



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : ES10170005

**RSPO PUBLIC SUMMARY REPORT
SURVEILLANCE AUDIT**

CLIENT : KEMPAS STRATEGIC OPERATING UNIT

PARENT COMPANY : SIME DARBY PLANTATION SDN. BHD.

RSPO MEMBERSHIP No.:

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
KEMPAS Strategic Operating Unit (SOU 17)	Kempas Oil Mill	2° 36.68''	102° 28' 52.99''	77000, Jasin, Melaka
	Kempas Estate	2° 15'	102° 26'	71000, Jasin, Melaka
	Kemuning Estate	2° 27'	102° 20'	76460, Tebong, Melaka
	Tangkah Estate	2° 22'	102° 37'	84900, Tangkak, Johor
	Serkam Division	2° 19'	102° 24'	77009, Jasin, Melaka

MAP : See Attachment 1

AUDIT DATE : 21-25 March 2016

DURATION : 14 auditor days

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION:

Production of Crude Palm Oil and Palm Kernel Using Mass Balance Model

VALIDITY OF RSPO CERTIFICATE : 20/5/2015-19/5/2020

The following attachments form part of this report:

Non-conformity Report(s) ☒

List of additional site(s) ☐

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : Mohd Zulfakar
Kamaruzaman

Name : Suhaimi Abu Bakar

Signature : *Mohd Zulfakar*

Signature : *R/P [Signature]*

Date : 15 May 2016

Date : 17 May 2016

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SUMMARY OF AUDITS

Recertification Audit 1				
On-site audit date :	6 - 9 April 2015		No. of auditor days :	16 Auditor Days
Audit team :	Valence Shem (LA), Hazani Othman, Jagathesan a/l Suppiah, Dr Zahid Emby			
No. of major NCR :	1	Indicator: 4.8.1		Closing date : 17/4/15
No. of minor NCR :	1	Indicator : 5.3.2		
Indicate the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	x		x	x
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
	x			
Supply base sampled :	Kempas Estate and Serkam Division			

Annual Surveillance Audit 1				
On-site audit date :	21-25 March 2016		No. of auditor days :	14 Auditor Days
Audit team :	Mohd Zulfakar Kamaruzaman (LA) , Hazani Othman, Jagathesan a/l Suppiah, Ismail Ibrahim			
No. of major NCR :	0	Indicator: --		Closing date : -
No. of minor NCR :	3	Indicator : 2.2.2, 4.4.1, 6.2.3		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	x		x	x
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
	x			
Supply base sampled :	Tangkah Estate and Kemuning Estate			
Changes since the last audit :	No changes.			

Annual Surveillance Audit 2				
On-site audit date :			No. of auditor days :	
Audit team :				
No. of major NCR :		Indicator:		Closing date :
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

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Annual Surveillance Audit 3				
On-site audit date :		No. of auditor days :		
Audit team :				
No. of major NCR :		Indicator:	Closing date :	
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractor	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

Annual Surveillance Audit 4				
On-site audit date :		No. of auditor days :		
Audit team :				
No. of major NCR :		Indicator:	Closing date :	
No. of minor NCR :		Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees	Settlers	Villagers	Suppliers
	Contract workers	NGOs	Govt. agency	Independent growers
	Indigenous people	Contractors	Others (Please specify)	
Supply base sampled :				
Changes since the last audit :				

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Abbreviations:

ARM	Agriculture Reference Manual
BOD	Biochemical Oxygen Demand
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CU	Certification Unit
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory Machineries Act
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MOA	Memorandum of Alliance or Agreement
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADOPOD	Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease
NCR	Non-Conformity Report
NGO	Non-Governmental Organisation
OER	Oil Extraction Rate
OG	Oil & Grease
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Act
OHSAS	Occupational Health and Safety Assessment Series
PIC	Person-In-Charge
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PTW	Permit To Work
RSPO	Roundtable on Sustainable Palm Oil
SDPSB	Sime Darby Plantation Sdn Bhd
SIA	Social Impact Assessment
SOCISO	Social Security Organisation
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health

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1.0 AUDIT PROCESS

1.1 Certification Body

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

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Mohd Zulfakar Kamaruzaman	Lead Auditor Good Agricultural Practices (GAP)	<ul style="list-style-type: none"> Holds a B.Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation. Successfully completed IRCA accredited Lead Assessor training for QMS, EMS and OHSMS.
Hazani Othman	Auditor, Conservation Scopes and Social	<ul style="list-style-type: none"> Holds a Bachelor of Forestry Science and Diploma in Forestry, from the Universiti Putra Malaysia. He is a Lead auditor for ISO 14001, FSC & MTCC FMC and CoC and RSPO P&C
Jagathesan a/l Suppiah	Auditor / Occupational Health & Safety, environmental related to mill and plantation	<ul style="list-style-type: none"> Possess a Bachelor of Chemical Science & Minor in Management (Hons). Had carried out audits for various scheme such as ISO 9001, ISO 13485, ISO 14001, OSHAS 18001 and GMP/FDA regulations for the past 15 years.
Ismail Bin Ibrahim	Auditor / Supply chain related to mill and plantation	<ul style="list-style-type: none"> Holds a Diploma in Industry and BBA in Management from the Eastern Michigan University, USA. Qualified to conduct audits for chain of custody and RSPO supply chain.

1.3 Audit plan : Refer to Attachment 2

1.4 Date of next audit :

The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

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2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Kempas Certification Unit (Kempas CU) is one of the Strategic Operating Unit (SOU) of Sime Darby Plantation Sdn. Bhd. (SDPSB). The CU is also known as SOU 17 and was initially certified to the RSPO P&C by SIRIM QAS International Sdn Bhd in 2015.

The Kempas CU comprises of the Kempas Palm Oil Mill (Kempas POM) and four supply base i.e. the Kempas Estate, Kemuning Estat, Tangkah Estate and Serkam Division. All the estates are owned by SDPSB. The Kempas POM has a mill capacity of 60 mt/hr.

2.2 Description of the Supply Base (including the planting profile)

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 2: Actual FFB production by the supply base for the last reporting period (March 2015 to February 2016)

Estates	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Kempas	108,040.00	35.511	SIRIM
Kemuning	55,360.37	18.196	SIRIM
Tangkah	25,700.29	8.447	SIRIM
Serkam Div.	23,368.78	7.681	SIRIM
Bukit Asahan	10,384.60	3.413	BSI
Bukit Pilah	707.14	0.232	CUC
D.Jubilee	5,073.90	1.668	BSI
Kok Foh	3,307.06	1.090	CUC
Lanadron	865.02	0.284	BSI
Pagoh	1,042.28	0.343	BSI
Pengkalan Bukit	1,165.64	0.383	BSI
Pertang	911.19	0.299	CUC
Salak	0	0	SGS
Sengkang	2,734.57	0.900	SGS
Sg. Bharu	1,029.87	0.339	SGS
Sua Betong	73.93	0.024	SGS
Sg.Sabaling	141.92	0.047	CUC
Sg. Senarut	20.91	0.007	CUC
St Helier	1,054.64	0.345	CUC
Welch	109.93	0.036	BSI
Third parties	63,150.04	20.757	-
Total	304,242.08	100	

Table 3: Projected FFB production by supply base for the next reporting period (March 2016 to February 2017)

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Kempas	90,698.10	37.35
Kemuning	55,734.47	22.95
Tangkah	56,581.36	23.30
Serkam Div.	15,328.88	6.31
Total	218,342.81	89.91
Other Supply Bases		
Third parties	24,512.00	10.09
Grand Total	242,854.81	100

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Table 4: Actual FFB received and CPO & PK dispatch by Kempas POM for the last reporting period
(March 2015 – February 2016)

	Total (MT)
FFB Received	304,242.08
FFB Processed	304,272.17
CPO Production	63,596.62
PK Production	15,985.73
CPO delivered as Mass Balance	34,543.67
CPO delivered as non-RSPO certified	28,681.88
PK delivered as Mass Balance	7,058.31
PK delivered as non-RSPO certified	8,616.54

Table 5: Projected FFB received and CPO & PK dispatch by Kempas POM of the next reporting period
(March 2016 – February 2017)

	Total (MT)
FFB Received	242,854.81
FFB Processed	242,854.81
CPO Production	51,977.91
PK Production	12,353.89
CPO delivered as Mass Balance	46,725.37
CPO delivered as non-RSPO certified	5,252.34
PK delivered as Mass Balance	11,104.29
PK delivered as non-RSPO certified	1,249.60

Table 6 Planted and certified area of Kempas CU

Estate	Planted (ha)	Certified (ha)
Kempas Estate	4441.43	4577.81
Kemuning Estate	2540.90	2676.68
Tangkah Estate	2496.2	2559.16
Serkam Division	879.64	898.90
Total	10358.17	10712.55

Table 7 Planting profile for SOU Kempas

<u>Estate</u>	<u>Year of establishment</u>	<u>Mature (Ha)</u>	<u>Immature (Ha)</u>	<u>Planted area</u>	<u>% of planted area mature</u>	<u>% of planted area immature</u>
Kempas Estate	1940	3739.09	702.34	4441.43	84.18	15.82
Kemuning Estate	1973	2201.7	339.2	2540.90	86.65	13.35
Tangkah Estate	1966	2337.46	158.74	2496.2	93.64	6.36
Serkam Division	1970	620.07	259.57	879.64	68.17	31.83
Total		8898.32	1459.85	10358.17	85.91	14.09

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Suhaimi bin Abu Bakar
Position	:	Senior Manager, Kempas Estate
Address	:	Ladang Kempas, KB 1710, 77000 Jasin, Melaka, Malaysia
Phone no.	:	+606 263 1305
Fax no.	:	+606 263 5260
Email	:	suhaimi.abu.bakar@simedarby.com

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3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year.

There is no changes to certified products.

3.2 Time bound plans including changes and reasons for the changes see below

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- labour conflicts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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

There is no changes to the time-bound plan.

3.4 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.

If no, please state reasons N/A as there is no associated smallholders supplying FFB to the CU.

3.5 Any new acquisition which has replaced primary forests or HCV areas

☐ Yes ☒ No

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

There is no changes since last year, contact person still the same since last year Mr Suhaimi Abu Bakar.

3.7 Status of previous non-conformities * (refer to Attachment 6)

Closed ☒ Not closed ☐

* If not closed, minor non conformity will be upgraded to major non conformity

3.8. Complaint received from stakeholder (if any) :

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 Kempas CU.

4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C : (Details checklist refer to Attachment 3)

Total no. of minor NCR(s)
(refer to Attachment 4)

3 List : **HO-01 , HO-02 , MZK 01 2016**

Total no. of major NCR(s)

0 List : -

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4.2 For SC : (Details checklist refer to Attachment 5)

Total no. of minor NCR(s) 0 List : 0

Total no. of major NCR(s) 0 List : 0

5.0 AUDIT CONCLUSION

The audit team concludes that the organization has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

It is confirmed that all corrective actions plan for the minor non-conformities had been provided, reviewed and accepted.

6.0 RECOMMENDATION

☐

No NCR recorded. Recommended to continue certification.

☒

Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next 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. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.

☒

Recommended to continue certification.

☐

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

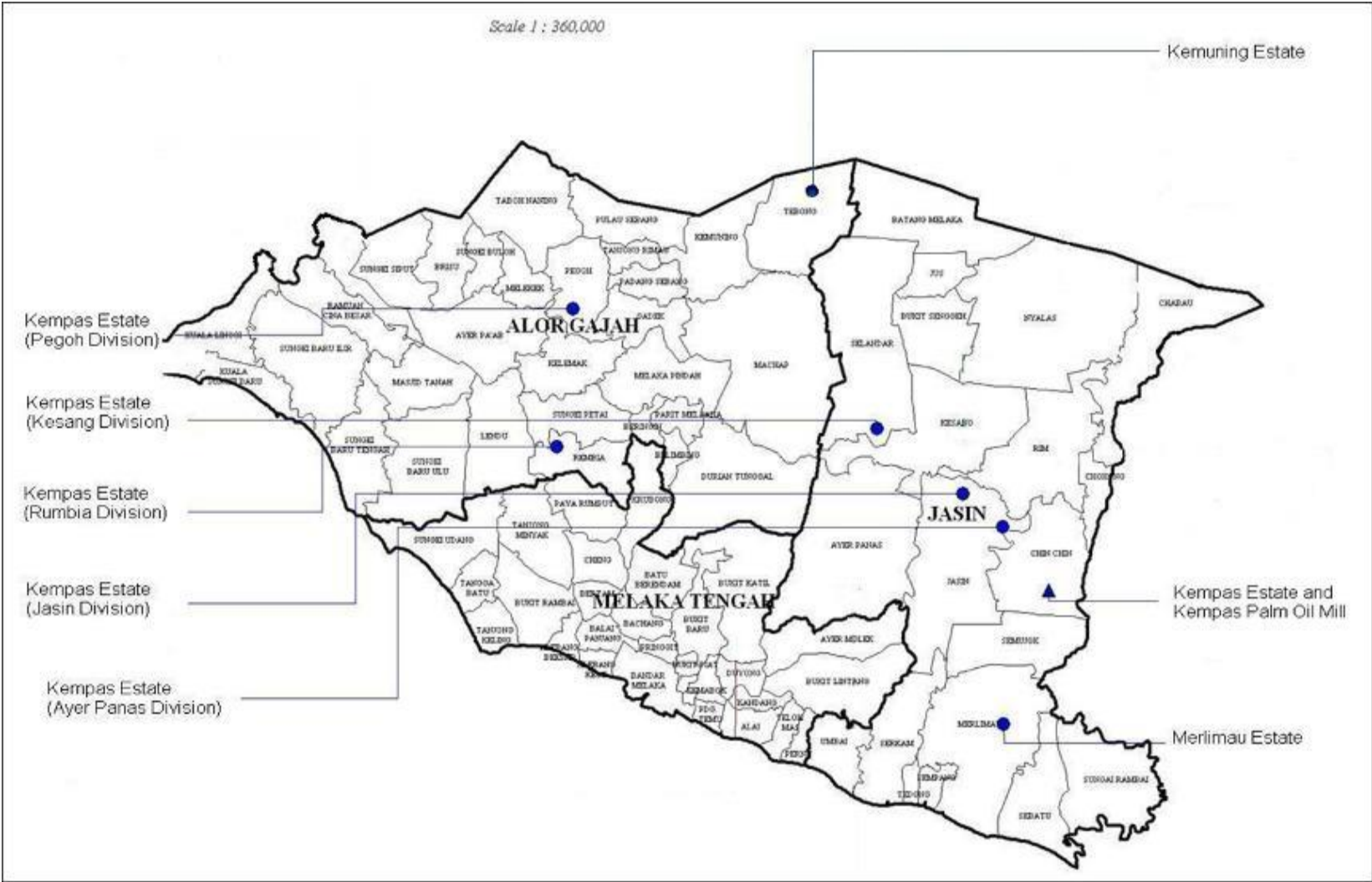
Audit Team Leader : Mohd Zulfakar Kamaruzaman

(Name)

Mohd Zulfakar

(Signature)

Map of SOU 17 - Kempas CU



SIRIM QAS INTERNATIONAL SDN. BHD.

RSPO SURVEILLANCE 1 ASSESSMENT PLAN

1. Objectives

The objectives of the assessment are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (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 : 21 - 25 March 2016

3. Site of assessment : Sime Darby Plantation Sdn. Bhd.
SOU Kempas
Kempas Palm Oil Mill,
77000, Jasin,
Melaka, Malaysia

4. Reference Standard:

- RSPO P&C MYNI: 20014
- RSPO Supply Chain Certification Standard, 2014
- Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

a) Lead Assessor : Mohd Zulfakar Kamaruzaman
b) Assessor : Hazani Othman
Jagathesan a/l Suppiah
Ismail Ibrahim

(If there is any objection to the proposed audit team, the organisation 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 by submitting corrective action plans within 1 month. Another 2 months to submit evidence of implementation. In any event, the evidence of implementation shall be submitted prior to the expiry of the RSPO certificate. Failure to submit satisfactory corrective actions to resolve the major non conformity (ies) raised before the expiry of the RSPO certification will result in non-renewal of the certificate. A new application for RSPO certification will be required.

For minor non conformities raised, 1 month is given to submit corrective action plans to minor non-conformity. The timeframe for submitting the corrective action plans may be extended up to the period of the expiry date of RSPO certification. If corrective action plans to address the minor non-conformity (ies) are not submitted before the expiry of the RSPO certification, a recommendation for non-renewal of RSPO certification will be made.

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 organisation, SIRIM QAS International shall inform the organisation 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 : Tentative date of issue of report not more than 30 days after the completion of the peer review process.
- 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:

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Day 1: 21 March 2016 (Monday)				
Time	Activities / areas to be visited			
8.30 – 9.00 am	<u>Opening meeting at Kempas Palm Oil Mill</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organisation Representative to brief on the following : <ol style="list-style-type: none"> 1) RSPO implementation at Selaba SOU (i.e. mill & supply base) including changes 2) Time bound plan for Sime Darby 3) Significant changes on organisation activities, machinery, supply bases capacity etc. 			Top management & Committee Member
	Hazani	Zulfakar	Jagathesan	
9:00 – 1:00 pm	<u>Kempas POM</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 Laws and regulations Land titles user rights Social Impact Assessment (SIA), management plan & implementation Complaints and grievances Consultation with relevant government agencies Interview workers, gender committee, local communities and stakeholders Continuous improvement	<u>Tangkah Estate</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Interview with workers and contractors • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<u>Tangkah Estate</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes • Continuous improvement 	Guide for each auditor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide for each auditor

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Day 2: 22 March 2016 (Tuesday)				
Time	Hazani	Jagathesan	Zulfakar	
8.30 – 1.00 pm	<u>Kemuning Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Continuous improvement 	<u>Tangkah Estate</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes • Continuous improvement 	<u>Tangkah Estate</u> Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Interview with workers and contractors • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide for each auditor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment	<u>Kemuning Estate</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes • Continuous improvement 	Continue assessment	Guide for each auditor

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Day 3 : 23 March 2016 (Wednesday)				
Time	Hazani	Jagathesan	Zulfakar	
	<u>Kemuning Estate</u>	<u>Kemuning Estate</u>	<u>Kemuning Estate</u>	
8.30 – 1.00 pm	Coverage of assessment: P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Continuous improvement 	Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes • Continuous improvement 	Coverage of assessment: P1, P2, P3, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Environmental management – witness activities at site • Interview with workers and contractors • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide for each auditor
1.00– 2.00 pm	Break			
2.00 – 5.00 pm	<u>Tangkah Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Continuous improvement 	Continue assessment	Continue assessment	Guide for each auditor

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Day 4: 24 March 2016 (Thursday)

Activities /areas to be visited					
Time	Hazani	Zulfakar	Ismail	Jagathesan	
8.30 – 12.00 pm	<u>Tangkah Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, gender committee, local communities and stakeholders • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Continuous improvement 	<u>Kemuning Estate</u> Coverage of assessment: P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Environmental management – witness activities at site • Interview with workers and contractors • Waste & chemical management • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<u>Kempas POM</u> Site visit and assessment on Supply Chain Implementation including the Model used <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training Claims 	<u>Kempas POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with FFB supplies and other supplies • Interviews with mill's workers • Facilities at workplace • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Training and skill development programmes • Continuous improvement 	Guide for each auditor
1.00–2.00 pm	Break				
2.00 – 5.00 pm	<ul style="list-style-type: none"> • Continue assessment 				Guide for each auditor

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Day 5: 25 March 2016 (Friday)				
Time	Zulfakar	Hazani	Jagathesan	
8.30 – 10.30am	<ul style="list-style-type: none"> Continue assessment on unfinished area Verification on outstanding issues Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			Guide for each auditor
10.30– 11.00am	Break			
11.00- 12.30pm	<ul style="list-style-type: none"> 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.

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Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant 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	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	YES	The CU continues to implement the procedure for responding to any communication as outlined in their RSPO System documents. The system requires response to all communication within a certain time frame. Actions may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were recorded. The estates have established mechanism to channel such queries through regular meetings with stakeholders. Various issues and complaints were heard by the management and decisions made for subsequent action. The following visits by the regulators were verified : i) DOSH visit monitoring Log maintained at Kempas Mill – last visit on 16 th Feb, 2016 by Ms. Hadijah bt Ali. The visit was to inspect the Hygiene and Health of the employees. Generally, satisfactory. ii) DOSH visit monitoring Log maintained at Tangkah estate – last visit on 18 th Jan, 2016 by Mr. Zulhisan bin Dzulkifl. The visit was to conduct the periodic inspection on air compressors. The report mentioned that the air compressors noted to be in good condition. iii) DOE visit monitoring Log maintained at Kempas Mill – last visit on 26 th Oct, 2015. A field citation report was issued. Sighted action plan updated on 2 nd March, 2016 to address the issue. i) MPOB visit monitoring Log maintained – last visit on 14 th Jan, 2016. Generally noted to be satisfactory ii) Fire Department Communication: Last visit was on 3 rd March, 2016. No issues was raised. Communication requesting 'Sijil Perakuan Bomba' d/d : 10 th February, 2016 – Project underway – MECOMB – has been appointed as the main con to obtain 'Fire Cert' for the Mill.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	Records of requests for information from stakeholders and responses by the CU were sighted in the internal and external communication files. The following visits by the regulators verified : DOE – “Jadual Pematuhan”, validity period from 1 st July 2015 – 30 th June, 2016 mentioned that the maximum capacity of the mill is 60 metric tonnes /hr. Land application is allowed with BOD of 1000 mg/ l Proposed New Effluent Treatment Plant at Kempas Oil Mill : i. Effluent release quantity : 1,000 mg/ L – Land Application ii. Monthly report on 'Effluent Discharge' – sighted monthly 'Effluent release – for the months of December, November & October 2015

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				<p>iii. Quarterly Report to DOE – sighted reports for Q4,Q3,Q2 and Q1.</p> <ul style="list-style-type: none"> parameters checked include temperature, pH, BOD, suspended solid, oil & grease, Ammoniacal Nitrogen, Total Nitrogen. Results showed that the discharge was within the limit specified by DOE.
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 (Criterion 2.2);	YES	Information relating to land titles are available at the SDPSB website at http://plantation.simedarby.com . The auditor had verified the land titles for SOU 17 and confirmed that SDPSB owned the SOU.
		Occupational health and safety plans (Criterion 4.7);	YES	SDPSB continued to use IT for disseminating public information. Information relating to safety and health plans were available through SDPSB website at http://plantation.simedarby.com
		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	YES	<p>A Social Impact Assessment (SIA) for Kempas CU and the related action plans based on the SIA findings were made available to the auditors.</p> <p>Management documents related to environmental plans and impact assessments were made available at all audited operating units. Among the documents were:</p> <ul style="list-style-type: none"> (a) Environmental Aspect Identification (EAI) and Environmental Impact Evaluation (EIE) registers. (b) Pollution Prevention Plan – FY2015/16. (c) Identification and Management of Wastewater – FY2015/16. (d) Waste Management Plan – FY2015/16. (e) Environmental Improvement Plan - FY2015/16.
		HCV documentation summary (Criteria 5.2 and 7.3);	YES	"HCV Re-Assessment for Strategic Operating Unit (SOU) 17 Kempas" and "Action Plan – Biodiversity of Sime Darby Plantation", 2015 documentation maintained available.
		Pollution prevention and reduction plans (Criterion 5.6);	YES	<p>Pollution prevention and reduction plans continued made available at all assessed operating units. Among the relevant documents were:</p> <ul style="list-style-type: none"> (a) Pollution Prevention Plan – FY2015/16. (b) Identification and Management of Wastewater – FY2015/16. (c) Waste Management Plan – FY2015/16. (d) Environmental Improvement Plan - FY2015/16.
		Details of complaints and grievances (Criterion 6.3);	YES	Details of complaint were observed recorded in complaint books (such as the "Buku Aduan Kontraktor" and "Aduan Kerosakan"). Review of the minutes of various meeting (such as periodical management meeting, gender, union, stakeholders etc), and social impact assessment found that there were no grievances observed.
		Negotiation procedures (Criterion 6.4);	YES	Negotiation procedure as described in "Plantation Quality Management System" document, i.e. 'Appendix 3 – Flow Chart and Procedures for Handling Land Disputes' and 'Appendix 5 – Flow Chart and Procedures for Handling Social Issues' was made available to the auditors. There was no claim against the CU by any party
		Continual improvement plans (Criterion 8.1);	YES	Sime Darby Plantation Sdn. Bhd. has committed to utilise the established system to regularly monitor and review their key activities at the mill and estates. Relevant action plans were initiated for continuous improvement in key areas of operations, environmental, safety, health and welfare of the workers as well as social contribution to the community. Details of the CU continual improvement plans have been reported in indicator 8.1. The

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				<p>continuous improvement plans related to environment was established and update accordingly.</p> <p>Continual improvement plans were made available at all audited operating units. Among the relevant documents reviewed were:</p> <ul style="list-style-type: none"> (a) Pollution Prevention Plan – FY2015/16. (b) Identification and Management of Wastewater – FY2015/16. (c) Waste Management Plan – FY2015/16. (d) Environmental Improvement Plan - FY2015/16. <p>As stated under Principle 6 (6.1) a Social Impact Assessment (SIA) was prepared for the Kempas CU. The report was prepared by the Social and Environment Projects Unit, PSQM Department of SDPSB for the mill and all estates under the Kempas CU. The report highlighted various issues raised by the stakeholders of the respective estates and mill. Stakeholders' feedbacks, requests and comments were incorporated in the report. An action plan based on the findings of the SIA developed by the estate and mill audited was presented to the auditors.</p>
		Public summary of certification assessment report;	YES	<p>Public summary for RSPO certification assessment report can be assessed at the link below:</p> <p>http://www.sirim-qas.com.my/attachments/article/442/RSPO%20Audit%20Report-Kempas-RA%202015-Public%20Summary.pdf</p>
		Human Rights Policy (Criterion 6.13).	YES	<p>In January 2015, SDPSB has developed a Social & Humanity Management Policy. The policy is signed by the SDPSB's Managing Director and was displayed on various notice boards at the mill and the estates offices.</p>
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	YES	<p>A written policy committing to a code of ethical conduct and integrity in all operations and transactions has been established. The policy is signed by the Managing Director in January 2015. On top of that, there were also policies on social and humanity management, gender, and children's rights. These policies demonstrated the company's respect for fair conduct of business, prohibition of all forms of corruption, bribery and fraudulent use of funds and resources. These policies have been communicated to all level of the workforce through display on notice boards at the mill and estates, memos, morning briefings and trainings (as evident in the training files). The policies were also made accessible to the public. This showed the company's commitment to a proper disclosure of information in accordance with applicable regulations and accepted industry practices.</p>

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	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	YES	The CU had continued to comply with legal requirements as per the indicator requirements. Guided by the established procedure, the annual evaluation of compliance was carried out concurrently with the review of legal register by the

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ratified international laws and regulations.				<p>Sustainability Department. The list of applicable legal and other requirement was made available during the audit. The following legal requirements sampled for review :</p> <ul style="list-style-type: none"> a) Factories and Machinery Act 1967 (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970 etc. b) Occupational Safety and Health Act 1994 (NADOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004) etc. c) Environment Quality Act 1974 (Prescribed Premise (CPO) Regulations 1977, Clean Air Regulation 1978, Scheduled Waste Regulation 2005 etc. d) Fire Services (Fire Service Act 1984 & Fire Certificate Regulation 2001) <p>The CU has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were :</p> <p>Kempas Mill :</p> <ul style="list-style-type: none"> a) MPOB license processing allowed up to 210 MT. b) The pressure vessel inspection verified carried out by DOSH on 5th Jan, 2016: <p>Tangkah Estate :</p> <ul style="list-style-type: none"> i) MPOB license to sell and distribute FFB. ii) Permit for control items for chemical fertilizer. iii) Permit for control items for diesel storage. iv) DOSH has carried out inspection for air compressors on 18th Jan, 2016.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained Minor Compliance	YES	<p>The Kempas CU has identified, documented and maintained their legal register with written information on legal requirements applicable to their operation. The Sime Darby headquarters, PSQM Department is responsible to track changes and disseminate information to all of their plantations and Mill department. Among the legal identified are the Pesticides Act 1974 and Regulations, Environmental Quality Act 1974 and Regulations, Fire Services Act 1984, Factories and Machinery Act 1967 and Regulations, Occupational Safety and Health Act 1994 and regulations, Employment Act 1955, Aboriginal Peoples Act 1954, Industrial Relations Act 1967, Children and Young Persons (Employment) Act 1966, MPOB Regulations (Licensing) 2005, EQ (Prescribed Premise) Crude Palm Oil Regulations 1977 and Industrial Code of Practice for Confined Space 2010.</p>
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	<p>Both estates have a documented system to monitor and ensure compliance of legal requirements. The mechanism was documented in EQMS (Estate Quality Management System) under Standard Operation Manual. There is evidence of compliance to legal requirements which has been evaluated on an annual basis. These compliances are ensured by Internal & External Audits, PA visits, RSPO Audits and by Preliminary Group Corporate Assurance Reports (PGCAR).</p>

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	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	<p>PSQM department, which is based in Kuala Lumpur is responsible in tracking any changes to the Acts and Regulations. This was done through communicating with the publisher of the documents. This mechanism was outlined in its procedure. The updating of the legal register was carried out on a periodical basis. Any change in the legal register is communicated to the respective SOUs.</p> <p>The CU had made use of the SDPSB established documented system for identifying, tracking, accessing and updating the legal requirements. It had ensured that all applicable legal requirements pertaining to RSPO had been established, implemented and maintained. As to date PSQM and Kempas CU have reviewed their legal register with additional new act which are:</p> <ol style="list-style-type: none"> 1. Classification, labelling and safety data sheet of hazardous chemicals Regulations (CLASS) 2013
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal,customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance	YES	Copies of the land titles were available at the estates office. The documents indicated that the land is belong to Sime Darby, and no history of customary land tenure was observed.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	NO	<p>Boundary stones or physical markers were found not easily be located. The physical markers along the legal boundaries of the following operating units were not consistently able to locate and visibly maintained.</p> <ol style="list-style-type: none"> (a) Kemuning Estate (Tebong and Rumbia Divisions). (b) Tangkak Estate (Ayer Panas Division). <p>Thus, Minor NCR HO-01 is raised.</p>
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance	YES	It was observed that there was no dispute concerning land.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable	YES	It was observed that there was no dispute concerning land.

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		conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance		
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance	YES	It was observed that there was no dispute concerning land.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	It was observed that there was no conflict or dispute concerning land.
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	YES	It was observed that there was no conflict or dispute concerning land.
	2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps	YES	It was observed that there was no conflict or dispute concerning land.

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		that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	It was observed that there was no conflict or dispute concerning land.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	It was observed that there was no conflict or dispute concerning land.

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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	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	Tangkah and Kemuning Estate continued to make commitment to long-term economic and financial viability. The annual budgets for 2015/16 and up to 2019/2020 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield per hectare, and total cost of production per MT and per hectare.
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	YES	The replanting programmes until 2020/21 were sighted for both estates. The programme is reviewed once a year and is incorporated in their annual financial budget.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	The CU continued to practice as per their established documented manual / procedures such as the Plantations / Mill Quality Management System (PQMS / MQMS), 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. The documents include operation activities in the estates and mill from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and despatch of CPO, PK and PKO as well as security of the CU. For the estates, on top of the PQMS, technical guidelines as listed in the Agricultural Reference Manual were also referred. Contents of the manual were disseminated to the workers through morning roll call and trainings. The manual is also kept in the administration office where everyone can refer. It was also seen that relevant SOP, sometimes an abridged version, were displayed at various work stations for easy reference.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	YES	Both estates monitored good agricultural practices as per their SOPs. The monitoring was conducted through the on-site visits, inspections and discussions with relevant personnel and by conducting Assessments and audits such as Internal Audits, PA visits and RSPO Audits. The following were sighted and reviewed: <ul style="list-style-type: none"> • Reports of PA visit for Tangkah Estate on 18-20 /3/15 and Kemuning Estate on 24-26/6/15. • RSPO Internal Audit on 29th January, 2016. During this surveillance audit, random interviews with the estate workers revealed that they understood the requirements stated in the SOPs. For example, it was observed that harvesting standards and pesticides usage had been properly understood by the estate harvesters and sprayers respectively.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Records of monitoring and actions taken by both Tangkah Estate and Kemuning Estate were maintained and kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were made available. Among those records sighted at the estates included Work Program Sheets, Field cost books, Bin cards, Harvesting Intervals, Monthly Progress & Report Account, rainfall data, etc. Harvesting standards were monitored using SDSB's Plantation Micro Macro Program (PMMP).
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).	YES	All certified FFB came from Kempas SOU 17 estates and non-certified FFB from independent FFB suppliers. All delivery documents of third party FFB were verified to

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		Major Compliance		ensure the certified status of the FFB. Volumes of certified and non-certified FFBs received by the mill had been properly recorded and monitored.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Tangkah and Kemuning Estate continued to practise the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application. Fertiliser application, which was of paramount importance for maintenance of soil fertility, was carried out based on recommendations made by the Principal Chemist II and Principal Agronomist II from Sime Darby Research Sdn. Bhd., Carey Island. Annual fertiliser recommendations were made based on annual foliar sampling and 5 yearly soil sampling.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Records of programs and applications of fertilisers were made available to auditors. Fertiliser application program was monitored using records like program sheets, bin cards, Field Cost book and Manuring Structured Block Supervision (MSBS) forms. Records of programs and applications of fertilisers were made available to auditors. Records sighted showed that actual applied in 2014/2015 was in line with program.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	From the reports made by the Agronomist, it was established that both estates have carried out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling for N, P, K, Mg, Ca & B had been carried out and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. The latest foliar sampling in Tangkah Estate was carried out on 1 June 2015, while in Kemuning Estate on 22 April 2015. The sampling formed the basis for formulation of the fertiliser recommendation for 2 nd half of 2015 and first half 2016. Soil maps were made available to the auditors. Analysis for soil T-N, Av-P, Ex-K. Ex-Ca and Ex-Mg was carried at 5 yearly intervals.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	YES	Both estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and by EFB & compost application. There was no specific programme for EFB mulching and compost application at the estates and application was only based on wherever possible area to be applied. It was applied on the stacked palm fronds in the mature areas while for immature palm was applied in the circles. There was no pome land application in both estates.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	N/A	Based on the soil maps provided, it can be confirmed that there is no fragile/marginal soils at Tangkah Estate and Kemuning estate.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	SDPSB had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for planting on slopes between 9 and 25 degrees was in Slope & River Protection Policy – Buffer Zone & 25 degree slope dated January 2015 and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual. Both estates had complied with this strategy. It was observed that practices to minimise and control erosion and degradation of soils were also advocated through proper stacking of fronds, EFB application, avoidance of

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				blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. <i>Nephrolipsis Bisserata</i> was observed planted in some mature areas and soft grass has been well maintain in inter-row and no bare ground was sighted during the visit.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	During the on-site audit, it was noted that roads were well maintained in both estates. Accessibility were made possible by regular maintenance guided by its road maintenance programmes. The programme had been supported by adequate provisions of budgets. Surface run off water from roads were well directed into fields and drains with well cambered roads, road sided drains and silt pits. For road maintenance both estates had a motor grader and a backhoe. Tractors with back buckets and excavators are hired on contract basis as and when required. For resurfacing, crusher run was purchased.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	N/A	There were no peat soils in both audited estates.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	N/A	Not applicable as there were no peat soils in both estates.
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	N/A	Not applicable as there were no fragile and problem soils in both estates.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	NO	Both estates had implemented water management plans. The Plans for 2015/2016 were sighted. The water management plan was more towards rain water conservation, pollution prevention, flood and domestic use. Should a dry spell occur, the plan is to buy water from Syarikat Air Johor (SAJ) and the management had also installed large containers to keep rain water for emergency use. Water for executive, staff and workers housing is using water from SAJ, and is subsidized by the company, Though there was no shortage of water for domestic use in both estates, awareness was created among the workers and staff to save water through verbal reminders and training. Water spillage during pre-mixing of chemicals, from washing of PPE and from triple rinsing was collected in a sump pit and recycled for spraying in the plantation. Both estates maintained rainfall data from year 2011/2012 to assist in water management.

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				However, sighted that in water analysis test report by Sime Darby R&D Centre Carey Island dated 22/03/2016, the water in water tank at Rumbia Division and Tebong Division the pH is below the Guideline Domestic use and the estate management failed to identify and implemented this issue in the water management plan. Therefore Minor NCR MZK 01 2016 was raised.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated Major Compliance	YES	Riparian buffer zones generally maintained and visible to indicate no activity using agrochemicals in the area.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	YES	The mill maintained records of effluent monitoring. The reporting to DOE was carried out using the ' <i>Borang Penyata Suku Tahunan</i> '. The license from DOE allowed for land application with the requirement is for the BOD to be less than 1 000 mg/l. No discharge into 'Water Course' was found. All discharge is send to and application. The BOD results were all below the stipulated limit of 1000 mg/l. Average BOD was ranged from 172 to 500 mg/l. The effluent analysis had also included parameters such as pH, BOD, COD, suspended solids, Ammonical Nitrogen, Total Nitrogen and Oil & Grease. Results of monitoring indicated that the parameters were within limits specified by DOE.
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	YES	Mill water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis. A slight increase in trend was noted. This was due to the volume of processing lower than 2014 / 2015.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	As for all SDPSB estates, both Tangkah and Kemuning Estates had documented integrated pest management (IPM) system in place. The procedure referred was in Agricultural Reference Manual (ARM) Section 15 -Plant Protection. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. The IPM technique for rats control includes rearing barn owls (<i>tyto alba</i>), bagworm control includes the planting of nectariferous beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subblata</i> and for rhino beetles is by using pheromone trap. The implementation of IPM was monitored by rat damage, bag worm attack, barn owl population census and records on planting beneficial plants. Both estate had barn owls but rat damage still existed. Rat baiting was by calendar baiting at 2 campaigns per year. Baiting was continued until bait acceptance fell below 20%.

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				In Tangkah Estate there were 63 barn owls boxes with an occupancy ratio of 76% and in Kemuning Estate there were 90 barn owls boxes with an occupancy ratio of 53%.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	Records showed that training of those involved in IPM implementation was carried in both estates. At Tangkah Estate, Beneficial Plant training on 12.1.2016, Barn Owl Box Training on 8.7.2015 and at Kemuning Estate training on Pheromone Trap and Rhinoceros Beetle on 3/3/2016, Beneficial Plant training on 16/3/2016 and Barn owl box census training on 3/3/2016.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	YES	A written justification in Standard Operating Procedure (SOP) of all agrochemical was available in the Agricultural Reference Manual issue: 1 version: 3 dated 1/7/2011 Section 16 : Weeds Control, SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. The use of selective products that are specific to the target pest, weed or disease were demonstrated in the Agricultural Reference Manual.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	YES	Both estates had records to show the types of pesticides used with active ingredients and their LD50, location where the pesticides had been used, the total quantity used and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, cost books and in progress reports. Both estates had documented programs for spraying pesticides and for rat baiting.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	As part of the IPM plans, management of both estates had established nectariferous beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Tunera subulata</i>) nurseries for continuous planting in order to attract natural predators and thus to reduce the use of insecticides. As mentioned in 4.5.1, during the visit it was observed a number of beneficial plants had been planted and both estates had plants ready for planting in the nurseries. During field visit to Tangkah Estate and Kemuning Estate, the auditors witnessed planting of <i>Antigonon leptopus</i> , <i>Casia cobanensis</i> and <i>Tunera subulata</i> has been planted at nursery and ready to plant at the estates. During field visit it was also found that there was planting of <i>Nephrolipis Biserrata</i> at Tangkah Estate Kundong Division field 06K, the reason SOU planting <i>Nephrolipis</i> is to keep moisture content and improve soil structure.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's	YES	No illegal agrochemicals (stated by local and international laws) in particular paraquat been used or found at Tangkah Estate and Kemuning Estate. All SDPSB estate had been prohibited from using Paraquat. This was evident through a memo dated 11 th October 2010 issued by the Plantation Planning and Monitoring Department. The chemical had been replaced by pesticide and herbicide Class III and IV such as Supresate 41, Hextar Cyper, Kenlon, BM Glyphosate, Canyon, and Primme 48.

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		Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. 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). Minor Compliance		All pesticides used are those officially registered under the Pesticide Act 1974, The estates had used mainly class III & class IV pesticides except for Multiphos <i>methamidophos</i> (Class 1b) to treat some minor outbreaks of Bagworm attack. Sighted that Register of Chemical Hazardous to Health has been established and reviewed periodically. Latest review was carried out on 22 nd Jan, 2016 at Tangkah Estate and 24 th Dec, 2015 at Kemuning Estate by the Estate Manager.
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	YES	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS of the pesticide. The staffs and workers such as the storekeepers, sprayers, fertiliser and rat bait workers have been trained on the chemicals used. They had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. Training on pesticide handling was carried out by the respective Managers. The training included the safety aspects and usage of PPE when handling with pesticides. Record of training was available for verification.
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	YES	Pesticides were stored in accordance with the legal requirement as well as recommendation by manufacturer as per guidelines provided in the MSDS. The chemical stores are equipped with showers, wash area and a PPE storage area. Adequate 'Safety Signage' have been placed at the store. Triple rinsing activities was continually implemented for empty pesticide containers. The rinsed containers were then pierced and stored prior disposing. All information regarding the chemicals and its usage, hazards, trade and generic names were available in English and Bahasa Malaysia and understood by workers. Relevant information on the agrochemical were communicated to the estate workers, via morning muster and display of Safety Pictorial poster at prominent areas. These information were understood by workers interviewed during the spraying activities and fertilizer application. It was also verified in the training records that training in chemical handling especially to the sprayers, had been conducted with the aim of disseminating the correct information and ensuring understanding regarding the usage and hazards of the agrochemicals.

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	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	Pesticide applications were guided by SDPSB's ARM, Pictorial Guide, CHRA and by MSDS supplied by the manufacturer. Sighted that several SOPs have been established for Application of Pesticides; namely Weeding/Spraying – Mature, Weeding/Spraying Immature and Chemical Safety Management.
	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	YES	There was no evidence of any aerial spraying carried out in both estates.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance	YES	Relevant information of the agrochemical used by estate workers were conveyed, largely via morning muster and the use of Safety Pictorial poster. Training on chemical handling and spraying techniques especially to the sprayers had been conducted. The aim was to disseminate correct information and ensure understanding regarding the usage and hazards of the agrochemicals. Interviewed during the spraying activities and fertiliser application noted that the information were understood by the workers.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	YES	Disposal of pesticide empty containers are being carried out as per established procedures. Triple rinsing activities was continually implemented for empty pesticide container. Triple rinsed container has to be pierced and stored prior disposing.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	YES	For Tangkah estate, the CHRA was conducted on 6 th August, 2015 and for Kemuning Estate from 6 th April to 11 th June, 2015. Both CHRA was carried out by competent person from PAC Testing & Consulting Sdn. Bhd. Action Plan for Chemical Health Risk Assessment has been prepared for both estates and reviewed by the Estate Managers. The actions are in the midst of being implemented. For Tangkah & Kemuning Estate, it has been verified that the Occupational Medical Surveillance Program were carried out DOSH registered medical practitioner. Selected workers were tested for Cypermethrin, Glufosinate, Glyphosate, Triclopyr, Fenitrothion and Chlorine. A Medical Surveillance Program in Tangkah Estate was conducted for 25 estate workers from 6 th to 27 th of January 2016 as per OSHA-USECHH 2000 requirements. The 22 workers of the sprayer unit were subjected to the medical examination. Kemuning Estate Medical Surveillance Program was conducted for 40 estate workers & Staff from the 8 th to 10 th March 2016 as per OSHA-USECHH 2000 requirements. 31 workers of the sprayer unit were subjected to the medical examination.

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	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	There was no evidence of pregnant and breast-feeding women performed spraying activity in both estates. Women workers handling pesticides are checked by the appointed Medical Assistant to ensure they are not pregnant or breast-feed. Those who are noted to be pregnant and breast-feed are transferred to other sections.
<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	YES	The CU maintained its Occupational Safety and Health (OSH) policy. This OSH policy had been communicated to all employees through toolbox and standing meeting and were seen to be displayed on notice boards at the mill and estates. Generally, interview with workers and staffs revealed that awareness of OSH policy was good. In addition to the establishment of OSH policy, the Environment, Safety & Health Program dated July, 2015 for the Kempas POM has been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. Generally, the ESH program noted to be satisfactory.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	YES	<p>Hazard identification, risk assessment and risk control (HIRARC) and CHRA records covered activities in the estates and mill were verified during the assessment. The HIRARC register for Kempas POM, Tangkah Estate and Kemuning Estate were updated on 22 November 2015, 3 November 2015 and 22 February 2015, respectively by the registered assessors. The revised activities and control measure for harvesting, Manuring and Pruning were updated in the records. For Kempas POM CHRA was conducted on 4th to 5th March, 2015 by the PSQM ESH competent assessors.</p> <p>The mill CHRA recommendation report is reviewed on a periodic basis taking into consideration the progress made in implementing the recommendation. The last update was in Dec, 2015. Mitigating actions have been established. The actions plan include timeline, person in charge, status of completion and additional action to be taken. Medical Surveillance Report dated 19th May 2015 was carried out by registered medical practitioner. Number of workers examined were 13 lab operators exposed to n – Hexane. Medical Surveillance Report Recommendation report is being reviewed as to their completion status – review sighted dated 26th Jan, 2016 ver : 0.</p> <p>Positive Noise Exposure monitoring (under Factories and Machinery (Noise Exposure) Regulation, 1989 was carried out on 4th July, 2013 by Competent person registered with DOSH. Recommendations provided were acted upon.</p> <p>Audiometric Testing Programme (under Factories and Machinery (Noise Exposure) Regulation, 1989 was carried out on 1st Sept, 2015 by : Specialist Mobile safety supplies Sdn. Bhd. Recommendation is being monitored with respect to their current status of completion. Latest review carried out on 15th Feb, 2016 with additional Audiometry Report carried out in Pantai Hospital.</p>

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				Hearing Conservative Programme Committee (HCP) has been formed and list of workers working in areas where the noise level is > 85 dB has been identified and informed accordingly.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	YES	Communication on hazards of chemical had been given through awareness and training program to all workers involved in handling of dangerous 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. Among the trained employees include sprayers and manure spreaders. Field inspection and observation of spraying tasks confirmed chemicals being applied were in accordance with the product safety precautions. MSDS was made available at point of use, for example at chemical mixing area and at the chemical store. Suitable PPE appropriate for their daily routine task had been given to the workers. Among the PPE includes safety boots, helmets, goggles, ear plugs, rubber and cotton gloves, aprons and breathing masks (dusk mask and cartridge type respirator). Records of PPE issuance were maintained and were presented to auditor during the audit.
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	YES	Safety & Health Management Policy dated January, 2015 endorsed by Datuk Franki Anthony Dass. Safety & Health committee has been established, verified the OSH safety committee org chart for 2015 / 2016. Safety Officer - Ms. Vergisire Selvamaney, Sr Executive Committee Secretary – Mr. Muhammad Mukhtarul 'Arifin bin Saliman Periodic meeting related to health and safety were carried out. Relevant records related to health and safety are being maintained. The chair of the Safety Committee is the Mill Manager.
	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	YES	Accident and Emergency procedures have been established, the following were reviewed : i) SDPSB / 01/08 - Accident Investigation and Investigation Procedure, dated 3 rd March, 2008 ii) SDPSB / 01 / 08 - Crisis Management & Emergency Response Plan dated 3 rd March, 2008 which addressed responses to emergency situation related to bund break, fire breakout, CPO pipe burst & fire, flood and chemical spill. iii) Emergency Evacuation Procedures The following First Aid training and the respective training records verified : First Aid Training by Hospital Assistant / Medical Assistant at Tebong & Gemencheh Division. 17 trained first aiders with first aid kits are in the estate the following training were reviewed. The first aid kits are checked on a monthly basis and replenished as and when required.

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				Accident statistics are maintained in the CU – Provision to record accidents, carry out root cause investigation and initiating corresponding mitigation action taken are in place. The use of permit to work in confined space (PTW CS) to inform external contractors & internal workers of the safe practices and precautions to be adhered.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	<p>Estate workers are provided with Medical Care and covered by accident insurance. The following health facilities are made readily available to the workers:</p> <ul style="list-style-type: none"> i) In-house estate clinic, on a 24 hours stand-by. ii) Gemenceh Health Clinic located about 20 km from the Kemuning estate with ambulance facility iii) District Hospital Tampin, 20 km from Tangkah Estate <p>MA visit log to line site was reviewed. The visit was carried out on a weekly basis.</p> <p>VMO visit log to estates line site which was carried out on a bimonthly basis was reviewed.</p> <p>Local workers, covered by SOCSO. This was verified through 'Jadual Caruman Bulanan' Jan - March, 2016.</p> <p>Foreign workers, covered by Workmen Compensation provided as per Compensation Act 1952. An RHB Insurance Berhad cited. The policy is yearly renew and the current expiry date is on 17th Feb, 2017.</p>
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	<p>Accident statistics are being maintained and quarterly reviewed during the 'Health and Safety' committee meeting. Minutes of the meeting were reviewed.</p> <p>Best man hours without LTI at Tangkah Estate as of March, 2016 was 157 800 hrs and for Kemuning Estate as of 24th March, 2016 was 171 244 hrs.</p> <p>Last recorded accident for both estates was on 26th Oct 2015 and 18th March 2016. The accident was classified as Class III accident. Selected accident reports were reviewed. Root cause investigation and corrective actions have been carried out. JKPP 8 form was maintained.</p>
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	<p>In general no changed in the RSPO requirements that requires re-training on relevant RSPO requirements to the personnel. Formal training programmes for 2015/2016 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were presented to auditors by both estates and mill.</p> <p>The training programmes were also extended to contractors and suppliers. Trainings were either conducted internally by its own staff or by other department within the Sime Darby Group or consultant. Some of the training program includes:</p> <ul style="list-style-type: none"> • OSH Act & Regulations 1994 • PPE Training & Demonstration • Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000

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				<ul style="list-style-type: none"> • Accident Investigation Techniques • Emergency Respond Plan Training • First Aid Training • Scheduled waste management • Safe Work Procedure for All Stations
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	Review of relevant personnel training noted that employee records been maintained. Records of names of employees trained as per training mentioned under indicator 4.7.3 were made available to auditors.

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 continual improvement.	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	YES	<p>The CU has established its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental aspects are the boiler stack emission which is associated with air emission, palm oil mill effluent (POME) discharge (water pollution) and land contamination which related to the management of scheduled wastes and general waste. For estate operations, all activities from harvesting, pest and disease, upkeep programme until delivery to mill have been identified.</p> <p><u>Air pollution:</u></p> <p><u>Boiler Operation</u></p> <ol style="list-style-type: none"> 1) Dark smoke from boiler. Mitigation: proper usage of fuel i.e. shell & fibre, boiler preventive maintenance. During the audit, it was found that the black smoke emission from boiler's chimney had exceeded the regulated limit in several times. The mill has identified the issue and has established an action plan which included, even distribution of fuels into the boiler, reduce the usage of wet shell, install roofing to prevent fibre from getting wet during the rainy day and regular maintenance, checking and cleaning of the smoke density meter. Smoke Density Meter was calibrated on 1st March, 2016. Stack Sampling was carried out 2 times a year as per Malaysian Standard (MS 1596 : 2003). The dust emission measurements for both the chimneys emission were below the limit of 0.400 g/Nm³ 2) Smoke from generator set. Mitigation: preventive maintenance on engine room. 3) GHG emission from ETP. Monitoring mechanism in place.

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				<p><u>Water pollution:</u></p> <ol style="list-style-type: none"> 1) Scheduled wastes generation from accidental spillage like machinery 2) Leachate from EFB stockyard. Mitigation: construction of bund (retention wall). 3) Effluent discharge from ETP. <p><u>Soil contamination:</u></p> <p>Scheduled wastes generation – Mitigation: to manage in accordance with EQA scheduled wastes regulations.</p>
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	YES	<p>Significant environmental aspect and impact was derived from the environmental impact evaluation (EIE) and captured in the 'Pollution Identification Environmental improvement action Plan'. Those activities evaluated as significant were monitored using the mitigation measure established for each significant activities. Sighted wastewater management plan and waste management plan developed for the CU.</p> <ol style="list-style-type: none"> i) Environmental Aspect Identification Summary FY2015/2016 reviewed on 26th Jan, 2016. ii) Environmental Impact Evaluation Summary FY2015/2016 reviewed on 26th Jan, 2016. <p>The management has periodically reviewed the implementation and effectiveness of the established program.</p> <p>For the mill the responsible person is the Assistant Mill Manager. Environmental Aspect and Impact Identification Form & Environmental Impact Evaluation Form used to identify Aspect & Impact and take necessary action. Reviewed on 26th Jan, 2016 by the Assistant Mill Manager and approved by the Mill Manager. Environmental Improvement Plan FY 2015 / 2016 comprising of Pollution Prevention Plan has been established.</p>
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	YES	No changes was made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. Y2015 performance was verified and found to be satisfactory.
C 5.2 The status of rare, threatened or	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both	YES	The CU had provided maps of each operating units that provides landscape-level information. Generally, the CU had identified its landscape-level information of surrounding land-use of each operating units audited. The estates were observed to

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<p>endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		<p>the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance</p>		<p>maintain their identified HCVs areas. The CU had also maintained actions to protect the HCVs, such as access control (i.e. guarded and patrolling) and, no use of chemicals, including bordering to Gunung Ledang Forest Reserve.</p>
	5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance</p>	YES	<p>No RTE identified in the operating units audited. However, the CU maintained its access control (i.e. guarded and patrolling) and, no use of chemicals to protect identified HCVs.</p>
	5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance</p>	YES	<p>The CU has regularly educate its employees via morning muster briefing about the need to protect the RTE species. Appropriate disciplinary measures will be taken if found violated. Information pertaining RTE and relevant CU policies were displayed at the morning muster station. In addition, Kemuning Estate and Kempas POM had conducted annually training on HCV to its workers on 20/2/16 and 1/2/16 respectively.</p>
	5.2.4	<p>Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	YES	<p>The CU has continued to guard and patrol, to monitor its boundary to Gunung Ledang Forest Reserve and for any presence of wildlife and illegal activities.</p>
	5.2.5	<p>Where HCV set-asides with existing rights of local</p>	YES	<p>There is no HCV which set-asides with existing rights of local communities in the CU.</p>

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		communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance		
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	<p>The CU has identified all of its waste products and sources of pollution. Environmental management plans have been established to mitigate applicable identified waste products and sources of pollution.</p> <p>The most significant environmental aspects for the estates and mill operations were:</p> <p>Air emission from boiler stack (smoke and particulate), and from the vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission), GHG, Water – Cleaning water/run-off/process station waters (hydrocyclone /sterilizer condensate/clarification waste) & boiler quenching water and blowdown. Land – Scheduled waste, domestic waste and industrial/process waste.</p>
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Chemical containers are triple rinsed, punched with holes and disposed through approved licensed contractors.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	<p>For the identified waste and pollutants, there were procedures and guideline established as to guide the waste disposal activities and to reduce pollution on the routine operation.</p> <p>The mill process wastes were disposed as follows; EFB were sent for mulching in the field, while crop residue/biomass i.e. fibre and shell were used as fuel in the boiler.</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 done on the monthly basis. Sample taken at final discharge point was sent for analysis. Result of analysis was found satisfactorily and below the stipulated limit.</p> <p>On the scheduled waste management, the established procedures - Handling of Scheduled Waste has been implemented accordingly. Scheduled wastes were disposed through DOE's licensed contractors. The storage and disposal of the following scheduled waste were reviewed, noted to be satisfactory.</p> <p>SW 305 – Spent Lubricant Oil, SW 306 – Spent Hydraulic Oil, SW 410 – Mixed Scheduled waste (used Cotton Glove & Rags), SW 322 –Used Chemical (Hexane IPA), SW 409 – Empty Drum.</p>

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C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	YES	A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2015. The following was reviewed : i) Environmental Aspect Identification Summary FY 2015 / 2016 reviewed on 26 th Jan, 2016. ii) Environmental Impact Evaluation Summary FY 2015 / 2016 reviewed on 26 th Jan, 2016. Diesel use per tonne of FFB was also monitored.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	YES	The CU had adhered to SDPSB best practice commitment, Zero burning Replanting Technique which advocated zero open burning and the policy of palm are felled, chipped, windrowed and left to decompose. There was no evidence of open burning due to no replanting at Tangkah Estate. For Kemuning Estate, the SDPSB Policy for Zero burning was adhered to. In the 2013 replants visited during the surveillance audit in Kemuning Estate (Tebong Div), it was evident that all palms were felled, shredded, windrowed and left to decompose. No fire was used for waste disposal. All domestic wastes are removed to landfills located in the estates which is managed accordingly.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	YES	There was no evidence of open burning due to no replanting at Tangkah Estate. For Kemuning Estate, the SDPSB Policy for Zero burning was adhered to. In the 2013 replants visited during the surveillance audit in Kemuning Estate (Tebong Div), it was evident that all palms were felled, shredded, windrowed and left to decompose. No fire was used for waste disposal. All domestic wastes are removed to landfills located in the estates which is managed accordingly.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	YES	An assessment to identify polluting activities is being conducted and monitored These inclusive of gaseous emissions, particulate / soot emissions and effluent. 'Pollution Identification Environmental improvement action plan' is used to identify the waste products and sources of pollution. The action plan is being reviewed on a regular basis.

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<p>knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>				
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	<p>The greenhouse gas (GHG) emissions have been identified from the following activities</p> <ul style="list-style-type: none"> a) Land conversion b) Crop sequestering c) Fertilizer transport d) Fertilizer application e) Field consumption f) Palm oil mill effluent g) Use of fossil fuel <p>Reduction plans have been identified in the 'Sustainability Report' – established by PSQM. Reviewed the report for 2015.</p>

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				Actions Implemented to reduce GHG reviewed. Empty fruit bunches are sent to composting plant and the compost is used as fertilizer in the estate. Reduction of fossil fuel consumption by substituting with fibre as fuel for boiler.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	YES	Palm GHG system is used to calculate the GHG emission. Verified the 'Palm GHG' data for 2015 which has been compiled and reported to the RSPO GHG department on 24 th March, 2016. Submission correspondence was verified. Emissions source identified as, Land Conversion, Crop Sequestration, Fertilizer (mineral) manufacture & Transport, N ₂ O from fertilizer, Fuel consumption, Peat Oxidation, Sequestration in Conservation Areas, POME, Fuel Consumption – Net Emissions.

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 that have social impacts, including replanting, 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 continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	The CU maintained its documented social impact assessment and records of meetings with its stakeholders. The assessment of social impact was documented in the Social Impact Assessment (SIA) Report, 16-20/12/13. Among relevant records of meeting reviewed were: (a) Annual Stakeholders Meeting. (b) Gender Committee meetings by each operating units. (c) Joint meeting between unions by each operating units (AMESU & NUPW).
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	Participation of affected parties was observed as documented in the SIA and in meetings mentioned above. Among the affected parties that had participated include the internal employees, unions, gender committee, and external stakeholders, such as contractors, suppliers, local communities and local authorities.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance	YES	Plans to address issues that have been identified, have been developed and implemented. Among the plans include: (a) quality and schedule of water supply to linesite. (b) stray dogs. (c) transport cost and claim for medical. (d) late house repair, etc. The documented plans (Action Plan, Social Assessment FY 15/16) for each operating units had indicated timetable and responsibilities for implementation.

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	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties Minor Compliance	YES	The plans were annually reviewed/updated by respective operating units of the CU. There were no significant changes to current practices observed, which requires no changes of social action plan in the CU.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	YES	There was no smallholder schemes observed included in the CU.
C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	YES	The CU maintained its documented procedures established by head office pertaining consultation and communication with stakeholders. The documented "Procedure for External Communication" noted maintained by the CU.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	The CU has appointed management officials responsible for consultation and communication with stakeholders at each operating units.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	NO	The CU maintained its list of stakeholders and records of communication with stakeholders. However, few records of efforts of action and communication in response to some of inputs from stakeholders below were not evident: <ul style="list-style-type: none"> a) Complaint on quality of drinking water: Kempas POM. Kemuning Estate, Tangkak Estate (Ayer Panas Division). b) Complaint on insufficient water supply for workers' linesite: Kempas POM. c) Complaint on late house repair: Kemuning Estate. d) Complaint on late payment to new canteen operator for food and drinks supplies: Kempas POM. e) Complaint on less variety of menus for food provided for workers working on night shift: Kempas POM. Thus, Minor NCR HO-02 is raised.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle-blowers, where requested. Major Compliance	YES	During the audit, interviews with relevant stakeholders (which included employees, contractors, suppliers, and local communities) acknowledged that the CU has established a dispute system which is open to stakeholders. There is no dispute case from stakeholders. Hence, the effectiveness of the system could not be verified. The provision for anonymity of whistleblowers is contained in the "Code of Business Conduct (COBC)" booklet.

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accepted by all affected parties	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	The generic procedures for dispute handling as found in the Estate/Mill Quality Management Manual were applicable to all SDPSB estates and mills. As stated above in 6.3.1 the process by which a dispute/complaint was resolved and the outcome were documented in the Complaints Book and the Action Plan. Sighted that there was no dispute from stakeholders that could be verified.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user 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	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	The CU maintained its documented procedures established by head office for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The provisions contained in "Plantation Quality Management System" document, i.e. 'Appendix 3 – Flow Chart and Procedures for Handling Land Disputes' and 'Appendix 5 – Flow Chart and Procedures for Handling Social Issues'.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	YES	The CU maintained its documented procedures established by head office for distributing fair compensation. The provisions contained in "Plantation Quality Management System" document, i.e. 'Appendix 3 – Flow Chart and Procedures for Handling Land Disputes' and 'Appendix 5 – Flow Chart and Procedures for Handling Social Issues'. There is no case of compensation observed that could be verified.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	There is no case of compensation observed that could be verified the process and outcome.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Documentation of pay and conditions were available. The employee pay was evident through employees pay slip. Evident of conditions stated in employee's employment agreement and collective unions agreements between MAPA-NUPW and MAPA-AMESU, which meet legal and industry standard.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and	YES	Details of employment conditions are specified in the employment agreement and collective unions' agreements between MAPA-NUPW and MAPA-AMESU, which meet

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and are sufficient to provide decent living wages		conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance		legal and industry standard. The information includes the working hours, deductions, overtime, medical, leaves, dismissal, period of notice, etc. Foreign workers interviewed (Indonesian and Nepalese) generally found understood and have no significant issues concerning their employment.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance	YES	The CU maintained to provide adequate housing, water supplies, electricity, dispensary and medical as well as other welfare amenities that meet legal and industry standard.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	YES	The CU generally located not far from urban, which workers acknowledged that they usually buy their food supply from outside and no issues concerning supplies. Further, the CU also provides free scheduled transport during weekend to town for workers to buy their needs.
C 6.6 The employer respects the rights 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	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	The freedom of association (FOA) statement has been incorporated in the company Social Policy. The policy was sighted on notice boards in the estates and mill. It is also included in the Social and Humanity Management Policy.

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means of independent and free association and bargaining for all such personnel.				
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	The CU maintained to document its meetings with trade unions. Among the minutes reviewed were joint meetings between unions by each operating units (AMESU & NUPW).
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	There was documented evident that the CU met minimum age requirements. Review of the workers list and employment agreement provided information containing details of employees including age and date of joining the CU confirmed that there are no under aged employee has been employed.
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 including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	The CU continues to practice equal opportunities. A Social Policy which confirmed the equal opportunities was posted on notice boards in the estates and mill. There was no evidence of any group being discriminated.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	YES	Evident of payment, housing and amenities provided found no discrimination has been practiced. Interviewed with workers, including Chairman and Secretary of Gender Committee, women and foreign workers also agreed that there were no discrimination been practiced. The relevant stakeholders' minute of meetings also reviewed, which confirm no issues.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	YES	Recruitment and promotion are in accordance with the industry standard as well as the CU criteria, including skills and medical fitness. No issues concerning recruitment or promotion observed, which acknowledged by employees interviewed.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	The CU maintained its Gender policy which included statement to prevent sexual and all other forms of harassment and violence in the company. Gender Committee was maintained and act to ensure the policy continued to be implemented. The Gender policy had been communicated to all employees.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be	YES	The Gender Policy has been maintained which included statement to protect the reproductive rights. Gender Committee was maintained and act to ensure the policy continued to be implemented. The Gender policy had been communicated to all employees.

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		implemented and communicated to all levels of the workforce. Major Compliance		
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	YES	A specific grievance mechanism which respects anonymity and protects complainants has been established as observed in a "Code of Business Conduct (COBC)" booklet, which available in the website: http://www.simedarby.com/about-us/governance/ . The matter concerning anonymity and protects complainants observed had been communicated to employees.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	YES	Current FFB observed displayed at weighbridge counter. Records of past prices were maintained and available.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	YES	There were evident of agreements and minute of meetings with suppliers. Further, suppliers interviewed acknowledged that they were explained about pricing, which they had no issues.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	YES	Suppliers and contractors were interviewed. It was confirmed that they were provided with agreements and explained. No issues were raised by the contractors and suppliers.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	There were no issues concerning payment, except complaint by canteen operator in the mill. In general, the contractors and suppliers were satisfied with the new online system which had shortened the claim and payment period.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	The CU continues to contribute to local communities as result of stakeholder's consultation and relevant action taken. Among the actions were financial assistance to schools, 'gotong-royong' and social activities with local communities, use of CU facilities by local communities, frequent patrol to avoid unauthorised access from other bordered estates, etc.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.	YES	There was no scheme smallholders included in the CU.

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		Minor Compliance		
C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	YES	Reviewed of the list of employees and payment, foreign workers permits, insurance policies, EPF and SOCSO contribution, etc. and interviewed with local and foreign workers found that there are no forms of forced or trafficked labour been employed.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	Reviewed of employment agreement and interviewed with workers observed that no contract substitution has occurred.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	The CU has established a "Social and Humanity Management Policy" in January 2015 and "Sourcing Process for Foreign Workers" procedure, which among others include concerning employment of foreign workers. The policy and procedure observed been implemented.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance	YES	The CU has established a "Social and Humanity Management Policy", which among others include the respect to human rights. The policy has been communicated to all operating units and their employees.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	YES	The CU is located in Peninsular Malaysia. Hence, this indicator is not applicable. Nevertheless, it was observed that there are schools within the CU.

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Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

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

Clause	Indicators		Comply Yes/No	Findings
C 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations	7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

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<p>C 7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values</p>	7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.2	A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.3	Dates of land preparation and commencement shall be recorded Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2). Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with	NA	No new planting was observed. Thus, this principle is not applicable.

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		the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). Minor Compliance		
C 7.4 Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.	7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.	7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed by these local peoples. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

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<p>C 7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.2	A system for identifying people entitled to compensation shall be in place. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.6.6	Evidence shall be available that the company has made adequate efforts to enable affected communities and rights holders to have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
<p>C 7.7 No use of fire in the preparation of new plantings other than in specific situations, as</p>	7.7.1	There shall be no land preparation by burning, other than in specific situations, as identified in the <i>'Guidelines for the Implementation of the</i>	NA	No new planting was observed. Thus, this principle is not applicable.

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identified in the ASEAN guidelines or other regional best practice.		ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Major Compliance		
	7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
C 7.8 Preamble New plantation developments are designed to minimise net greenhouse gas emissions.	7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. Major Compliance	NA	No new planting was observed. Thus, this principle is not applicable.
	7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. Minor Compliance	NA	No new planting was observed. Thus, this principle is not applicable.

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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 continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		The comments as below:
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	<p><u>Pesticides reduction:</u> Both estates have introduced mechanised rotor slashing weeding in all young palms possible areas to reduce the use of chemicals for spraying.</p> <p>In order to reduce the use of rat baits to control rats, Barn Owls are encouraged as indicated by Barn Owl census records. Until to-date the occupancy rate for BOB is 76%. Barn Owl boxes were also sighted in the fields.</p> <p>For control of Rhinoceros Beetle, the estates used pheromone traps and had programs to cover trunk chips in replants with cover crops.</p> <p>For bagworm control, estates have planted more nectariferous beneficial plants. This was evident with the presence of polybag young plants in the nurseries. This has reduced the used of chemicals.</p>
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	<p>Environmental Improvement Plan / Pollution Prevention Plan FY 2015 / 2016 has been established. The plan includes :</p> <ul style="list-style-type: none"> i) plans to minimise the use of certain pesticide/herbicide ii) wastes management iii) plans to maximise recycling and minimise wastes. iv) reduce oil spillage v) transportation activity.
	c)	Waste reduction (Criterion 5.3);	YES	Waste Management Action Plan 2015/2016 has been established. The type of wastes include scheduled wastes, domestic wastes, clinical wastes, and industrial wastes.

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	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	Pollution and Greenhouse gas (GHG) emission are being monitored. Palm GHG system is used to report data related to GHG emission. Verified the 'Palm GHG' data for 2015 which has been completed and the report has been submitted to RSPO on 24 th March, 2016. The submission correspondence was verified.
	e)	Social impacts (Criterion 6.1);	YES	The CU continued to implement the identified social action as a result of stakeholder's consultation and meetings. Among the improvement made were shortened the timeframe for payment to supplier, contractor, supply of siren to AP to scare away wild boars at night, Post A opened at 6.00pm for prayers as requested by temple, etc.
	f)	Encourage optimising the yield of the supply base	YES	In order to optimise yields, both estates were committed to implement best agricultural practices, inclusive of timely and proper fertiliser application; Improve on accessibility to maximise crop evacuation and expand in field mechanised collection of FFB. Water bodies and water conservation pits were constructed to conserve moisture.

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Attachment 4

Detail of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Assessors
Indicator 2.2.2	Minor	<p>#NCR No : HO-01</p> <p>Auditor found that Physical markers along the legal boundaries not always able to locate and visibly maintained.</p> <p>Physical markers along the legal boundaries of below operating units not consistently able to locate and visibly maintained</p> <p>a) Kemuning Estate (Tebong and Rumbia Divisions).</p> <p>b) Tangkak Estate (Ayer Panas Division).</p>	<p>1. To replace physical markers and marked it on the Estate's GPS map. To liaise with GPS/GIS survey team on this matter. Completion date target December 2016.</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>
Indicator 4.4.1	Minor	<p>#NCR No : MZK 01 2016</p> <p>Auditor found that the estate water management plan failed to identify and implemented the plan for water in water treatment tank at Rumbia Division and Tebong Division.</p> <p>a) Sighted that in Water Analysis Test Report by Norulhuda Yusof from Sime Darby R&D Centre Carey Island dated 22/03/2016 water in Water tank at Rumbia Division and Tebong Division the PH is below the Guideline Domestic use (pH 6.7-8.5) and the estate management failed to identify and implemented this issue in the water management plan.</p>	<p>1. Action Plan on monitoring of water in water treatment tank will be include in the water management plan. Completion date April 2016.</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>
Indicator 6.2.3	Minor	<p>#NCR No : HO-02</p> <p>Auditor found No evident of records of efforts, action taken and communication in response to some of inputs from stakeholders</p> <p>Records of efforts action taken and communication in response to some of inputs from stakeholders below are yet to evident:</p> <p>a) Complaint on quality of drinking water: Kempas POM. Kemuning Estate, Tangkak Estate (Ayer Panas Division).</p> <p>b) Complaint on insufficient water supply for workers' linesite: Kempas POM.</p> <p>c) Complaint on late house repair: Kemuning Estate.</p> <p>d) Complaint on late payment to new canteen operator for food and drinks supplies: Kempas POM.</p> <p>e) Complaint on less variety of menus for food provided for workers working on night shift: Kempas POM.</p>	<p>1. Only records of complaint for house repair available.</p> <p>2. Estate and mill to establish internal and external complaint book and to ensure all complaints will be captured and recorded in this book.</p> <p>3. Estate management will communicate to all workers and stakeholder on the progress of any complaints received</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>

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Attachment 5

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

Item No	Requirement NOV 2014	Findings Standard Nov 2014	
E.1 E.1.1	Definition To verify : a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified The claim only the volume of oil palm products produced from processing of the certified FFB as MB	Actual (March 2015 – February 2016)	
			<u>MT</u>
		(1) FFB Received	304,242.08
		RSPO 241,092.04	
		Non-RSPO 63,150.04	
		(2) FFB Processed	304,242.08
		RSPO 241,092.04	
		Non-RSPO 63,150.04	
		(3) CPO Production	63,596.62
		(4) PK Production	15,985.73
		(5) Delivery of CPO	63,225.55
		RSPO(MB) 34,543.67	
		Non-RSPO 28,681.88	
		(6) Delivery of PK	15,674.85
		RSPO (MB) 7,058.31	
		Non-RSPO 8,616.54	

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E 2 E.2.1	<p>Explanation Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p>Projected (March 2016 to February 2017)</p> <table> <tr> <td></td><td></td><td style="text-align: right;"><u>MT</u></td></tr> <tr> <td>(1) FFB Received</td><td></td><td style="text-align: right;">242,854.81</td></tr> <tr> <td> RSPO</td><td style="text-align: right;">218,342.81</td><td></td></tr> <tr> <td> Non-RSPO</td><td style="text-align: right;">24,512.00</td><td></td></tr> <tr> <td>(2) FFB Processed</td><td></td><td style="text-align: right;">242,854.81</td></tr> <tr> <td> RSPO</td><td style="text-align: right;">218,342.81</td><td></td></tr> <tr> <td> Non-RSPO</td><td style="text-align: right;">24,512.00</td><td></td></tr> <tr> <td>(3) CPO Production</td><td></td><td style="text-align: right;">51,977.91</td></tr> <tr> <td>(4) PK Production</td><td></td><td style="text-align: right;">12,353.89</td></tr> <tr> <td>(5) Delivery of CPO</td><td></td><td style="text-align: right;">51,977.91</td></tr> <tr> <td> RSPO(MB)</td><td style="text-align: right;">46,725.37</td><td></td></tr> <tr> <td> Non-RSPO</td><td style="text-align: right;">5,252.34</td><td></td></tr> <tr> <td>(6) Delivery of PK</td><td></td><td style="text-align: right;">12,353.89</td></tr> <tr> <td> RSPO (MB)</td><td style="text-align: right;">11,104.29</td><td></td></tr> <tr> <td> Non-RSPO</td><td style="text-align: right;">1,249.60</td><td></td></tr> </table>			<u>MT</u>	(1) FFB Received		242,854.81	RSPO	218,342.81		Non-RSPO	24,512.00		(2) FFB Processed		242,854.81	RSPO	218,342.81		Non-RSPO	24,512.00		(3) CPO Production		51,977.91	(4) PK Production		12,353.89	(5) Delivery of CPO		51,977.91	RSPO(MB)	46,725.37		Non-RSPO	5,252.34		(6) Delivery of PK		12,353.89	RSPO (MB)	11,104.29		Non-RSPO	1,249.60	
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E. 2 E 2.2	<p>Explanation The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform or book and claim).</p>	<p>KPOM has registered with the RSPO e-trace system. The mill's RSPO e-trace member ID is RSPO_PO1000000347.</p>																																													
E 3 E 3.1	<p>Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a) Complete and up-to-date procedures covering the implementation of all the elements in these requirements b) The name of the person having overall responsibility for and authority over the implementation of these requirements and 	<p>(a) KPOM had continued to implement the document SD/SDP/PSQM/001 Revision 0 dated 27/11/2015 entitled 'Standard Operating Procedures for Sustainable Supply Chain & Traceability' (SOP) for the supply chain system. The SOP which had not been amended since then, prescribes in sufficient detail the procedures on receiving and processing RSPO-certified FFB, delivery of the certified crude palm oil (CPO) and palm kernel (PK), record keeping, handling of non-conforming materials and documents, outsource activities and on making claims regarding the use of or support of the RSPO certified palm oil products.</p>																																													

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	compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	(b) KPOM had appointed Mr. Muhammad Wafi Kamaruddin, Assistant Mill Engineer I effective 1 October 2015, as the new RSPO/ISCC representative in charge of the day-to-day implementation of KPOM's Quality Management System which includes the RSPO supply chain system. Mr. Muhammad Wafi had taken over this new responsibility following the resignation of the previous person in charge Mr. Shafiq Syaarani Sufey in September 2015. Mr. Muhammad Wafi had demonstrated a good knowledge on the mill's supply chain system having involved himself on its implementation and monitoring the mass balance 'account' of the in-coming RSPO- certified and non-certified FFBs and the out-going RSPO certified palm oil products namely RSPO- certified (MB) CPO and PK. Mr. Muhammad Wafi had also since then, assumed the responsibility of resolving other issues related to KPOM's RSPO/ISCC certification systems
E 3.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	<p>KPOM had continued to implement the procedures it had on receiving and processing of RSPO certified and non- certified FFBs. (Refer para. 7.0 of the SOP -Receiving FFB at the Mill)</p> <p>The Weighbridge Clerks knew and kept a list of all certified supply bases (estates) supplying FFBs to KPOM and checked on the validity of the estates' P&C Certificates for Sustainable Palm Oil Production (P&C Certificate).</p> <p>During the receiving of FFBs, the Weighbridge Clerk checked and verified that in-coming RSPO-certified FFBs must be accompanied by consignment note issued by the certified estate. Consignment note must indicate the name of the estate and the number of the RSPO P&C Certificate. For non- RSPO certified FFB, the consignment note issued by the supplier was also verified for quantity but not on the certified status of the FFB.</p> <p>KPOM had started implementing the electronic system 'Simeweigh' to trace the volume of in-coming FFBs from the certified supply bases (estates). Every lorry load of certified FFBs leaving the certified estate was accompanied by a 'card'. On arrival at KPOM, the lorry driver surrendered the 'card' to the Weighbridge Clerk. The 'card' was then scanned and the relevant information on the certified FFBs was then captured and stored in a data base.</p> <p>On processing, KPOM still referred to the sales contract issued by the Headquarters office for production planning (Refer 8.0 of the SOP – Process Monitoring). As KPOM had continued to implement the MB model for its supply chain system, both RSPO and non-RSPO FFBs were being processed together in the same production line.</p>
E.4 E.4.1	Purchasing and goods in The site shall verify and document the volumes of certified and non-certified FFBs received.	<p>KPOM had continued to receive certified FFBs from the CU's own supply bases as well as non-certified FFBs from outsiders. There were four supply bases (estates) sending certified FFBs to KPOM. They were Kempas, Kemuning, Serkam Division and Tangkah Estates. For non-certified FFBs, KPOM had sourced them from two FFB collectors namely Sri Maju Baja Enterprise Sdn Bhd and Eng Huat Latex Concentrate Sdn Bhd.</p> <p>The Weighbridge Clerk checked and verified the consignment notes issued by the supplying estates for the in-coming RSPO and non-RSPO FFBs. KPOM still kept copies of the FFB Consignment Notes or FFB Delivery Notes issued by the supplying estates.</p> <p>KPOM had also continued to keep records on (1) Daily FFB Received Supply Report by Supplier and (2) Monthly Crop Report and Mid-Month Crop Report and (3) Quarterly Mass Balancing Record on RSPO and non-RSPO FFB Received, CPO and Kernel Production and Stock Balances. The Monthly Crop Report provides a detailed monthly account on the receipt</p>

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		<p>of FFBs, production of CPO and PK as well as on the actual oil extraction rate (OER) and kernel extraction rate (KER).</p> <p>For the period March 2015 – February 2016, KPOM had received a total of 304,242.08MT of FFBs of which 241,092.04 MT were RSPO certified while the remaining 63,150.04MT were non-RSPO certified FFBs.</p> <p>Randomly selected FFB delivery notes/dispatch tickets for RSPO-certified FFBs issued by the supplying estates on the in-coming FFBs were verified. It was found that all delivery notes/dispatch tickets had indicated the estate's RSPO Certificate number, the name of the supplying estate and the quantity (weight in Kg) of the FFBs.</p>
E 4.2	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction of certified FFBs during the period under review (April 2015 – February 2016). However, para D.4.2 of the SOP requires the mill to inform the CB immediately should there be a projected overproduction of FFBs.
E.5 E.5.1	<p>Record keeping</p> <p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock)</p>	<p>KPOM had continued to keep record and balances all receipts of RSPO-certified FFBs and deliveries of RSPO-certified CPO and PK on a three-monthly basis in the table 'Mass Balancing Record for Oil Mills – KKS Kempas'.</p> <p>For the period March 2015 to February 2016, KPOM had delivered a total of 34,543.67MT of RSPO-certified (MB) CPO and 7,058.31MT of RSPO-certified (MB) PK. All the certified CPO was delivered to Nuri Edible Oil Sdn Bhd, a refinery under Sime Darby Group of Companies for refining. For PK, all was delivered to Sime Darby Kernel Crushing, Plant, another company under the Sime Darby Group in Carey Island, Kuala Langat, Selangor for crushing.</p> <p>The Mass Balancing Record for Oil Mills – KKS Kempas indicated both positive balances for the certified CPO and palm kernel.</p> <p>Randomly selected weighbridge tickets issued during October 2015 to February 2016 by KPOM for delivery of RSPO-certified CPO were verified and found to have indicated all the required information including the status of the products (RSPO MB):</p> <p>With respect to the delivery of PK, selected weighbridge tickets issued by KPOM during the months of March 2015 to February 2016 were verified. All sampled weighbridge tickets issued in November 2015 to February 2016 had indicated the status of the PK (RSPO MB). However, the remaining 26 tickets issued during the months of April, June, July, August and September 2015 had not indicated the certified status of the PK. However, beginning in November 2015, this had been corrected by the Technical Team from the Headquarters.</p>
E 5.2	In cases where a mill outsources activities to an independent (not owned by the same organisation) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	KPOM was not involved in crushing of the kernels. All of the kernel produced by KPOM was delivered to Sime Darby Kernel Crushing, Plant, another company under the Sime Darby Group in Carey Island, Kuala Langat, Selangor.

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Attachment 6

Status of Non-conformities Previously Identified

P & C Indicators	Classification Major / Minor	Detail Non conformance	Corrective Action Taken	Verification by Assessor
Indicator: 4.8.1	Major	NCR #: HO 01 2015 1) There was no evident of training provided for En. Kamilrul b. Kamaruddin (Serkam Division) and Pn. Nor Suhaila bt. Medan (Kempas Mill) related to scheduled wastes management.	1. The CU will send both personnel to undergo the Schedule Waste Training by PSQM-ESH on 17/4/15.	Verified training Records of the following Personnel who have been sent for Schedule Waste Training – Training carried out by En. Sharma (PSQM) carried out on 17 th April, 2015. i) Pn Nor Suhaila bt Medan (Kempas POM) ii) Kamirul bin Kamaruddin (Field Supervisor) iii) Zaini B. Abdullah Status: Closed
Indicator: 5.3.2	Minor	NCR #: HO 02 2015 1- Plan to avoid or reduce pollution not effectively implemented. Observed: i) Traces of oil spills at: a. Kempas Mill (inside and outside scheduled wastes store). b. Serkam Division (at workshop, parking bay). ii) Domestic wastes: a. not completely land filled (Serkam Division). disposed on the ground at Block A linesite of Kempas Estate, Kempas / Main Division.	To include workplace inspection (monitoring). To barricade the landfill and establish monitoring logbook. To provide domestic waste management awareness training. To erect visual signboard on cleanliness at line-site.	Kempas Mill i) Workplace and Line site inspection has been introduced, the concern records have been verified, appropriate mitigating actions are being carried out. ii) During site visit of the Schedule waste store noted the cleanliness status maintained at a satisfactory manner. Serkam Division i) Verified photos which was produced as evidence where the landfills have been baricaded. ii) ' A Log Book has been introduced for managing Domestic waste' – verified.

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				<p>iii) Sign board has been erected describing in Malay – 'Not to throw Rubbish Discriminately'</p> <p>Kemuning Estate</p> <p>i) Verified the use of ' Log Book for Managing Domestic Waste'</p> <p>Status: Closed</p>
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