  
 Address: Level 3A Plantation Tower, No. 2Jalan PJU 1A/7, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia  
 Phone #: +603 7848400  
 Fax #: +603 78484363  
 Email: [sabarinah.marzuki@simedarby.com](mailto:sabarinah.marzuki@simedarby.com)

## 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 Tennamaram POM since date of last reporting period (December 2013 to November 2014)

	Quantity (MT)
FFB carried forward from Nov 2013 (mt)	297.807
FFB Received	255,893.789
FFB Processed	255,736.45
CPO carried forward from Nov 2013 (mt)	921.571
Total CPO Production	53,323.21
PK carried forward from Nov 2013 (mt)	287.627
Total PK Production	13165.332
CPO delivered as Segregation	30,168.64
CPO delivered as non-RSPO certified	23,253.81
PK delivered as Segregation	12,279.49
PK delivered as non-RSPO certified	957.99

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

	Quantity (MT)
FFB Received	266,730
FFB Processed	266,730
Total CPO Production	56,665
Total PK Production	14,400
CPO delivered as Segregation	56,665
CPO delivered as non-RSPO certified	0
PK delivered as Segregation	14,400
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: Tennamaram CU - Actual FFB production since date of last reporting period (January 2014 to December 2014)

Estates	FFB Production		Certification Body
	Tonnes	Percentage (%)	
Tennamaram	42064.710	16.44	SIRIM
Sungai Buloh	107358.275	41.95	SIRIM
Bukit Talang	73566.194	28.75	SIRIM
Own Group Estates			
Elmina	21724.600	8.49	BSI
Lagong	3922.380	1.54	BSI
Bk.Cherakah	4589.170	1.79	BSI
Bk.Kerayong	1897.720	0.74	BSI
Bk.Rajah	462.910	0.18	BSI
Outside Estate			
Taiko	310.830	0.12	Control Union
<b>Total</b>	<b>255893.789</b>	<b>100.00</b>	

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

Supply base	FFB Production	
	Tonnes	Percentage (%)
Tennamaram Estate	43,810	16.42
Bukit Talang Estate	111,243	41.71
Sungai Buloh Estate	76,196	28.57
Bk.Cherakah	35,481	13.30
<b>Total</b>	<b>266,730</b>	<b>100%</b>

### 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 Tennamaram CU

Supply base	Planted (ha)	Certified (ha)
Tennamaram Estate	1835.02	1989.6
Sungai Buloh Estate	4823.22	5154.08
Bukit Talang Estate	3541.16	3638.24
<b>Total</b>	<b>10,199.40</b>	<b>10,781.92</b>

Table 6: Planting profile for Tennamaram Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / immature	Planted area (ha)	Percentage of planted area (%)
2002	2 <sup>nd</sup> Generation	Mature	35.91	1.96
2003	2 <sup>nd</sup> Generation	Mature	71.09	3.87
2004	2 <sup>nd</sup> Generation	Mature	53.58	2.92
2006	2 <sup>nd</sup> Generation	Mature	180.97	9.87
2007	2 <sup>nd</sup> Generation	Mature	67.34	3.67
2008	2 <sup>nd</sup> Generation	Mature	88.37	4.82
2009	2 <sup>nd</sup> Generation	Mature	54.22	2.95
2010	2 <sup>nd</sup> Generation	Mature	220.80	12.03
2011	2 <sup>nd</sup> Generation	Mature	25.99	1.42
1987	3 <sup>rd</sup> Generation	Mature	33.87	1.85

1988	3 <sup>rd</sup> Generation	Mature	105.26	5.74
1990	3 <sup>rd</sup> Generation	Mature	67.11	3.66
1991	3 <sup>rd</sup> Generation	Mature	143.22	7.80
1992	3 <sup>rd</sup> Generation	Mature	113.66	6.19
1993	3 <sup>rd</sup> Generation	Mature	10.24	0.56
1996	3 <sup>rd</sup> Generation	Mature	152.85	8.33
1997	3 <sup>rd</sup> Generation	Mature	83.96	4.57
1999	3 <sup>rd</sup> Generation	Mature	107.41	5.85
2013	4 <sup>th</sup> Generation	Immature	100.05	5.45
2014	4 <sup>th</sup> Generation	Immature	119.12	6.49
<b>Total</b>			<b>1,835.02</b>	<b>100.00</b>

Table 7: Planting profile for Sungai Buloh Estate

Year of Planting	Planting Cycle (1 <sup>st</sup> / 2 <sup>nd</sup> Generation, etc)	Mature / Immature	Planted Area (Ha)	Percentage of mature / immature (%)
1988	2 <sup>nd</sup> Generation	Mature	60.70	1.26
1988	2 <sup>nd</sup> Generation	Immature	76.70	1.59
1990	2 <sup>nd</sup> Generation	Mature	111.72	2.32
1990	Rubber to Oil Palm	Mature	32.40	0.67
1991	Rubber to Oil Palm	Mature	39.80	0.83
1992	3 <sup>rd</sup> Generation	Mature	60.70	1.26
1992	Rubber –Cocoa to Oil Palm	Mature	59.20	1.23
1992	3 <sup>rd</sup> Generation	Mature	59.20	1.23
1992	3 <sup>rd</sup> Generation	Mature	45.60	0.95
1992	3 <sup>rd</sup> Generation	Mature	77.70	1.61
1992	3 <sup>rd</sup> Generation	Mature	118.00	2.45
1993	3 <sup>rd</sup> Generation	Mature	120.20	2.49
1993	3 <sup>rd</sup> Generation	Mature	54.10	1.12
1993	3 <sup>rd</sup> Generation	Mature	86.50	1.79
1993	3 <sup>rd</sup> Generation	Mature	78.60	1.63
1993	3 <sup>rd</sup> Generation	Mature	55.70	1.15
1993	3 <sup>rd</sup> Generation	Mature	77.20	1.60
1993	3 <sup>rd</sup> Generation	Mature	62.80	1.30
1994	Rubber to Oil Palm	Mature	67.50	1.40
1995	2 <sup>nd</sup> Generation	Mature	53.60	1.11
1995	2 <sup>nd</sup> Generation	Mature	37.10	0.77
1995	2 <sup>nd</sup> Generation	Mature	90.60	1.88
1995	2 <sup>nd</sup> Generation	Mature	63.60	1.32
1996	2 <sup>nd</sup> Generation	Mature	120.40	2.50
1996	2 <sup>nd</sup> Generation	Mature	77.80	1.61
1996	2 <sup>nd</sup> Generation	Mature	68.80	1.43
1996	2 <sup>nd</sup> Generation	Mature	49.90	1.03
1997	2 <sup>nd</sup> Generation	Mature	46.10	0.96

1997	2 <sup>nd</sup> Generation	Mature	72.10	1.49
1997	2 <sup>nd</sup> Generation	Mature	46.70	0.97
1997	2 <sup>nd</sup> Generation	Mature	55.50	1.15
1997	2 <sup>nd</sup> Generation	Mature	73.60	1.53
1998	2 <sup>nd</sup> Generation	Mature	124.10	2.57
1998	2 <sup>nd</sup> Generation	Mature	42.80	0.89
1998	2 <sup>nd</sup> Generation	Mature	97.00	2.01
1998	2 <sup>nd</sup> Generation	Mature	65.10	1.35
2000	2 <sup>nd</sup> Generation	Mature	68.50	1.42
2001	2 <sup>nd</sup> Generation	Mature	129.10	2.68
2002	2 <sup>nd</sup> Generation	Mature	55.20	1.14
2002	2 <sup>nd</sup> Generation	Mature	70.60	1.46
2002	2 <sup>nd</sup> Generation	Mature	128.60	2.67
2003	2 <sup>nd</sup> Generation	Mature	84.70	1.76
2004	2 <sup>nd</sup> Generation	Mature	74.90	1.55
2006	2 <sup>nd</sup> Generation	Mature	127.90	2.65
2007	3 <sup>rd</sup> Generation	Mature	88.30	1.83
2007	3 <sup>rd</sup> Generation	Mature	85.00	1.76
2008	3 <sup>rd</sup> Generation	Mature	74.00	1.53
2008	3 <sup>rd</sup> Generation	Mature	58.80	1.22
2008	3 <sup>rd</sup> Generation	Mature	67.70	1.40
2009	3 <sup>rd</sup> Generation	Mature	56.20	1.17
2009	3 <sup>rd</sup> Generation	Mature	97.80	2.03
2010	3 <sup>rd</sup> Generation	Immature	72.60	1.51
2010	3 <sup>rd</sup> Generation	Immature	61.90	1.28
2010	3 <sup>rd</sup> Generation	Mature	78.60	1.63
2010	3 <sup>rd</sup> Generation	Mature	49.70	1.03
2010	3 <sup>rd</sup> Generation	Immature	67.60	1.40
2011	3 <sup>rd</sup> Generation	Immature	77.50	1.61
2013	3 <sup>rd</sup> Generation	Immature	102.20	2.12
2013	3 <sup>rd</sup> Generation	Immature	43.50	0.90
2013	3 <sup>rd</sup> Generation	Immature	99.90	2.07
2013	3 <sup>rd</sup> Generation	Immature	47.30	0.98
2013	3 <sup>rd</sup> Generation	Immature	50.00	1.04
2013	3 <sup>rd</sup> Generation	Immature	58.10	1.20
2014	3 <sup>rd</sup> Generation	Immature	47.70	0.99
2014	3 <sup>rd</sup> Generation	Immature	101.10	2.10
2014	3 <sup>rd</sup> Generation	Immature	69.10	1.43
<b>Total</b>			<b>4,823.22</b>	<b>100.00</b>

Table 8: Planting profile for Bukit Talang Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1990	2 <sup>nd</sup> Generation	mature	119.69	3.38
1991	2 <sup>nd</sup> Generation	mature	14.61	0.41
1992	2 <sup>nd</sup> Generation	mature	137.67	3.89
1993	2 <sup>nd</sup> Generation	mature	410.30	11.59
1994	2 <sup>nd</sup> Generation	mature	65.99	1.86
1995	2 <sup>nd</sup> Generation	mature	166.51	4.70
1996	2 <sup>nd</sup> Generation	mature	176.08	4.97
1997	2 <sup>nd</sup> Generation	mature	210.93	5.96
1998	3 <sup>rd</sup> Generation	mature	260.58	7.36
1999	3 <sup>rd</sup> Generation	mature	182.67	5.16
2000	3 <sup>rd</sup> Generation	mature	221.96	6.27
2001	3 <sup>rd</sup> Generation	mature	400.56	11.31
2002	3 <sup>rd</sup> Generation	mature	201.94	5.70
2003	3 <sup>rd</sup> Generation	mature	283.39	8.00
2004	3 <sup>rd</sup> Generation	mature	47.74	1.35
2007	3 <sup>rd</sup> Generation	mature	93.29	2.63
2008	3 <sup>rd</sup> Generation	mature	49.26	1.39
2009	3 <sup>rd</sup> Generation	Mature	42.68	1.21
2011	3 <sup>rd</sup> Generation	immature	47.38	1.34
2013	3 <sup>rd</sup> Generation	immature	309.19	8.73
2014	3 <sup>rd</sup> Generation	immature	52.11	1.47
2015	3 <sup>rd</sup> Generation	immature	46.63	1.32
<b>Total</b>			<b>3,541.16</b>	<b>100.00</b>

## 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	Tennamaram 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.  However, there was no request of information received by the CU on environmental, social and legal issues from stakeholders, except requests from employees, which for repairs required for employees' quarters. Requests and management's response were recorded and maintained in Complaints Book of communication files. The records included types of complaints and the dates when they were made and attended to and remarks.
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, and there were no issues observed pertaining land titles and user rights.
	1.2.2	Safety and health plan (C 4.7)	Yes	Management documents, which including safety and health plan maintained available by the CU. Cross refer to C 4.7.
	1.2.3	Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	Yes	Social and environmental impact assessments and its relevant plans continued made available. Cross-refer to Criterion 5.1 and 6.1.
	1.2.4	Pollution prevention plans (C 5.6)	Yes	Pollution prevention plans for FY14/15 established and available.

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:-	1.2.5	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 recorded in the Complaints Book
	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. Nevertheless, there was no claim by any party observed.
	1.2.7	Continuous improvement plan (C 8.1)	Yes	<p>The CU maintained publicly available its continuous improvement plan. Among the improvement observed, were:</p> <ul style="list-style-type: none"> <li>• re-assessed SIA and HCV (which undertaken by PSQM Department of HQ).</li> <li>• boundary remarking, and further installation of "No Hunting" signage.</li> <li>• continued to only grass cut the harvester's path for minimising use of chemicals and avoid bare ground.</li> <li>• continued to remove wild oil palm seedling (VOPs) manually for reducing chemical usage.</li> <li>• established nurseries for beneficial plants (mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) for minimizing use of insecticides.</li> </ul>

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

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations	2.1.1	Evidence of compliance with legal requirements. <i>Major</i>	Yes	<p>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"> <li>(a) valid licenses, permits / approvals and certificates of fitness, e.g. MPOB License, diesel permits, Fire Certificates, DOE License (<i>Jadual Pematuhan</i>) Certificate of Fitness for steam boiler and unfired pressure vessel (UPV), , written approvals for boiler / chimney etc.;</li> <li>(b) various regulated periodical monitoring and measurement conducted accordingly, .e.g. audiometric, effluent, workplace inspection, black smoke, dust particulate, etc.</li> <li>(c) various regulated payment, contribution / coverage been continued made, e.g. Quit Rent, EPF, SOCSO, insurance, etc.</li> </ul>

	2.1.2	A documented system, which includes written information on legal requirements. <i>Minor</i>	Yes	<p>Tennamaram 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>Noted the respective LORRs were updated to include:</p> <p>(a) Tennamaram Estate:</p> <ul style="list-style-type: none"> <li>• Estate Hospital Assistants' Act (Registration) Act 1965 (Revised 1990)</li> <li>• Medical Assistants' (Registration) Act 1977 Minimum Retirement Age Act 2012</li> </ul> <p>(b) Tennamaram POM</p> <ul style="list-style-type: none"> <li>• Environmental Quality ( prescribed premises) Crude palm Oil ) Regulations 1977</li> <li>• Environmental Quality ( Sewage ) Regulation 2009</li> <li>• Environmental Quality ( Control of Pollution from Solid Waste Transfer Station and Landfill ) Regulation 2009</li> <li>• Environmental Quality ( Amendment ) Act 2012.</li> </ul> <p>(c) Sg Buloh Estate</p> <ul style="list-style-type: none"> <li>• Environmental Quality ( prescribed premises) Crude palm Oil ) Regulations 1977</li> <li>• Environmental Quality ( Sewage ) Regulation 2009</li> <li>• Environmental Quality ( Control of Pollution from Solid Waste Transfer Station and Landfill ) Regulation 2009</li> <li>• Environmental Quality ( Amendment ) Act 2012.</li> <li>• Occupational Safety &amp; Health ( Class – Packaging &amp; Labelling of Hazardous Chemicals Regulation, 2013.</li> </ul>
	2.1.3	A mechanism for ensuring that they are implemented. <i>Minor</i>	Yes	The mechanism to ensure compliance to legal and other requirement maintained implemented through annual evaluation of compliance against LORR, Internal RSPO Audit, Plantation and Mill visits (audits), Group Corporate Assurance Reporting (audit) for each operating units.
	2.1.4	A system for tracking any changes in the law. <i>Minor</i>	Yes	An assigned Plantation Sustainable Quality Management (PSQM) department, which is based in Headquarter (HQ) maintained responsible in tracking the changes to the Acts

				and Regulations in their legal register by communicating with the publisher of the documents. The revision of the LORRs would be done from time to time and would be communicated to the respective Sime Darby's certification units, should there be any update. The latest changes of the LORRs are as highlighted in I2.1.2.
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 maintained available. All original copies of ownership documents are kept at the Sime Darby Headquarter in Kuala Lumpur.
	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	Observed the term of the land titles for cultivation maintained comply.
	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>	No	During fields audit observed not all boundary stones bordered to forest reserve at Tennamaram Estate was able been located and visibly maintained. Thus, <b>Minor HO-2015-01</b> raised.
	2.2.3.2	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. <i>Minor</i>	Yes	There was no land related disputes observed.
C 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their	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.



free, prior and informed consent.	2.3.2	Map of appropriate scale showing extent of claims under dispute. <i>Major</i>	Yes	Not applicable as 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	Not applicable as there was no land related disputes observed.

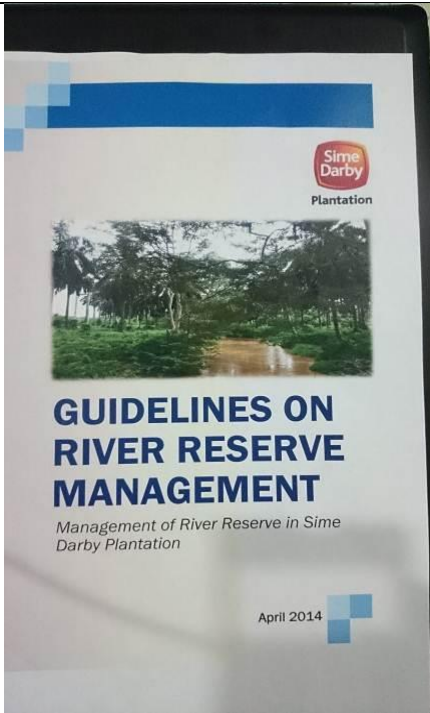
### **Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY**

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>SOU 6 continued established annual budgets for the financial years 2014/2015 and 2015/2016, which are from July to June the following year. The budget had included Capital and Operating Expenditures in addition to FFB yield/Ha, OER and CPO. The operating expenditure includes expenditure for mature and immature oil palm upkeep, administration cost, housing and machinery upkeep, etc.</p> <p>SOU 6 also noted had annual budget projections until the final year 2019/2020.</p>																														
	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. <i>Minor</i>	Yes	<p>The replanting programmes until 2019/2020 were sighted for all three Estates. This programme was reviewed once a year and was incorporated in their annual financial budget. The programme sighted was as follows:</p> <table><tr><th>ESTATE</th><th>2015/2016</th><th>2016/2017</th><th>2017/2018</th><th>2018/2019</th><th>2019/2020</th></tr><tr><td>Sungai Buloh</td><td>Flds: 88A,91A, 95B &amp;96</td><td>Flds: 88(KS) &amp; 90(KS)</td><td>Flds: 90A, 92B &amp; 92S</td><td>Flds: 92A2, 92A3, 94 &amp; 95A</td><td>Flds: 96S1, 93D &amp; 97S1</td></tr><tr><td>Total Ha</td><td>274.00</td><td>172.42</td><td>228.10</td><td>225.90</td><td>201.50</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Bukit Talang</td><td>Flds: 92, 93, 93A &amp; 93B</td><td>Flds: 90A, 90M &amp; 95M</td><td>Flds: 91M, 92M, 93M, 95A, &amp; 95M</td><td>Flds: 90B, 93A, 93B &amp; 96D</td><td>Flds: 94A, 95B, 96A, 96M, 97M &amp; 98A</td></tr></table>	ESTATE	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	Sungai Buloh	Flds: 88A,91A, 95B &96	Flds: 88(KS) & 90(KS)	Flds: 90A, 92B & 92S	Flds: 92A2, 92A3, 94 & 95A	Flds: 96S1, 93D & 97S1	Total Ha	274.00	172.42	228.10	225.90	201.50							Bukit Talang	Flds: 92, 93, 93A & 93B	Flds: 90A, 90M & 95M	Flds: 91M, 92M, 93M, 95A, & 95M	Flds: 90B, 93A, 93B & 96D	Flds: 94A, 95B, 96A, 96M, 97M & 98A
	ESTATE	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020																												
Sungai Buloh	Flds: 88A,91A, 95B &96	Flds: 88(KS) & 90(KS)	Flds: 90A, 92B & 92S	Flds: 92A2, 92A3, 94 & 95A	Flds: 96S1, 93D & 97S1																													
Total Ha	274.00	172.42	228.10	225.90	201.50																													
Bukit Talang	Flds: 92, 93, 93A & 93B	Flds: 90A, 90M & 95M	Flds: 91M, 92M, 93M, 95A, & 95M	Flds: 90B, 93A, 93B & 96D	Flds: 94A, 95B, 96A, 96M, 97M & 98A																													


				Total Ha	347.02	143.62	144.43	205.86	446.83
				Tennamaram	Flds:	Flds: 96B	Flds:	Flds: 87A & 88	Flds:
				Total Ha	NIL	94.97	NIL	139.13	NIL



#### **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	<p>The CU continued to practice as per the established documented references by SDPSB. 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:</p> <ul style="list-style-type: none"> <li>• from seedlings in nursery to planting of young palms and plantation upkeep;</li> <li>• to mill FFB receipt, grading, processing, quality analysis and despatch of CPO, PK and PKO.</li> <li>• as well as security of the SOU.</li> </ul> <p>For the estates, on top of the PQMS, technical guidelines as listed in the Agricultural Reference Manual (ARM) is also referred. In April 2014 another documented procedure "Guidelines On River Management" manual (Photo 1) had been added on.</p>

				 <p>Photo 1 : Manual on River Reserve Management</p> <p>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. Generally, those records filed in accordance to P&amp;C.</p> <p>Among the monitoring records sighted were:</p> <ul style="list-style-type: none"> <li>• related to work activities, such as Programme sheets for Circle Spraying, fertilizer</li> </ul>



				<p>application, rat baiting, Crop Quality, Tally sheet, Unstripped Bunches, Clarification Station etc.</p> <ul style="list-style-type: none"> <li>• control / issuance records, such as Store Bin Cards, Kernel Stock sounding, Oil Tank Sounding, Boiler water Test etc.</li> <li>• results of monitoring, e.g. audiometric, effluent, dust and black smoke, <i>Buku Rondaan Sempadan, Buku Laporan Tugas Harian</i> etc.</li> <li>• stakeholders visits and communication, e.g. Complaint Books, correspondence, etc</li> </ul>
<p>C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>	<p>4.2.1</p>	<p>Monitoring of fertilizer inputs through annual fertilizer recommendations. <i>Minor</i></p>	<p>Yes</p>	<p>Soil fertility had been maintained at optimum levels by empty fruit bunches (EFBs) mulching, proper frond stacking (biomass), POME application (only in Tennamaram Estate), water management, maintaining soft weeds within interlines regular and by annual application of inorganic fertilizers recommended by SDPSB's upstream research and development unit, which is located at Carey Island, Selangor. The Annual Fertiliser recommendations were made based on annual foliar sampling.</p> <p>The fertilisers recommended and used in SOU 6 were Ammonium Sulphate, Ammonium Chloride, MOP, CIRP, Borate and Kieserite.</p> <p>In Tennamaram Estate, the corrected quantity of fertilizer for each palm in the replant is weighed and bagged in small bags. The fertiliser is then applied to each and every palm and the empty bag tied to the respective palm (Photo 2).</p> <p>Fertilizer applications were monitored via programme sheets. Records sighted showed a total, of 4510.04 tonnes in Sungai Buloh Estate, 2678.75 tonnes in Bukit Talang and 1836.60 tonnes in Tennamaram, of fertilisers were applied during the financial year 2013/2014. For the current financial year 1665.85 tonnes, 1102.85 tonnes and 1131.30 Tonnes of fertilisers were applied respectively in Sungai Buloh, Bukit Talang and Tennamaram Estates.</p>

				 <p>Photo 2: Bagged fertilizer applied palm in Tennamaram Estate</p>
4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <i>Minor</i>	Yes	<p>Periodic foliar and soil sampling to monitor changes in nutrient status were in place in all three estates. Annual foliar sampling had been carried out in all estates and the results formed the basis for the fertiliser recommendations. The latest foliar samplings for fertiliser recommendation were done in October 2014 on Sungai Buloh Estate and in May 2014 on Bukit Talang Estate. While for Tennamaram Estate it was done in January 2015.</p> <p>Soil sampling was carried out every 5 years as per requirement in the SPMS Manual for PH, Organic Carbon, Total N, Total &amp; Available P and Exchangeable K, Mg and Ca. The last sampling was in 2010 on all 3 Estates.</p>	
4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. <i>Minor</i>	Yes	<p>EFB application was carried in all 3 estates. For EFB application priority was given to application in the replants. In the replants EFB was applied at 200kg per palm in the circles (Photo 3), while in the mature palms it was applied, at 40 tons/Ha in interlines on the stacked palm fronds (Photo 4).</p> <p>Sungai Buloh Estate had applied only in Replants with 12033 tonnes applied over 401.10 Ha in Field 2013A during the financial year 2013/2014. Bukit Talang Estate too had applied only in Replants; in 2013/2014 14738 tons was applied over 415.08 Ha in Fields 2012A, 2013A and 2014A while during 2014/2015 1865 tonnes had been applied in Field</p>	


				<p>2014A. Tennamaram Estate had applied 8333.60 and 16035.35 tonnes in mature areas in 2013/2014 and 2014/2015 respectively.</p> <div style="display: flex; justify-content: space-around;">   </div> <p>Photo 3: EFB applied to Immature Palm circle in Bukit Talang</p> <p>Photo 4: EFB application to mature Palm in Tennamaram</p> <p>POME application noted only applied in Tennamaram Estate due to its proximity to the Oil Palm Mill. In order to cater for the quantity of POME produced by the mill, the estate had increased POME application over 74 Ha from the 21.4 Ha in 2013/2014. In 2014/2015 115,096 litres of POME had been applied. POME from the mill was received into two (2) ponds and then pumped to the field. The quantity applied is monitored using a flow meter.</p> <p>The CU continued practiced zero burning and this was evident in all the replant inspected in SOU 6. Domestic wastes in this SOU 6 was totally removed by the Majlis Daerah (local authority) at a frequency of 2 to 3 times per week and there was no evidence of open burning.</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	<p>SOU 6 continued to have practices in place to minimise and control erosion and degradation of soils. These practices are terrace construction in hilly areas, water management programme, road maintenance programme, programs for cover crop and <i>Mucuna bracteata</i> planting in replant as well as stacking of pruned fronds, spraying of circle and noxious weeds as per ARM manual and programs for only grass cutting of harvesters' paths.</p>

	4.3.2	Avoid or minimize bare or exposed soil within estates. <i>Minor</i>	Yes	<p>SOU 6 CU continued to have practices in place to minimise and control erosion and degradation of soils. The topography for the estates was mainly flat except for about 20% of Hopeful Division in Tennamaram Estate is hilly.</p> <p>Pruned fronds were stacked along terraces in the hilly areas while in flat areas U shaped stacking was practiced. In Bukit Talang Estate, general workers were used to restacked cut fronds and to peg the correct area for frond stackers to stack the cut fronds. The fronds stackers then continue to stack all cut fronds in this area (Photo 5).</p>  <p>Photo 5: Fronds stacked in Pegged area.</p> <p>During the fields audit, the estates endeavored to maintain soft vegetation such as <i>Nephrolepis bisserata</i> and soft grasses in interlines though patches of sporadic noxious weeds, which were observed sprayed out. In the replants, <i>Mucuna bracteata</i> and cover crops (Photo 6 &amp; 7) were planted.</p>
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				 <p>Photo 6: Cover crop planting in Tennamaram</p>  <p>Photo 7: Well established cover in Bukit Talang</p> <p>SOU 6 had implemented only grass cut the harvester's path. Only Circles and noxious weeds were sprayed out. By grass cutting the paths, SOU 6 not only prevented bare ground conditions but also aimed to reduce the growth of noxious weeds. Furthermore, wild oil palm seedling (VOPs) were not sprayed, instead they were manually removed and left to dry out on roadsides and on frond heaps, thus further prevent the occurrence of bare grounds.</p> <p>The topography of SOU 6 being mainly flat have large numbers of fields drains, which help to collect road runoff waters to further minimize soil erosion.</p>
	4.3.3	Presence of road maintenance programme. <i>Minor</i>	Yes	<p>During the field audit, it was noted road conditions were satisfactory and accessibility were made possible by regular maintenance guided by its road maintenance programmes, which consist of road resurfacing, grading &amp; compacting and culvert maintenance. Surface run off waters were drained off by the numerous field drains. The financial support for this operation could be seen in the annual budget. Records of this activity were adequately maintained. During the visit heaps of laterite (gravel) and crusher run stones stored at strategic areas were sighted; these were for road maintenance.</p>



	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme. <i>Minor</i>	Yes	<p>Some peat soil areas in Bukit Talang Estate and Tennamaram Estate had been planted with oil palm. The management continues to carry out its best practice in maintaining the water table of this area according to its established procedure and programme. The network of drainage system was adequate and water table was monitored and maintained at 60 cm from the ground surface at all times by using piezometers, water level markers, sand bag stop bunds and water gates. In addition, both Estates had mobile and static water pumps to pump out and pump in as and when the need arises. The inlet and outlet of water through these areas were controlled by water gates.</p>  <p>Photo 8: Piezometer in Sungai Buloh Estate</p>
	4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic	Yes	<p>Though there are no fragile soils other than some peat soil in Bukit Talang and Tennamaram Estates, SOU 6 consist mainly coastal soils where water management is of paramount importance. SOU 6 well managed soil water levels by having well established systems of drains. Water table was monitored and maintained at 60 cm from the ground</p>

		matter and acid sulphate soils). <i>Minor</i>		surface at all times by using piezometers (Photo 8), water level markers, sand bag stop bunds and water gates. In addition, all three (3) Estates Bukit had mobile and static water pumps to pump out (Photo 4) and to pump in as and when the need arises. The inlet and outlet of water through this area were controlled by water gates.
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	Drainage canals built by Drainage and Irrigation Department (DID) were available and been well maintained. Palms along the canals were not chemically sprayed to avoid contamination. Only manual weeding was allowed. The DID canal found in Sungai Buloh Estate was relatively large with some parts covered by secondary forest with some large trees.  There were also water bodies in Tennamaram and Bukit Talang Estates. In the latter, the catchment was no longer used and is fenced up for safety.
	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 waterways 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	Outgoing water into natural waterways had been closely monitored and results observed comply with applicable requirement. The monitoring were carried out as per the procedure (Sustainable Plantation Management System, Appendix 7, dated 1/4/2008, which conducted for 3 identified outgoing water from monsoon drain discharge. Results of analysis quarterly submitted to DOE using ' <i>Borang Penyata Suku Tahunan</i> ' The parameters tested in the analysis were pH, BOD,COD, Suspended Solids(SS), Ammonical Nitrogen (AN) and Phosphate.
	4.4.4.	Monitoring rainfall data for proper water management. <i>Minor</i>	Yes	All estates monitored rainfall days and rainfall in mm and were available from a period of ten years. The highest rainfall in SOU 6 was mainly during the months of October to January.
	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. A general stable trend of usage noted.




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	<p>The data of rain fall and rain days have been well maintained over the past ten years. SOU 6 had developed water management plans. Rain water harvested was mainly used for washing vehicles and chemical mixing. The water management plans consist of data on demand and supply of water for mills and line site consumption as well as for the estates / fields. Among items in the plans were:</p> <ul style="list-style-type: none"> <li>• action to reduce treated water usage at the mills,</li> <li>• intensification of coordination and communication activities to promote effective consumption goals,</li> <li>• details for investment on new infrastructure such as reservoir and HDPE tanks to facilitate rainwater harvesting</li> <li>• HDPE tanks to facilitate rainwater harvesting (Photo 9)</li> <li>• contingency plan for water shortage.</li> </ul> 

Photo 9: HPDE Tank for rain water in Tennamaram.

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	<p>SOU 6 continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques as per SOP/SectionB13 Pest &amp; diseases and ARM/Section 15/Plant Protection. In order to minimize use of Insecticides, the estate had established nurseries for beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> (Photo 10) This was to establish continuity in the planting of beneficial plants in order to maintain low population of leaf eating caterpillars, hence reducing the need to use chemical treatment. Census records confirmed that there has been no major outbreak of leaf eating pest.</p> <p>SOU 6 though practised 'Calendar Baiting' in order to control the rat population, it had also provided barn boxes (Photo 11) for owls (<i>Tyto alba</i>) for better control and with the aim to reduce use of Rat Baits. There were 201 Barn Owl boxes in Sungai Buloh, 164 in Bukit Talang and 58 in Tennamaram Estates respectively. The highest number, 225, of adult birds was in Sungai Buloh Estate.</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <div style="display: flex; justify-content: space-around; align-items: center;"> <p>Photo 10: Young <i>Antigonon</i> plants in Bukit Talang</p> <p>Photo 11: Barn owl box in Sungai Buloh</p> </div>
	4.5.2	Monitoring extent of IPM implementation for major	Yes	The monitoring of pest was by census. Census records on <i>Ganoderma</i> , Bagworm and Barn Owl were sighted. <i>Ganoderma</i> infected palms noted had been identified. The

		pests. <i>Minor</i>		disease was then mitigated by excavating the infected soil during replanting and exposing it to sunlight. This was in accordance with their Agricultural Reference Manual. The estates implemented calendar baiting and extend of infestation is monitored with rat bait acceptance records. Baiting was continued until the acceptance of baits fell to 20%.														
	4.5.3	Recording areas where pesticides have been used. <i>Minor</i>	Yes	All 3 estates continued to record areas where pesticides had been used. Pesticides were used only when justified and areas used were recorded in Purchase Orders (PO), Request books/forms, Field Cost books, bin cards and in program sheets.														
	4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/ tonne of oil. <i>Minor</i>	Yes	Records of both current and past years' usage of pesticides by area, quantity used, hectares applied and Ai/Ha were observed.														
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	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. <i>Major</i>	Yes	SOU 6 continued to use agrochemicals as per the written justification in Standard Operating Procedure (SOP) of all agrochemical, which are available in the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by SDPSB.														
	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	<p>All pesticides used were those officially registered under the Pesticide Act 1974, The estates had used mainly class III &amp; class IV pesticides. Though <i>methamidophos</i> (class 1) had been used previously for treatment of bagworm there was none in stock. Among the pesticides used were:</p> <table><tr><th>Pesticides</th><th>Class</th><th>Usage</th></tr><tr><td>Triclopyr butoxyethyl ester</td><td>III</td><td>Herbicide</td></tr><tr><td>Cpermethrin</td><td>III</td><td>Pesticide</td></tr><tr><td>Warfarin</td><td>IV</td><td>Rodenticide</td></tr><tr><td>Metsulfuron</td><td>III</td><td>Herbicide</td></tr></table> <p>No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium.</p>	Pesticides	Class	Usage	Triclopyr butoxyethyl ester	III	Herbicide	Cpermethrin	III	Pesticide	Warfarin	IV	Rodenticide	Metsulfuron	III
Pesticides	Class	Usage																
Triclopyr butoxyethyl ester	III	Herbicide																
Cpermethrin	III	Pesticide																
Warfarin	IV	Rodenticide																
Metsulfuron	III	Herbicide																

Conventions, growers are actively seeking to identify alternatives, and this is documented.	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	<p>All pesticides were stored in accordance with the legal requirement as well as recommendation by manufacturer inside the MSDS.</p> <p>The chemicals stores were observed to be well secured / locked and well ventilated and with exhaust fans. The stores had a separated locked cabinet in them to store Class 1 chemicals, if any. The stores also equipped with showers, wash area, PPE storage area, 'Safety Signage', 'Spillage Kit' and colour coded to distinguish the ' Chemical Class'.</p>
	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	<p>MSDSs and information regarding the chemicals and its usage, hazards, trade and generic names were available in both English &amp; Bahasa Malaysia.</p> <p>Relevant information of the agrochemicals used by estate workers noted were largely disseminated via morning muster and the use of Safety Pictorial poster, which found understood by workers.</p>
	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. <i>Major</i>	Yes	Periodical medical examination had been continued conducted for workers handling chemicals at all operating units by Occupational Health Doctor registered with DOSH. Results of medical examination showed that exposure still below the permissible limit.
	4.6.6	No work with pesticides for confirmed pregnant and breast-feeding women. <i>Major</i>	Yes	<p>Noted that pregnant and breast-feeding women strictly not allowed working with pesticides as determined by SDPSB.</p> <p>Hospital Assistant (HA) monthly checks for determining female workers are not pregnant.</p>
	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	Yes	No evidence of the use of any illegal agrochemicals (stated by local and international laws) in particular paraquat was found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium

		pending outcome of the RSPO study on IWM. <i>Minor</i>		
	4.6.8	Documented justification of any aerial application of agrochemicals.  No aerial spraying unless approved by relevant authorities. <i>Major</i>	Yes	There was no evidence of any aerial spraying observed in SOU 6.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. <i>Minor</i>	Yes	Chemical Residue testing monitoring were carried out on a monthly basis by SIME DARBY Research Sdn. Bhd. Results noted were within control limit.
	4.6.10	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5 years or starting November 2007. <i>Minor</i>	Yes	Records of both current and from financial year 2011/2012 on the usage of pesticides by area, quantity used, hectares applied and Ai/Ha were sighted.
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	<p>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. Among the implementation observed were periodical:</p> <ul style="list-style-type: none"> <li>• plan to re-assess CHRA in mid 2015.</li> <li>• chemical exposure monitoring – March 2014.</li> <li>• medical surveillance – March 2014.</li> <li>• positive noise exposure monitoring – February 2014.</li> <li>• audiometric test – February 2014.</li> </ul>
	b)	All operations have been risk assessed and documented.	Yes	<p>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. Among the HIRARC observed were related to operation of:</p> <ul style="list-style-type: none"> <li>• Water Treatment Plant.</li> <li>• Biogas ( Flaring Unit).</li> <li>• Boiler station.</li> </ul>
	c)	<p>An awareness and training programme which includes the following specifics for pesticides:</p> <ol style="list-style-type: none"> <li>to ensure all workers involved have been adequately trained in a safe working practices (See also C 4.8)</li> <li>all precautions attached to products should be properly observed and applied to the workers.</li> </ol>	Yes	<p>Chemical hazards communication continued given through awareness and training programme to all workers involved in handling chemicals. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Those trained included sprayers, manure spreaders, store keeper, etc. Field inspection and observation of spraying tasks confirmed chemicals being applied were in accordance with the product safety precautions. MSDS were made available at point of use – for example, at the chemical dosing area and chemical mixing area and at the chemical stores.</p> <p>SOU 6 continued to train all workers involved in safe working practices and records of training were provided. To cited a few, in Sungai Buloh Estate, Sprayers were trained on 15.12.2014, tractor drivers on 29.12.2014 and on Bukit Talang Estate, sprayers on 6.1.2015 and tractor drivers on 24.11.2014. In Tennamaram Estate, Contractor Safety for FFB Transporters was conducted on 29 &amp; 30.12.2014.</p> <p>The required trainings to take necessary precautions in handling products were provide</p>



				to all involved workers and records sighted. Example: Rat Baiting on 13.2.2015 on Tennamaram Estate, Fertiliser Application (Manuring) on 5.12.2014 and Spraying on 15.12.2014 on Sungai Buloh Estate.														
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	<div>Suitable PPE observed been given to the workers appropriate for their daily routine task Based on the HIRARC assessment, as shown in example of table below:</div> <table><tr><th>Work Station</th><th>PPE provided</th></tr><tr><td>Working at Height</td><td>Safety Helmet, Safety Shoes, Safety Vest, Respirator</td></tr><tr><td>Laboratory</td><td>Respirator ( Cartridge ) Nitrile Glove ( chemical penetration ), Goggles, safety boots</td></tr><tr><td>Water treatment Station</td><td>Nitrile Glove, Long Sleeve Shirt, Long Trousers, Safety Helmet, Goggles.</td></tr><tr><td>Sprayers</td><td>Respirator, Nitrile Glove (Chemical Resistant ) Goggles, Wellington Boots, Apron.</td></tr><tr><td>Manuring</td><td>Apron, Wellington Boots, Dust Mask</td></tr><tr><td>Harvester</td><td>Safety Helmet, Sickle Cover, Wellington Boots</td></tr></table> <div>Records of PPE issuance were maintained and presented. During the field audit, it was observed that signage (to remind workers to wear appropriate PPE) was posted at the appropriate places. Workers were seen wearing the appropriate PPEs during field visits and when interviewed understood the reasons and importance why they were required to wear the PPE.</div>	Work Station	PPE provided	Working at Height	Safety Helmet, Safety Shoes, Safety Vest, Respirator	Laboratory	Respirator ( Cartridge ) Nitrile Glove ( chemical penetration ), Goggles, safety boots	Water treatment Station	Nitrile Glove, Long Sleeve Shirt, Long Trousers, Safety Helmet, Goggles.	Sprayers	Respirator, Nitrile Glove (Chemical Resistant ) Goggles, Wellington Boots, Apron.	Manuring	Apron, Wellington Boots, Dust Mask	Harvester	Safety Helmet, Sickle Cover, Wellington Boots	
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Manuring	Apron, Wellington Boots, Dust Mask																	
Harvester	Safety Helmet, Sickle Cover, Wellington Boots																	
e)	The responsible person (s) should be identified.	Yes	The manager of each operating unit was responsible and had a team, the Safety & Health Committee to assist.															
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 committees meetings, which chaired by managers of respective operating units noted conducted periodically. Safety committee meeting observed had been conducted once in three months. 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 and standing meetings 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 mill and estates respectively, during daily routine.
	i)	First Aid equipment should be available at worksites	Yes	It was noted that first aid box was provided to assigned custodians at their respective fields and operation at mill and estates respectively, during daily routine. The first aid boxes noted were inspected monthly of their contents.
	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 been kept by respective operating units. Accidents also noted that had been reviewed on quarterly basis during safety committees meetings of respective operating units.
	4.7.3	Workers should be covered by accident insurance. <i>Major</i>	Yes	Local workers noted were continued covered by SOCSO while foreign workers were covered by insurance under the workman's compensation programme.
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	<p>SOU 6 continued its training needs identification and programmes for the fiscal year 2014/15. Generally, trainings were either been conducted internally by its own staff or externally by other department within Sime Darby Group or suppliers. Training records noted maintained and updated. Examples of training observed were:</p> <ul style="list-style-type: none"> <li>• 'Working at Height' Training –Jan, 2015 – Internally Conducted by Management for all relevant workers.</li> <li>• Use &amp; Standard Exposure of Chemical Hazardous to Health ( USECHH) 2000' –Nov, 2014 – Internally conducted by management for Lab workers.</li> <li>• ERP Coordinates Function &amp; Responsibility –Aug, 2014 – Conducted by Management – attended by ERP Committee.</li> <li>• 'Accident Investigation Reporting' –Sept, 2014 - Conducted by Management attended by Mill Engineer, Production Supervisor.</li> <li>• 'ESH campaign' – Dec 2014 – Internally conducted by PSQM ESH Department – Attended by Workers and Staff'.</li> <li>• 'Training Manuring ( PPE usage ) at Selangor River Division' – Dec2014 – Conducted by Estate Assistant – attended by Workers.</li> <li>• 'SSOP for Harvesting' – Mar 2014 – Internally Conducted by PSQM ESH department - for all relevant workers.</li> <li>• 'Sime Implementation Awareness Program' – Jul2014 – Internally conducted by PSQM ESH.</li> <li>• 'Safety for Sprayers' – Jan 2015 – Conducted by 'Mycrop' supplier –</li> </ul>



				<ul style="list-style-type: none"> <li>attended by Spraying Operators.</li> <li>• ‘Awareness to General safety’ – May 2014 - Conducted by PSQM ESH officer attended by General Workers.</li> <li>• ‘First Aid training’ – Mar 2014 – Internally Conducted by MA department - for Mandore Spraying, AP, Ayah Crèche.</li> <li>• ‘Chemical Calibration Training’ – Jan 2014 – Internally conducted by Mycrop – For sprayers.</li> </ul>
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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.  Significant environmental receptors in the mill are the boiler stack emission, which associated with air emission, palm oil mill effluent (POME) discharge (water) and land contamination which related to managing the schedule wastes and general wastes. For the estate operation, all activities from harvesting, pest and disease, upkeep programme until delivery to mill has been identified. Noted that at Tennamaram POM, environment aspect impact was reviewed and updated for the biogas @ methane capturing plant and new sewage treatment plant at Tennamaram new housing complex.
	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	The CU continued to implement its environmental improvement plan. Significant activities maintained monitored. Sighted wastewater management plan and waste management plan FY2015/2014 had developed by SOU 6. The management periodically reviews to assess the implementation and effectiveness of the established programme. For example the wastewater management programme for Tennamaram SOU was last update on 1/07/2014.
C 5.2 The status of rare, threatened or endangered species (ERTs) and high conservation	5.2.1	Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas	Yes	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. The HCVs identified in the CU are water catchment, worship area, planted forest area and graveyard.

value habitats, if any, that exists in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.		surrounding landholdings. <i>Major</i>		
	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 on the ground. Noted the CU had continued implemented planned 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.</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 and fishing noted were placed at entrant of boundaries especially with neighboring land 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>Waste product and sources of pollution maintained identified. The environmental management plan (cross-refer to 5.1.1 and 5.1.2) were then established to mitigate concerned identified waste product and source of pollution.</p> <p>The most significant environmental receptors for the estates and mill operations were:</p> <ul style="list-style-type: none"> <li>• Air – Source from boiler stack (smoke and particulate), vehicle &amp; generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission) ,</li> <li>• Water – Cleaning water / run-off / process station waters (hydrocyclone / claybath / sterilizer condensate/clarification waste) &amp; boiler quenching water and blowdown.</li> <li>• Land – Scheduled waste, domestic waste and industrial/process waste.</li> </ul>
	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	<p>SOPs and Guidelines had been established to have a systematic routine operation for disposal of waste and to reduce pollutants that has been identified.</p> <p>Domestic wastes observed been disposed by the Local “Majlis Daerah” (Municipal Council) at a frequency of 2 to 3 times per week. Industrial / mill process wastes had</p>

				<p>been disposed as follows:</p> <p>i) EFB were sent for mulching in the field, ii) while crop residue / biomass i.e. fibre and shell were used as fuel in the boiler. Records of EFB application are retained.</p> <p>On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted in timely manner as stipulated in the written approval. Effluent quality monitoring was also continued carried out on the monthly basis.</p> <p>On the scheduled waste management, the established SOP (section 1- Handling of Scheduled Waste) version:1, issue:1 dated 1/11/2008 was verified and found implemented.</p>
	5.3.3	Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). <i>Minor</i>	Yes	Pruned Fronds are stacked in the field to decompose. Palms that were felled during replanting were shredded, windrowed and left to decompose in the field as evident in all the replants inspected during the visit. In addition, EFB mulching and POME application are carried out in order to recycle crop residues/biomass.
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	Monthly monitoring of renewable energy (renewable energy/ ton CPO Processed) is available. Monthly biomass production has been recorded for fiber, shell and EFB. Fiber and shell are being used as the boiler fuel. The renewable energy consumption per CPO were summarized on a month to year basis:
	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	<p>Tennamaram POM no longer used diesel for electricity generation. Diesel noted only used for prime movers and vehicle in the mill.</p> <p>The use direct fossil fuel has reduced since the commission of the 'Biogas' plant, where the Methane produced is used to run the generator.</p> <p>Monitoring of kW per ton palm product noted continued monitored, which a stable trend observed.</p>
C 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in	5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003. <i>Major</i>	Yes	There was no evidence of open burning observed in the SOU 6. No fire was used for waste disposal and for replanting. All domestic waste was removed by the Majlis Daerah 2 to 3 times per week to government approved landfills.

specific situations, as identified in the ASEAN Guidance or other regional best practice.	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ploughed and mulched. <i>Minor</i>	Yes	<p>The CU practiced zero burning in all the replants visited and it was evident that all palms were felled, shredded, windrowed and left to decompose (Photos 12).</p> <p>Where possible, practiced windrowing felled and shredded palms in trenches (Photo 13). The soil from the trenches was used to build up and camber harvesters' path / interline for future mechanization. Windrowing the shredded palms in the trenches prevents / inhibits the breeding of <i>Oryctes rhinoceros</i> beetles thus reducing dependency on chemical control of the beetle and in addition acts to conserve water.</p>
				  <p>Photo12: Shredded &amp; windrowed Palms In Tennamaram</p> <p>Photo 13: Shredded &amp; windrowed Palms in Bukit Talang</p>
	5.5.3	No evidence of burning waste (including domestic waste). <i>Minor</i>	Yes	There was no evidence of open burning observed in the SOU 6. No fire was used for waste disposal and for replanting. All domestic waste was removed by the Majlis Daerah 2 to 3 times per week to government approved landfills.
C 5.6 Plans to reduce pollution and emissions,	5.6.1	Documented plans to mitigate all polluting activities (Cross ref to C 5.1). <i>Major</i>	Yes	The Environmental Improvement Plan / Pollution Prevention Plan had indicated concerned significant environmental aspects and mitigating measures. Cross-refer C5.1.

including greenhouse gases, are developed, implemented and monitored.	5.6.2	Plans are reviewed annually. <i>Minor</i>	Yes	The CU continued periodically reviewed its plan. Progress of action observed been updated. The latest review of FY2014/2015 plan was on January 2015. Cross-refer 15.1.2.
	5.6.3	Monitor and reduce <u>peat</u> subsidence rate through water table management. (Within ranges specified in C 4.3). <i>Minor</i>	Yes	In order to reduce subsidence of peat, the management continued to carry out its best practice in maintaining the water table of this area according to its established procedure and programme. The network of drainage system was adequate and water table was monitored and maintained at 60 cm from the ground surface at all times by using piezometers, water level markers, sand bag stop bunds and water gates. In addition, both Estates had mobile and static water pumps to pump out and pump in as and when the need arises. The inlet and outlet of water through these areas were controlled by water gates.

**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 6. The SIA prepared for SOU 6 in 2013 and for Tennamaram mill, 2008 is still in use. However, a new SIA for SOU 6 is being prepared. The assessment was started in June 2014. All data has been gathered with the participation of external and internal stakeholders. All communications related to the process of preparing the 2014 SIA were sighted.
	6.1.2	Evidence that the assessment has been done with the participation of affected parties. <i>Major</i>	Yes	For the 2008 and 2013 SIA (see above) as well as the new SIA in progress the stakeholders include estate employees, local community, contractors, vendors and suppliers, and relevant government agencies noted were consulted. Attendance lists and records of meetings with various stakeholders during the assessments were made available to the auditors.
	6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. <i>Minor</i>	Yes	The estates and mill audited made available their respective Social Management Plans (Action Plans) for FY 2014/2015. This consisted of a timetable with persons identified for monitoring the measures taken to mitigate negative impacts of estate and mill operation and the measures to enhance the positive ones. These impacts were identified through the SIA and consultations with internal and external stakeholders.
C 6.2 There are open and	6.2.1	Documented consultation and communication	Yes	External and internal communication procedures for the estates and mill to follow and standard operating manuals for customer communications had been developed and

transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		procedures. <i>Major</i>		maintained by SDPSB. These procedures and manuals were found in the Sime Darby Estate/Mill Quality Manual.  An examination of the records kept in the internal and external communication files found that the estates and mill followed the procedures and manuals developed by the company in their communications with internal and external parties. In the case of internal communications, records of meetings, briefings and memos were sighted. Notices and posters / pamphlets displayed on notice boards at the office and the muster ground were also used as a means of internal communication. The regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees. In the case of external communications, they were mainly in the form of correspondence, which were kept in the External Communication File.
	6.2.2	A nominated plantation management official at the operating unit responsible for these issues. <i>Minor</i>	Yes	In each of the estate and mill, an official at the management level was nominated to handle communication and consultation issues. The letters of nomination were sighted. This responsibility is part and parcel of their duties to handle 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	An updated list of stakeholders for FY 2014/15 was made. The list included local communities, contractors, vendors/suppliers, government departments/agencies and estate/mill employees. The employee master list also served as the internal stakeholder list. Records of action taken were found in the Complaints Book and the Action Plan.
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	The procedure for dispute resolution developed by SDPSB maintained as found in the Estate/Mill Quality Management Manual, which is applicable to all SDPSB CUs. The process by which a dispute/complaint was resolved and the outcome was documented in the Complaints Book and the Action Plan.
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. <i>Minor</i>	Yes	There were no complaints / disputes recorded from external stakeholders. All the complaints were from internal stakeholders and related to house repairs. All complaints were recorded in the Complaints Book. A perusal of the entries in the Complaints Book (which included types of complaints and the dates when they were made and attended to) showed that the complaints were resolved in an effective, timely and appropriate manner. If the complaints were not attended to the satisfaction of the complainants they



				could report to the office and corrective actions taken and recorded.
	6.3.3	The system is open to any affected parties. <i>Minor</i>	Yes	The system was open to all aggrieved parties as evidenced by the Complaints Book which is meant to record complaints from all stakeholders both internal and external.
C 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. <i>Major</i>	Yes	Documented procedures for handling land disputes had been developed by SDPSB, namely the Flowchart and Procedures for Handling Boundaries Dispute and the Flowchart, Procedures for Handling Squatters Dispute and Procedures for Handling Social Disputes (refer to Sime Darby Estate Quality Management System and Mill Quality Management System).
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. <i>Minor</i>	Yes	The procedure for calculating and distributing fair compensation was incorporated in the Procedures for Handling Boundaries Dispute and the Procedures for Handling Squatters Dispute. According to the procedure the calculation and distribution of compensation would 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.
	6.4.3	The process and outcome of any compensation claims is documented and made publicly available. <i>Minor</i>	Yes	Not applicable as there were no cases involving compensation claims related to legal and customary disputes.
C 6.5 Pay and conditions for employees and for employees of contractors always	6.5.1	Documentation of pay and conditions. <i>Major</i>	Yes	Pay and conditions for workers were spelled out in the Collective Agreement (CA) between the Malaysian Agriculture Producers Association (MAPA) and the National Union of Plantation Workers (NUPW). Currently, the agreement for harvesters were spelled out in the Collective Agreement of 2010 and for the general workers an agreement was reached in 2011. The agreements though expired in 2013 and 2014

meet at least legal or industry minimum standards and are sufficient to provide decent living wages.				respectively remain effective until a new agreement, currently being negotiated, is reached. The pay and conditions of the new agreement will be backdated to the expiry dates of the 2010 and 2011 agreements. This was stated in the CA of 2010 and 2011. As for the administrative staff, pay and conditions were spelled out in the CA of 2014 between MAPA and the All Malaysian Estates Staff Union (AMESU) for a four year period.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. <i>Minor</i>	Yes	According to the workers and staff interviewed, when the current CA was first enforced the payments and conditions of employment stated in the CA and in the job offer letter were explained to them by the plantation management. As for deductions for EPF, SOCSO, insurance, etc., worker consent to the deductions can be found in the Communication File.
	6.5.3	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with <b>Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446)</b> or above, where no such public facilities are available or accessible (not applicable to smallholders). <i>Minor</i>	Yes	The amenities provided by SDPSB to its employees (workers and administrative staff) were in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There were no records of complaints made regarding this issue. All estates and the mill provided either 2 or 3 bedroom houses for the workers and staff. The employees were also provided with potable water, electricity, clinics, Muslim prayer houses (surau), Hindu temples, recreational facilities (such as badminton/volleyball court, football field, futsal and community hall) and sundry shops. The staff and workers interviewed affirmed that they were satisfied with the housing and amenities provided.

C 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	Documented minutes of meetings with main trade unions or workers representatives. <i>Major</i>	Yes	As noted above, each estate/mill has two local unions, one for the workers and the other for the administration staff i.e. NUPW and AMESU, respectively. Minutes of meetings held between estate / mill management and local union leaders were noted retained the Principle 6 File (Tennamaram Estate), the Joint Consultative Committee (JCC) Meeting File (Tennamaram Mill) and NUPW Correspondence File (Sg. Buloh Estate).
	6.6.2	A published statement in local languages recognizing freedom of association. <i>Minor</i>	Yes	A statement recognizing freedom of association (FOA) was found incorporated in the company Social Policy. This Policy was sighted on notice boards in the estates and mill.
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	An inspection of the employees register confirmed that no employee below 18 years of age was recruited 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 was embedded in SDPSB's Social Policy statement. This Policy noted displayed on notice boards in the estates and mill.
	6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against. <i>Minor</i>	Yes	An inspection of the employment offer letters in relation to the MAPA-NUPW and MAPA-AMESU agreements revealed no case of discrimination based on race, religion, gender, national origin or any other form of discrimination. The payments and conditions of employment, for example, either foreign or local, male or female employees, were not decided arbitrarily by the estate / mill management. All employees, regardless of their socio-cultural and political backgrounds, were provided with the same housing and amenities as required by the law. Staff and workers interviewed also confirmed that they had not come across cases of discrimination.
C 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	6.9.1	A policy on sexual harassment and violence and records of implementation. <i>Major</i>	Yes	SDPSB had continued to maintain its explicit policy statements on sexual harassment and violence against women. A newly developed Gender Committee Handbook First Edition 2014 presently provides the guidelines for taking actions on sexual harassment cases. This was an update of the manual on handling sexual harassment and violence against women developed some years ago.  Each estate and mill in the SOU had established a Gender Committee whose mandate, as stated in the Handbook, was to plan programmes and activities related to the prevention of sexual harassment and all other forms of violence against women and the protection of their reproductive rights, for estate / mill female employees. An examination of minutes of meetings held showed records of activities carried out and planned for FY 2014/15.
	6.9.2	A specific grievance mechanism is established. <i>Major</i>	Yes	A specific grievance mechanism for handling sexual harassment/violence against women, which was established some years ago had been updated. This updated version can be found embodied in the Gender Committee Handbook mentioned in 6.9.1 above.
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 does not apply as no outside crop was taken in. 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	Not applicable as no outside crop was taken in.

	6.10.3	Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <i>Minor</i>	Yes	The contractors and suppliers interviewed affirmed 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 stated that the agreed payments were made in a timely manner. There were no complaints of delayed payments.
C 6.11 Growers and millers contribute to local sustainable development wherever appropriate.	6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities. <i>Minor</i>	Yes	Records of contributions made to internal and external stakeholders were found in the CSR file. These included contributions to nearby schools, maintenance of estate / mill “surau” and temple and workers’ family day and other festive celebrations. This was confirmed by neighbouring village heads and estate / mill workers interviewed.

**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
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.	8.1.1	Minimise use of certain pesticides (C4.6). <i>Major</i>	Yes	<p>SOU 6 continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques. In order to minimize use of Insecticides the estate has established nurseries for beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>. This was to establish continuity in the planting of beneficial plants.</p> <p>The estates noted committed to reduce using chemicals and had implemented only grass cut the harvester’s path. Only Circles and noxious weeds were sprayed out. By grass cutting the paths, SOU 6 not only minimise the use of chemicals but also aim to reduce the growth of noxious weeds. Soft weeds and <i>Nephrolepis bisserata</i> were maintained and encouraged in interlines. Furthermore, wild oil palm seedling (VOPs) were not sprayed, instead they are manually removed and left to dry out on roadsides, thus further reducing chemical usage.</p>

MY NIWG commits to demonstrate progressive improvement to the following but not limited to:	8.1.2	Environmental impacts (C5.1). <i>Major</i>	Yes	The CU maintained continued periodically review its environmental aspects. At Tennamaram POM, environment aspect impact was reviewed and updated for the biogas @ methane capturing plant and new sewage treatment plant at Tennamaram new housing complex. 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	Biomass production such as fibre, shell and empty fruit bunch is available in Tenamaram POM. Most of the fibre and shell noted continued used for the renewable energy generation-steam turbine for the CPO production. While the Empty Fruit bunches continued sent to their own estates to be used for mulching.
	8.1.4	Pollution prevention plans (C5.6). <i>Major</i>	Yes	Pollution prevention plan noted been reviewed annually (cross-referC5.1) for the mill and estates. Audit at sites showed that the action plan for the environmental issue had continued implemented.
	8.1.5	Social impacts (C6.1). <i>Major</i>	Yes	A new SIA for SOU 6 was carried out in 2014.The estates audited had also updated their stakeholder lists and social action plans (including the plans' implementation) for FY 2014/2015. The yearly updating of the social action plan was the result of the annual stakeholders consultation.
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. <i>Minor</i>	Yes	The social and environmental action plan had a section on the implementation and monitoring status of the actions taken, which aim to reduce negative and enhance positive impacts. Environmental and social performance maintained captured in expenditure records and annual budget, which periodically reviewed.

## **Module D – Segregation**

<b>Item No</b>	<b>Requirement</b>	<b>Findings</b>
<b>D.1</b> D.1.1	<b>Documented procedures</b> 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:	
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements	Tennamaram POM maintained a documented procedure (SOP), “Sustainable Plantation Management System”, Appendix 15 : Standard Operating Procedure (SOP) for RSPO Supply Chain Certification System and Traceability, version 1, issue 1, dated March 2013. The established procedure has described the implementation of Supply Chain System as per required SCCS standard.
	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.	Mr. Muhammad Izzudin Ismail had been appointed as a new RSPO SCCS Management Representative (MR) due to internal transfer practices.
D.1.2	The facility shall have documented procedures for receiving and processing certified and noncertified FFBs.	Procedures for receiving and processing certified FFBs maintained as stated in Section 5.2.2.2, Purchasing and goods in.
<b>D.2</b> D.2.1	<b>Purchasing and goods in</b> The facility shall verify and document the volumes of certified and non-certified FFBs received.	The mill maintained to verify and record volume of FFB upon received at weighbridge.
D.2.2	The facility shall inform the CB immediately if there is a projected overproduction.	There were overproduction observed, i.e. the actual production of CPO was 53,323.21 mt compared to 53,138.64 mt projected for the period of December 2013 to November 2014. However, CB was not informed of overproduction. Thus, <b>Major HO-2015-02</b> raised.
<b>D.3</b> D.3.1	<b>Record keeping</b> The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	Tennamaram POM observed had maintained accurate, up-to-date records and accessible. Related documents sighted, such as: <ul style="list-style-type: none"> <li>• Training records</li> </ul>

		<ul style="list-style-type: none"> <li>• Incoming FFB records (e.g. Consignment note, Weighbridge tickets)</li> <li>• Outgoing of CPO and PK records (e.g. Weighbridge tickets, Transporter's DN)</li> <li>• Production records</li> <li>• Sales records (e.g. Contract)</li> </ul>
D.3.2	Retention times for all records and reports shall be at least five (5) years.	Para 5.2.2.1 of Recort keeping procedure appropriately address the company's SOP for retention of records, i.e. all record and report regarding RSPO SCCS will be kept for 5 years. The precedure noted been implemented accordingly. Sample of records of 2010 was presented for confirmation.
D.3.3	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.	Tennamaram POM had established a three-monthly basis monitoring sheet to monitor incoming input and outgoing outputs. The figures noted accurate and up date.
D.3.4	The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	<p>Observed not all relevant documents for RSPO good out had consistently specified as RSPO good and its supply chain model. There were documents, as examples below had not consistently specified as RSPO good and its supply chain model.</p> <ul style="list-style-type: none"> <li>- Contract: S/C-PSD/1501/CP00004</li> <li>- Contract: S/AGC/1014/PK2739P</li> <li>- Despatch Note: 009909, 21/1/15</li> <li>- Despatch Note: 009938, 29/1/15</li> <li>- Weighbridge Ticket: 012449, 29/1/15</li> </ul> <p>Thus, <b>Major HO-2015-03</b> raised.</p>
<b>D.4</b> D.4.1	<p><b>Sales and good out</b></p> <p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <ol style="list-style-type: none"> <li>a) The name and address of the buyer;</li> <li>b) The date on which the invoice was issued;</li> <li>c) A description of the product, including the applicable supply chain model (Segregated)</li> <li>d) The quantity of the products delivered;</li> <li>e) Reference to related transport documentation.</li> </ol>	As highlighted in D3.4, not all relevant documents for RSPO good out had consistently specified as RSPO good and its supply chain model. Though generally, required information had included in sales documents, there were documents had not consistently specified as RSPO good and its supply chain model.
<b>D.5</b>	<b>Processing</b>	Observed that Tennamaram POM had only receives FFB from certified supply bases.



D.5.1	The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material <sup>9</sup> ; up to 5 % contamination is allowed.	
D.5.2	The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	Records of volume received was verified able to determine that only certified FFB were processed by Tennamaram mill.
D.5.3	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: <ul style="list-style-type: none"> <li>• The crush operator conforms to these requirements for segregation</li> <li>• The crush is covered through a signed and enforceable agreement</li> </ul>	No outsources activities was observed.
<b>D.6</b> D.6.1	<b>Training</b> The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Relevant training observed been provided. Attendance list was sighted. Based on training material, the training conducted was found to be appropriately covering the aspects in RSPO Supply Chain implementation.
<b>D.7</b> D.7.1	<b>Claims</b> The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.	No claim and use pertaining RSPO Trade logo was observed.

## 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.

### 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 Tennamaram CU.

### 7.5 Noteworthy Positive and Negative Observation

Stakeholders interviewed had given positive feedback. No issues or noncompliance observed related to social, environmental and safety and health.

Good Agriculture Practices (GAP) also observed improved, such as:

- use of peg for area for staking fronds to avoid miss placed / not properly stacked. Cut fronds in field drains is now avoided and the flow of water in these drains will not be impeded.
- use of exact recommended amount of fertilizer for each palm in the replants by weighed and packed in small bags. This method not only ensures that all palms receive the correct amount of fertilizer but also that no palm is missed out.
- practices to windrowing felled and shredded palms in trenches where possible. The soil from the trenches was used to build up and camber harvesters' path / interline for future mechanization. Windrowing the shredded palms in the trenches prevents / inhibits the breeding of *Oryctes* rhinoceros beetles thus reducing dependency on chemical control of the beetle. In addition the trenches act to conserve water.

In general, 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, Tennamaram CU continues maintained the implementation of RSPO P&C certification in accordance with the requirements of the standard as well as with the organization's documented procedures. Positive observation was also noted as highlighted in Section 7.5. However further actions are required with regards to nonconformities raised.

## 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*

31/7/15

(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: 31/7/15

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

SIME DARBY PLANTATION SDN BHD  
(Company No. 647766-V)  
KILANG KELAPA SAWIT TENNAMARAM

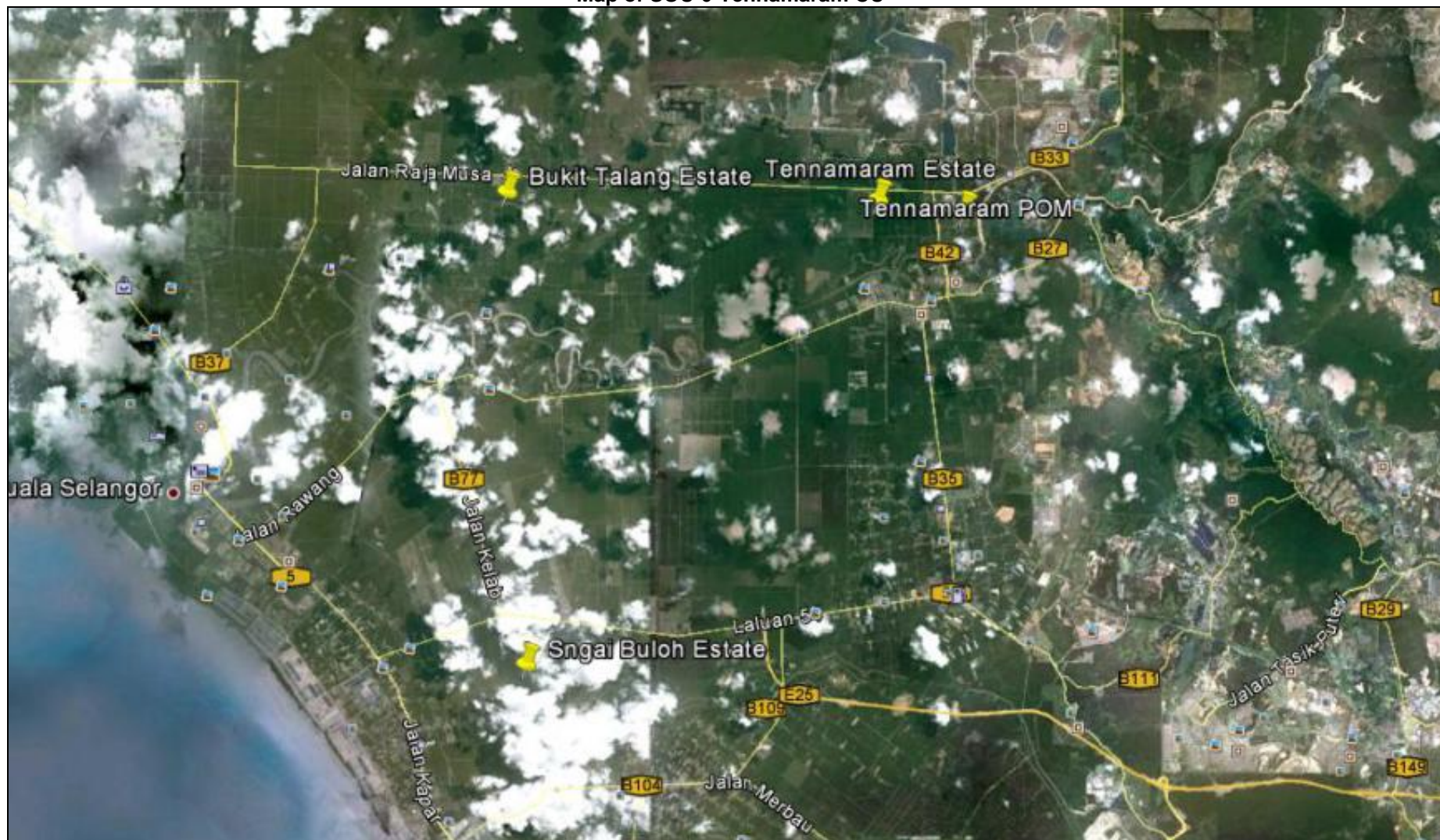
Signature: 

Name: \_\_\_\_\_

Designation: ZALIZAN BIN MOHD TAHIR  
PENGURUS KILANG

Date: 05/08/2015

Map of SOU 6-Tennamaram CU



## SIRIM QAS INTERNATIONAL SDN. BHD.

RSPO ANNUAL SURVEILLANCE ASSESSMENT PLAN
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**1. Objectives**

The objectives of the assessment are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (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** : 24<sup>th</sup> to 27<sup>th</sup> February 2015

**3. Site of assessment** : Sime Darby Plantation Sdn. Bhd.  
Kilang Kelapa Sawit Tennamaram  
45600 Batang Berjuntai  
Selangor Darul Ehsan

**4. Reference Standard:**

- RSPO P&C MYNI: 2010
- RSPO Supply Chain Certification Standard, November 2011
- Company's audit criteria including Company's Manual/Procedures

**5. Assessment Team**

a) Lead Assessor : Hazani Othman  
b) Assessor : Selvasingam T Kandiah  
Jagathesan A/L Suppiah  
Dr. Zahid Emby

*(If there is any objection to the proposed audit team, the organization is required to inform the Lead Assessor/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 and printing facilities
- e) A guide for each assessor

**12. Assessment Programme Details:** As shown below:

**Day One: 24 February 2015 Tuesday)**

Time	Jaga	Dr. Zahid	Selva	Hazani	Auditee
0900-0930	Opening Meeting, audit team introduction and briefing on audit objectives, scope, methodology, criteria and programmes by audit team leader				Top management & Committee Members
0930-1000	Briefing on the organization implementation of RSPO (including action taken to address main assessment findings) and update on time bound plan progress				Management Representative
1000-1300	<p>Site visit and assessment at <b>Tennamaram POM</b> relating to occupational safety, health, Good Milling Practices and environmental aspects, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>• Production area</li> <li>• Non-production area e.g. engine room, boiler, WTP, workshop, laboratory etc.</li> <li>• Waste management</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<p>Site visit and assessment at <b>Tennamaram Estate</b> relating to social aspects, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>• SIA and management plan</li> <li>• Interviews with administration staff, Union representatives (if any)</li> <li>• Discussion with management (CSR, community affairs)</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Visit line site and discussion with Workers and dependents</li> <li>• Facilities at living quarters (<i>surau</i>, provision shop, crèche, etc.)</li> <li>• Visit and interview with surrounding local communities and contractors</li> <li>• Interview with stakeholders and relevant government agencies</li> </ul>	<p>Site visit and assessment at <b>Sungai Buloh Estate</b> relating to Good Agricultural Practice, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>• Nursery (if any)</li> <li>• Good Agricultural Practice</li> <li>• Witness activities &amp; assessment at site (weeding / spraying / harvesting / other maintenance activities)</li> <li>• Replanting area</li> <li>• Waste management</li> <li>• Water management plan</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<p>Site visit and assessment at <b>Bukit Talang Estate</b> relating to estates boundary, HCV, and management plan, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>• Conservation area management</li> <li>• Riparian Buffer Zone</li> <li>• Water bodies and river system</li> <li>• Plantation on hilly and swampy area (if any)</li> <li>• Consultation with relevant government agencies, if applicable</li> <li>• Commitment to transparency</li> <li>• Verification of land title and boundary stone</li> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4,</p>	Guide/PIC



		e.g. Forest Dept., Wildlife Dept., etc. (if applicable) <ul style="list-style-type: none"> <li>• Commitment to transparency</li> <li>• Continuous Improvement Plan</li> </ul> Assessment on related Indicators of P1, P2, P5, P6 and P8		P5, P8	
1300-1400	Lunch Break				
1400-1700	Continue assessment at <b>Tennamaram POM</b>	Continue assessment at <b>Tennamaram Estate</b>	Continue assessment at <b>Sungai Buloh Estate</b>	Continue assessment at <b>Bukit Talang Estate</b>	Guide/PIC

#### Day Two: 25 February 2015 (Wednesday)

Time	Jaga	Dr. Zahid	Selva	Hazani	Auditee
0900-1300	Site visit and assessment at <b>Sungai Buloh Estate</b> relating to occupational safety, health, and environmental aspects, including follow up of previous issue, if any: <ul style="list-style-type: none"> <li>• Chemical &amp; fertilizer stores</li> <li>• Estate Workshop</li> <li>• Facilities at workplace (water treatment plant, clinic, genset etc.)</li> <li>• Waste management</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> </ul>	Site visit and assessment at <b>Tennamaram POM</b> relating to social aspects, including follow up of previous issue, if any: <ul style="list-style-type: none"> <li>• SIA and management plan</li> <li>• Interviews with administration staff, Union representatives (if any)</li> <li>• Discussion with management (CSR, community affairs)</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Visit line site and discussion with Workers and dependents</li> <li>• Facilities at living quarters</li> </ul>	Site visit and assessment at <b>Bukit Talang Estate</b> relating to Good Agricultural Practice, including follow up of previous issue, if any: <ul style="list-style-type: none"> <li>• Nursery (if any)</li> <li>• Good Agricultural Practice</li> <li>• Witness activities &amp; assessment at site (weeding/ spraying/ harvesting/ other maintenance activities)</li> <li>• Replanting area</li> <li>• Waste management</li> <li>• Water management plan</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Commitment to long-term</li> </ul>	Site visit and assessment at <b>Tennamaram Estate</b> relating to estates boundary, HCV, and management plan, including follow up of previous issue, if any: <ul style="list-style-type: none"> <li>• Conservation area management</li> <li>• Riparian Buffer Zone</li> <li>• Water bodies and river system</li> <li>• Plantation on hilly and swampy area (if any)</li> <li>• Consultation with relevant government agencies, if applicable</li> <li>• Commitment to transparency</li> <li>• Verification of land title and boundary stone</li> </ul>	Guide/PIC

	<ul style="list-style-type: none"> <li>Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<p>(<i>surau</i>, provision shop, crèche, etc.)</p> <ul style="list-style-type: none"> <li>Visit and interview with surrounding local communities and contractors</li> <li>Interview with stakeholders and relevant government agencies (if applicable)</li> <li>Commitment to transparency</li> <li>Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P5, P6 and P8</p>	<p>economic and financial viability</p> <ul style="list-style-type: none"> <li>Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Commitment to long-term economic and financial viability</li> <li>Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2,P3, P4, P5, P8</p>	
1300-1400	Lunch Break				
1400-1700	Continue assessment at <b>Sungai Buloh Estate</b>	Continue assessment at <b>Tennamaram POM</b>	Continue assessment at <b>Bukit Talang Estate</b>	Continue assessment at <b>Tennamaram Estate</b>	Guide/PIC

### Day Three: 26 February 2015 (Thursday)

Time	Jaga	Dr. Zahid	Selva	Hazani	Auditee
0900-1300	<p>Site visit and assessment at <b>Bukit Talang Estate</b> relating to occupational safety, health, and environmental aspects, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>Chemical &amp; fertilizer store</li> <li>Estate Workshop</li> <li>Facilities at workplace (water treatment plant, clinic, genset etc.)</li> <li>Waste management</li> </ul>	<p>Site visit and assessment at <b>Sungai Buloh Estate</b> relating to social aspects, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>SIA and management plan</li> <li>Interviews with administration staff, Union representatives (if any)</li> <li>Discussion with management (CSR,</li> </ul>	<p>Site visit and assessment at <b>Tennamaram Estate</b> relating to Good Agricultural Practice, including follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>Nursery (if any)</li> <li>Good Agricultural Practice</li> <li>Witness activities &amp; assessment at site (weeding/ spraying/ harvesting/ other</li> </ul>	<p>Site visit and assessment at <b>Tennamaram POM</b> relating to Supply Chain implementation including the model used, and follow up of previous issue, if any:</p> <ul style="list-style-type: none"> <li>General Chain of Custody System Requirements for the supply chain</li> <li>Documented procedures</li> <li>Purchasing and goods in</li> </ul>	Guide/PIC

	<ul style="list-style-type: none"> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<ul style="list-style-type: none"> <li>• community affairs)</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Visit line site and discussion with Workers and dependents</li> <li>• Facilities at living quarters (<i>surau</i>, provision shop, crèche, etc.)</li> <li>• Visit and interview with surrounding local communities and contractors</li> <li>• Interview with stakeholders and relevant government agencies e.g. Forest Dept., Wildlife Dept., etc. (if applicable)</li> <li>• Commitment to transparency</li> <li>• Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P5, P6 and P8</p>	<ul style="list-style-type: none"> <li>• maintenance activities)</li> <li>• Replanting area</li> <li>• Waste management</li> <li>• Water management plan</li> <li>• Commitment to transparency</li> <li>• Laws and regulations</li> <li>• Commitment to long-term economic and financial viability</li> <li>• Continuous Improvement Plan</li> </ul> <p>Assessment on related Indicators of P1, P2, P3, P4, P5, P8</p>	<ul style="list-style-type: none"> <li>• Outsourcing activity</li> <li>• Sales and goods out</li> <li>• Processing</li> <li>• Records keeping</li> <li>• Registration</li> <li>• Training</li> <li>• Claims</li> <li>• Mass balance accounting</li> </ul>	
1300-1400	Lunch Break				
1400-1700	Continue assessment at <b>Bukit Talang Estate</b>	Continue assessment at <b>Sungai Buloh Estate</b>	Continue assessment at <b>Tennamaram Estate</b>	Continue assessment at <b>Tennamaram POM</b>	Guide/PIC

**Day Four: 27 February 2015 (Friday)**

<b>Time</b>	<b>Jaga</b>	<b>Dr. Zahid</b>	<b>Selva</b>	<b>Hazani</b>	<b>Auditee</b>
0900-1015	Continue with unfinished assessment	Continue with unfinished assessment	Continue with unfinished assessment	Continue with unfinished assessment	Guide/PIC
1015-1115	Assessment Team discussion, preparation on assessment findings and issuance of NCR (if any)				None
1115-1230	Closing Meeting				Top management & 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.*

## Detail of Non-conformities and Corrective Actions Taken

No.	Clause & Classification	Non-conformity	Action	Status
1. HO-2015-01	2.2.3.1 Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained  Minor	<b><u>Finding:</u></b> Not all boundary stones along the perimeter bordered to forest reserve was able been located and visibly maintained.  <b><u>Objective evidence:</u></b> Not all boundary stones bordered to forest reserve at Tennamaram Estate was able been located and visibly maintained.	Written request to Land Management Dept. (Sime Darby) and plan for budgeting for boundary marking in FY2016/2017 had been initiated.	Accepted for closing.  Verification for closing shall be follow-up in the next audit.
2. HO-2015-02	D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.  Major	<b><u>Finding:</u></b> CB was not informed of overproduction.  <b><u>Objective evidence:</u></b> The actual production of CPO was 5,3323.21 mt compared to 53,138.64 mt projected for the period of December 2013 to November 2014.	CB had been informed, and monitoring mechanism will be established.	Accepted for closing.  Effectiveness of implementation shall be follow-up in the next audit.
3. HO-2015-03	D.3.4 The following trade names should be used and specified in relevant documents (e.g.	<b><u>Finding:</u></b> Not all relevant documents for RSPO good out had consistently specified as RSPO good and its supply chain model.  <b><u>Objective evidence:</u></b>	The relevant department had been informed to always specify in the contract, and plan to indicates the status in the relevant outgoing document including the Dispatch Note, as well as the Weighbridge Ticket.	Accepted for closing.  Effectiveness of implementation shall be follow-up in the next audit.

	<p>purchase and sales contracts, *product name*/SG or Segregated). The supply chain model used should be clearly indicated.</p> <p>Major</p>	<p>There were documents, as examples below had not consistently specified as RSPO good and its supply chain model.</p> <ul style="list-style-type: none"> <li>- Contract: S/C- PSD/1501/CP00004</li> <li>- Contract: S/AGC/1014/PK2739P</li> <li>- Despatch Note: 009909, 21/1/15</li> <li>- Despatch Note: 009938, 29/1/15</li> <li>- Weighbridge Ticket: 012449, 29/1/15</li> </ul>		
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