



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

File Ref. : ES10170011

**RSPO PUBLIC SUMMARY REPORT  
RSPO RECERTIFICATION AUDIT**

**CLIENT** : Sime Darby Plantation Sdn. Bhd., SOU 6 Tennamaram

**TYPE (MILL, ESTATE AND MILL ETC):** Estate and Mill

**LOCATION (MAP AND GPS), MILL AND/OR HECTARAGE:** See Attachment 1  
(In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
Tennamaram Strategic Operating Unit (SOU 6)	Tennamaram Palm Oil Mill	3° 23' 44.30" N	101° 25' 03.41" E	45600 Bestari Jaya, Selangor Darul Ehsan.
	Tennamaram Estate	3° 24' 11.35" N	101° 23' 59.24" E	Pejabat Kompleks Perumahan dan Pengurusan, Jalan Dura off Jalan Raja Musa, 45600 Bestari Jaya, Selangor Darul Ehsan.
	Bukit Talang Estate	3° 24' 09.15" N	101° 18' 35.72" E	45000 Kuala Selangor, Selangor Darul Ehsan.
	Sungai Buloh Estate	3° 18' 32.27" N	101° 19' 7.23" E	45700 Bukit Rotan, Selangor Darul Ehsan.
	Elmina Estate	3° 12' 59.9" N	101° 31' 24.1" E	47000 Sungai Buloh, Selangor Darul Ehsan.

**AUDIT DATE** : 11 – 15 January 2016

**DURATION** : 15 auditor days

**STANDARD** : National Interpretation of RSPO Principles and Criteria For Sustainable Palm Oil Production, 2014 & RSPO Supply Chain Standard, 2014

**SCOPE OF REGISTRATION (specify sites, tonnages and/or approved processes)** :  
Production of Crude Palm Oil and Palm Kernel Using Identity Preserved Model

**NO. OF EMPLOYEES (Applicable to the scope of activities audited)** : 1,404

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

**Report by Audit Team Leader**

Name : Ruzita Abd Gani

Signature :

Date : 26 May 2016

**Acknowledgement by Client's Representative**

*Sime Darby Plantation Sdn Bhd  
Sungai Buloh Estate*

Name :

Signature

*SHAH NIZAM BIN YASIN SHAH  
Senior Manager*

Date

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- Attachment 2 : RSPO Recertification Audit Plan
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- Attachment 4 : Status of Non-conformities Previously Identified (ASA IV, 2015)

## RSPO RECERTIFICATION AUDIT

### **Abbreviations:**

ARM	Agriculture Reference Manual
BOD	Biochemical Oxygen Demand
CA	Collective Agreement
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CU	Certification Unit
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EB	Executive Board
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory Machineries Act
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IP	Identity Preserved
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MOA	Memorandum of Alliance or Agreement
MPOA	Malaysian Palm Oil Association
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
PMM	Proposal of Mitigation Measure
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

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SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
VOPS	Voluntary Oil Palm Seedlings

## **1.0 Description of the organisation**

This report contained the information regarding the recertification audit which was conducted in one of the Strategic Operating Unit (SOU) of Sime Darby Plantation Sdn. Bhd. (SDPSB), i.e. Tennamaram Strategic Operating Unit (SOU) also known as SOU 6. The CU was assessed for continuing certification against the RSPO Principles and Criteria for Sustainable Palm Oil Production MYNI (RSPO MYNI), 2014 and RSPO Supply Chain Certification 2014. This is the first recertification audit of SOU 6. The CU was initially certified with one mill and 3 estates. However, in July 2015, SDPSB has decided to include the Elmina Estate which was previously from Bukit Kerayong SOU which was also RSPO P&C certified by BSI.

To-date, SOU 6 consists of Tennamaram Palm Oil Mill, Tennamaram Estate, Bukit Talang Estate, Sungai Buloh Estate and Elmina Estate. The palm oil mill had a mill capacity of 60 mt FFB / hour.

## **1.1 Type (mill, estate and mill etc)**

Estate and mill.

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

The locations of the estates and oil mill which make up SOU 6 are shown in Appendix 1 while their coordinates are detailed in Table 1.

Table 1: Location and addresses of the mill and estates

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
Tennamaram Strategic Operating Unit (SOU 6)	Tennamaram Palm Oil Mill	3° 23' 44.30" N	101° 25' 03.41" E	45600 Bestari Jaya, Selangor Darul Ehsan.
	Tennamaram Estate	3° 24' 11.35" N	101° 23' 59.24" E	Pejabat Kompleks Perumahan dan Pengurusan, Jalan Dura off Jalan Raja Musa, 45600 Bestari Jaya, Selangor Darul Ehsan.
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	Sungai Buloh Estate	3° 18' 32.27" N	101° 19' 7.23" E	45700 Bukit Rotan, Selangor Darul Ehsan.
	Elmina Estate	3° 12' 59.9" N	101° 31' 24.1" E	47000 Sungai Buloh, Selangor Darul Ehsan.

### 1.3 Description of supply base (fruit sources)

The FFB is sourced from company owned estates that are certified i.e. Tennamaram Estate, Bukit Talang Estate, Sungai Buloh Estate and Elmina Estate. Details of the FFB actual and projected contribution from each estate are shown in the following tables.

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

Estates	FFB Production	Certifying CB
	Tonnes	
Tennamaram	43,362.28	SIRIM
Bukit Talang	71,679.47	SIRIM
Sungai Buloh	106,744.25	SIRIM
Elmina	28,331.16	SIRIM
Mentakab	68.11	TUV Rheinland
Bukit Cherakah	13,588.93	BSI
Bukit. Kerayong	8,427.07	BSI
Total	272,201.27	

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

Estates	FFB Production	Certifying CB
	Tonnes	
Tennamaram	43,351.55	SIRIM
Bukit Talang	74,518.95	SIRIM
Sungai Buloh	112,182.68	SIRIM
Elmina	5,061.29	SIRIM
Mentakab	0	TUV Rheinland
Bukit Cherakah	55,603.14	BSI
Bukit. Kerayong	11,126.72	BSI
Total	301,844.33	

Table 4: Actual CPO and PK tonnage for the last reporting period  
(December 2014 to November 2015)

	Quantity (Mt)
FFB received	272,201.27
FFB processed	271,201.27
Total CPO production	54,260.41
Total PK production	13,645.97
Certified CPO delivered as IP	54,260.41
Certified PK delivered as IP	13,645.97

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Table 5: Projected CPO and PK tonnage for the next reporting period  
(December 2015 to November 2016)

	Quantity (Mt)
FFB received	301,844.33
FFB processed	301,844.33
Total CPO production	68,772.62
Total PK production	16,324.33
Certified CPO to be delivered as IP	68,772.62
Certified PK delivered as IP	16,324.33

### 1.4 Date of planting and cycle

The certified area and planting profiles for each of the estate is detailed in the following tables:

Table 6: Area statement of the supplying estate

Estate	Year of establishment	Area (ha)					
		Certified	Planted	Mature	Immature	Conservation & HCV	Road/ other facility
Tennamaram	1917	1981.60	1835.02	1615.85	219.17	0	146.58
Bukit Talang	1936	3638.24	3541.16	3133.23	407.93	0	97.00
Sungai Buloh	1952	5154.08	4823.22	4204.32	618.90	2.0	328.86
Elmina	1959	1129.35	1083.25	1083.25	0	0	46.10
<b>Total</b>		<b>11903.27</b>	<b>11282.65</b>	<b>10036.65</b>	<b>1246.00</b>	<b>2.0</b>	<b>618.54</b>

The planting cycle for each estate is detailed below:

#### Tennamaram Estate

Year of planting	Planting cycle	Mature/immature	Planted area
1987 - 1999	3rd	Mature	817.58
2002 - 2011	2nd	Mature	798.27
2013 - 2014	4th	Immature	219.17
Total			1835.02

#### Bukit Talang Estate

Year of planting	Planting cycle	Mature/immature	Planted area
1990 - 1997	2nd	Mature	1301.78
1998 - 2011	3rd	Mature	1831.45
2013 - 2015	3rd	Immature	407.93
Total			3541.16

#### Sungai Buloh Estate

Year of planting	Planting cycle	Mature/immature	Planted area
1987 - 1999	3rd	Mature	1958.70
2002 - 2011	2nd	Mature	2245.62
2013 - 2014	4th	Immature	618.90
Total			4823.22

**Elmina Estate**

Year of planting	Planting cycle	Mature/immature	Planted area
1986 - 1995	2 <sup>nd</sup>	Mature	225.64
1989 -1996	2 <sup>nd</sup>	Mature	306.31
2008 - 2012	3 <sup>rd</sup>	Mature	330.01
2002 -2011	3 <sup>rd</sup>	Mature	221.29
Total			1083.25

**1.5 Other certification held (ISO, etc)**

Tennamaram POM has been certified to ISO 14001 Environmental Management System and the Tennamaram Estate certified to OHSAS 18001 Occupational Health and Safety Management System by third party. Other estates do not hold any other third party certification.

**1.6 Organisational information / contact person**

Certification Unit	:	Tennamaram Strategic Operating Unit (SOU 6)
Parent company	:	Sime Darby Plantation Sdn. Bhd.
RSPO membership number	:	1-0008-04-000-00
Certification date	:	03 March 2011
Name of contact person	:	Mr. Shah Nizam Yasin Shah
Designation	:	Senior Manager / SOU 6 Chairman
Address	:	Sime Darby Plantation Sdn Bhd Kilang Kelapa Sawit Tennamaram 45600 Bestari Jaya, Selangor Darul Ehsan
Telephone no.	:	+603-32891016
Email address	:	<a href="mailto:ldg.sg.buloh@simedarby.com">ldg.sg.buloh@simedarby.com</a>

**1.7 Tonnage certified**

The projection certified CPO and PK dispatch for certification by Tennamaram Oil Mill from December 2015 to November 2016, are as shown below:

Table 7: Projection certified CPO and PK dispatch by Tennamaram Palm Oil Mill from December 2015 to November 2016

Certification Unit	Tonnage Claimed for Certification (MT)	
	CPO	PK
Tennamaram Palm Oil Mill CU	68,772.62	16,324.33

**2.0 Audit Process**

**2.1 Audit methodology (program, site visits)**

The RSPO Recertification Audit of Tennamaram CU was conducted from 11 to 15 January 2016. The main objective of the audit was to verify the CU's conformance to the requirements of certification standard, the RSPO P&C MYNI: 2014 and RSPO Supply Chain Certification System (SCCS) Requirements, 2014. The planning of the Recertification Audit was guided according to the RSPO Certification Systems Document.



The audit covered the Tennamaram palm oil mill and four of its supply base. The sampling of the number of the supply base was using the formula of  $0.8\sqrt{y}$ . The two supply base covered during the audit were Sungai Buloh Estate and Bukit Talang Estate as well as Tennamaram mill. The audit included on-site audit to the estates, mill and settlers' houses to verify the implementation of the requirement of the certification unit. Interviews with the CU's management, relevant settlers, employees, contractors and other relevant stakeholders were also conducted during the audit.

Details of the audit programme are as in **Attachment 2** of this report.

## **2.2 Date of next surveillance visit**

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

## **2.3 Audit Team Members**

<b>Member of the Assessment Team</b>	<b>Role/area of RSPO requirements</b>	<b>Qualifications</b>
Ruzita Abd Gani	Lead Auditor Occupational Health & Safety, Environmental, milling practise and supply chain requirements	<ul style="list-style-type: none"> <li>Holds a B.Sc. (Hons) Chemical Engineering and had about 5 ½ years of working experience as assistant mill manager in the palm oil mill. She is a qualified as lead auditor for RSPO P&amp;C, RSPO SC &amp; MSPO, ISO 14001 and OHSAS 18001.</li> </ul>
Mohd Razman Salim	Auditor, Social aspect and High Conservation Value area	<ul style="list-style-type: none"> <li>Possessed B.Sc.Forestry (Hons) from University Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology.</li> </ul>
Selvasinggam T. Kandiah	Auditor Good Agricultural Practices (GAP) and Occupational Health & Safety related to oil palm plantation	<ul style="list-style-type: none"> <li>Holds a B. Sc. (Hons) in Agriculture. He had worked as a planter with Kumpulan Guthrie Berhad before retiring including one year in Liberia and 2 years in Estate Department in Guthrie headquarters. He is a qualified as auditor for RSPO P&amp;C &amp; MSPO</li> </ul>
Mr Subramanyan Danapalu Chettiar.	Trainee Auditor Good Agricultural Practices (GAP) and Occupational Health & Safety related to oil palm plantation	Holds a B. Sc. (Hons) in Agriculture. He had more than 30 years of oil palm plantation experience.

## **2.4 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.

## **2.5 Stakeholder consultation**

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the RSPO and SIRIM QAS International's websites in December 2015. In addition, SIRIM QAS International had also sent invitations through letters to the relevant stakeholders, including government agencies and Non-Governmental Organisations (NGOs). Whenever necessary, meetings were arranged.

Some comments from stakeholders were received prior to conducting the on-site audit through in writing. SIRIM QAS International had used the comments received from stakeholders prior to the audit as input to the audit planning process.

SIRIM QAS International has received a positive feedback from the District and Land Office, Kuala Selangor (letter dated 31.12.2015). The District Officer had conducted a visit on 30.12.2015 to the SDPSB estate located within Kuala Selangor, and concluded that in general the estate had maintained compliance against the "Kanun Tanah Negara". Estate management has provided housing, clinic, general amenity to their employees and as well provide job opportunities to local communities.

Another stakeholder who responded to the announcement was Jabatan Kerja Raya, Kuala Selangor. In their letter dated 22.12.2015, they were not able to provide any comment related to SOU 6 due to no expertise related to the area of audit.

There were no other comment received from stakeholder during the 30 days consultation period.

The employees and contractors involved were consulted through random sampling from each group in each of the FFB supplying unit and oil mill (e.g. mill operators, harvesters, general workers and sprayers from the estates and oil mill visited). Each consultation had lasted for about half an hour. The consultations which were conducted at the SOU 6's office had included solicitation of comments on issues relevant to principles 4, 5 and 6 of the RSPO MY-NI.

The consultations with the local communities were carried out at their premises. The sessions were carried out at times that were convenient to the stakeholders. The intention was to solicit their views on the impact of the SOU 6's operations on their economics and socio-cultural lives.

During the consultations, no representatives from the SOU were present. As such, the stakeholders had been able to present their views in a frank and open manner.

Generally, there was no negative comments received from the interviewed stakeholders. List of stakeholder as listed below.

**A : External Stakeholders**

- Department of Environment (DOE),
- Department of Occupational Safety and Health (DOSH),
- Forestry Department
- Department of Irrigation and Drainage (DID)
- Malaysian Palm Oil Board (MPOB)
- Labour Department
- Fire Fighting and Rescue Department
- Employee Providence Fund (EPF)
- Social Security Organizations (PERKESO)
- District and Land Office, District of Kuala Selangor
- Immigration Department
- Department of Wildlife and Natural Park (PERHILITAN)
- World Wildlife Fund (WWF),
- National Union of Plantation Workers (NUPW),
- All Malaysian Estates Staff Union (AMESU),
- Taman Perumahan Tennamaram
- Malaysian Palm Oil Association (MPOA)
- Kampung Idaman – Head

**B : Internal Stakeholders**

- Canteen operator
- NUPW members
- AMESU members
- FFB suppliers
- Sundry shop operator
- Chemical supplier
- FFB & EFB transporter
- Parts supplier
- Civil contractor
- Tennamaram Mill operator – process, boiler , ETP
- Harvesters – Sungai Buloh and Bukit Talang estates
- Sprayer – Sungai Buloh and Bukit Talang estates
- Sungai Buloh Estate chemical & scheduled waste storekeeper
- Tennamaram mill chemical & scheduled waste - Storekeeper
- Mill Engineer
- Mandore – Sungai Buloh Estate and Bukit Talang Estate
- First aider – Tennamaram mill, Sungai Buloh estate and Bukit Talang Estate.

## 2.6 Progress and Changes

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

Total FFB received by Tennamaram mill has increased from 266,730 MT in 2014 to 272,201.27 MT in 2015. Noted that the total planted area and certified area for 2015 were also increased from 2014 as provided in Section 1.4 – Table 4 Area statement of the supplying estate.

### b) Progress and Changes of Time bound plan

#### i) Changes and reasons for the changes as 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"/>	

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

Sime Darby Plantation Sdn Bhd (SDPSB) had established a time bound plan to certify all of its SOUs to be certified for the RSPO. To date 59 SOUs (in Malaysia and Indonesia) had been certified. There is one SOU in Indonesia which have yet to be certified due to pending social issue.

## RSPO RECERTIFICATION AUDIT

### RSPO certification progress against time bound plan: Certification Units in Malaysia

No.	SOU	Location	Date of certification	Valid until	Certificate No./Remarks
1.	Sungai Dingin	Karangan Kedah	12/8/2010	11/8/2015	SPO 550179
2.	Chersonese	Kuala Kurau, Perak	5/10/2011	4/10/2016	SPO 590800
3.	Elphil	Sg. Siput, Perak	18/6/2011	17/6/2016	SPO 550180
4.	Flemington	Teluk Intan, Perak	5/10/2011	4/10/2016	SPO 590802
5.	Seri Intan	Teluk Intan, Perak	3/3/2011	2/3/2016	RSPO 0016
6.	Selaba	Teluk Intan, Perak	3/3/2011	2/3/2016	RSPO 0015
7.	Tennamaram	Bestari Jaya, Selangor	3/3/2011	2/3/2016	RSPO 0014
8.	Bukit Kerayong	Kapar, Selangor	15/4/2011	14/4/2016	SPO 550181
9.	East	Carey Island, Selangor	19/5/2010	18/5/2020	SPO 543543
10.	West	Carey Island, Selangor	19/5/2010	18/5/2020	SPO 543594
11.	Bukit Puteri	Raub, Pahang	7/7/2011	6/7/2016	18502206 001
12.	Kerdau	Temerloh, Pahang	7/7/2011	6/7/2016	18502207 001
13.	Jabor	Kuantan, Pahang	7/7/2011	6/7/2016	RSPO 928288
14.	Labu	Nilai, Negeri Sembilan	30/12/2011	29/12/2016	SGS-RSPO/PM/MY13/01284
15.	Tanah Merah	Port Dickson, Negeri Sembilan	19/5/2010	18/5/2020	SPO 541905
16.	Sua Betong	Port Dickson, Negeri Sembilan	18/2/2014	17/2/2019	SGS-RSPOPM-MY14/01364
17.	Kok Foh	Bahau, Negeri Sembilan	7/11/2011	6/7/2016	RSPO 928188
18.	Kempas	Jasin, Melaka	19/5/2010	18/5/2020	RSPO 005
19.	Diamond Jubilee	Jasin, Melaka	5/10/2011	4/10/2016	SPO 591224
20.	Pagoh	Muar, Johor	28/1/2014	27/1/2020	SPO 600305
21.	Chaah	Chaah, Johor	18/11/2010	17/11/2020	SPO 548299
22.	Gunung Mas	Kluang, Johor	19/5/2010	18/5/2020	RSPO 901888
23.	Bukit Benut	Kluang, Johor	5/10/2011	4/10/2016	SPO 591229
24.	Ulu Remis	Layang-layang, Johor	12/4/2011	11/4/2016	SGS-RSPO/PM 00722
25.	Hadapan	Layang-layang, Johor	29/3/2011	28/11/2016	SGS-RSPO/PM00715
26.	Sandakan Bay	Sandakan, Sabah	1/10/2008	30/9/2018	SPO 537872
27.	Melalap	Tenom, Sabah	21/1/2011	20/1/2021	SPO 547124
28.	Binuang	Kunak, Sabah	16/1/2009	12/7/2020	RSPO 001
29.	Giram	Kunak, Sabah	16/1/2009	12/7/2020	RSPO 002
30.	Merotai	Tawau, Sabah	16/1/2009	12/7/2020	RSPO 004
31.	Lavang	Bintulu, Sarawak	30/12/2011	29/12/2016	CU-RSPO-819166
32.	Rajawali	Bintulu, Sarawak	30/12/2011	29/12/2016	RSPO 0020
33.	Derawan	Bintulu, Sarawak	30/12/2011	29/12/2016	RSPO 0019
34.	Pekaka	Bintulu, Sarawak	30/12/2011	29/12/2016	MUTU-RSPO/054

## RSPO RECERTIFICATION AUDIT

### Certification Progress against Time-bound Plan: Certification Units in Indonesia

No.	SOU	Location	Date of certification	Valid until	Certificate No./Remarks
1.	Alur Damai	Bagan Sinembah/ Tanah Putih, Pujud, Rokan Hilir, Riau	16/01/2012	16/01/2017	MUTU-RSPO/011
2.	Angsana Mini	Sebamban, Indonesia	06/07/2011	06/07/2016	MUTU-RSPO/006b
3.	Mustika Oil Mill	Sebamban, Indonesia	03/07/2013	03/07/2018	MUTU-RSPO/027
4.	Angsana	Sebamban, Indonesia	06/07/2011	06/07/2016	MUTU-RSPO/006a
5.	Bebunga	Pamukan Utara, Tanah Grogot, Kotabaru/ Pasir, Kalimantan Selatan/ Kalimantan Timur	16/03/2012	16/03/2017	MUTU-RSPO/014
6.	Sukamandang	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	05/07/2011	05/07/2016	MUTU-RSPO/003
7.	Ladang Panjang	Kumpeh Ulu, Jambi, Muaro	09/07/2012	09/07/2017	MUTU-RSPO/019
8.	Manggala	Riau, Indonesia	25/11/2010	24/11/2015	MUTU-RSPO/002
9.	Pondok Labu	Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16/03/2012	16/03/2017	MUTU-RSPO/016
10.	Gunung Aru	Sebamban, Indonesia	05/07/2011	05/07/2016	MUTU-RSPO/005
11.	Rantau Panjang	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16/03/2012	16/03/2017	MUTU-RSPO/017
12.	Rantau	Sungai Durian, Kotabaru, Kalimantan Selatan	30/12/2011	30/12/2016	MUTU-RSPO/009
13.	Betung Oil Mill	Sungai Durian, Kotabaru, Kalimantan Selatan	01/04/2014	01/04/2019	MUTU-RSPO/009
14.	Sekunyir	Kalimantan Tengah, Indonesia	23/11/2010	22/11/2015	MUTU-RSPO/001
15.	Selabak	Sungai Durian, Kotabaru, Kalimantan Selatan	16/03/2012	16/03/2017	MUTU-RSPO/015
16.	Sg. Pinang	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11/09/2012	11/09/2017	MUTU-RSPO/020
17.	Pemantang	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	05/07/2011	05/07/2016	MUTU-RSPO/004
18.	Teluk Bakau	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	11/10/2011	11/10/2016	MUTU-RSPO/008
19.	Mandah Oil Mill	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	01/04/2014	01/04/2019	MUTU-RSPO/008
20.	Teluk Siak	Tualang, Perawang, Siak, Riau	11/10/2011	11/10/2016	MUTU-RSPO/007

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No.	SOU	Location	Date of certification	Valid until	Certificate No./Remarks
21.	Ungkaya	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10/07/2012	10/07/2017	MUTU-RSPO/018
22.	BK Ajong	Kalimantan Barat, Indonesia	18/08/2010	17/08/2015	SPO 541399
23.	Blang Simpo	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	03/05/2013	03/05/2018	MUTU-RSPO/026
24.	Lembiru	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	03/07/2014	02/07/2019	MUTU-RSPO/044
25.	Mas Mill	Desa Rahayu Kec. Parindu Kab. Sanggau, Kalimantan Barat	NA	NA	Undergone RSPO Main Assessment. Delayed due to some disputes

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**c) Progress of all associated smallholders certification**

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

☐

Yes

☒

No

**If no, please state reasons**

No associated smallholders

**d) New acquisition**

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

☐

Yes

☒

No

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

There were no significant changes observed during the audit except for the rotation of few key personnel among the operating unit.



## RSPO RECERTIFICATION AUDIT REPORT

### 3.0 Assessment Findings

A total of one major non-conformity (with 2 findings in the same clause) and two minor non-conformity reports against RSPO MYNI P&C 2014 requirements were raised during this audit. The CU has taken necessary corrective actions in order to close the major non-conformity. Minor non-conformities will be verified in the next surveillance assessment. Nonetheless, the CU has submitted their corrective action plan for the minor non-conformity and has been accepted by the audit team. Details of the non-conformities raised and the corrective actions taken by the CU are as in **Attachment 3**. Evidences of the actions taken had been submitted to the assessment team.

#### 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.	YES	The Tennamaram CU has continued to implement the procedure for responding to any communication as outlined in sub-section 5.5 appendix 5.5.3.2 of the Estate / Mill Quality Management System documents. The flow chart of the procedure were made available on notice boards in the estate office and muster grounds. The records of communication were identified and maintained. Sighted request letter from the Department of Statistic dated 6.04.2015 on "Environmental protection expenditure survey 2015". The Department had request the estate to provide information related to expenses on environmental monitoring, pollution control, protection of wildlife and waste generation. The Estate had replied on 29.04.2015 all required information. The Tennamaram mill had also received requests from DOE related to the installation of the continuous emission monitoring for boiler smoke emission. The mill had responded to DOE letters dated 18.8.2015, 21.8.2015, 15.9.2015 and 1.10.2015. Generally DOE satisfied with the information provided by the mill. Request from employees were recorded in "Borang Aduan Kerosakan" which mainly on house repairs. The management of estate and mill has taken action timely and date of action taken were recorded.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	It was confirmed all relevant record of request and response from mill and estate management from DOE, DOSH, Department of Statistic and employees were maintained.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would	1.2.1	1.2.1 Management documents that are made to the public shall include, but are not necessary limited to :	YES	The Tennamaram SOU 6 has continued to use the website <a href="http://plantation.simedarby.com">http://plantation.simedarby.com</a> to disseminate information to public. Among the information are related to safety and health plans, pollution prevention plans, procedure for complaints and grievances, Corporate policy, Management policy related to environmental management quality management, safety & health management, social & humanity policy. Due to commercial confidentiality, the land title was not made publicly available in the website but land title are available at each of the estate's office.
		• Land titles/user rights (Criterion 2.2); Occupational		All policies was approved by Managing Director, dated 15.01.2015.

## RSPO RECERTIFICATION AUDIT REPORT

result in negative environmental or social outcomes.		<p>health and safety plans (Criterion 4.7);</p> <ul style="list-style-type: none"> <li>Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</li> <li>HCV documentation summary (Criteria 5.2 and 7.3);</li> <li>Pollution prevention and reduction plans (Criterion 5.6);</li> <li>Details of complaints and grievances (Criterion 6.3);</li> <li>Negotiation procedures (Criterion 6.4);</li> <li>Continual improvement plans (Criterion 8.1);</li> <li>Public summary of certification assessment report;</li> <li>Human Rights Policy (Criterion 6.13).</li> </ul> <p>Major Compliance</p>		
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	<p>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.</p> <p>Minor Compliance</p>	YES	<p>Among the management documents that are publicly available in the organization website include the Corporate policy, Management policy related to environmental management, quality management, safety &amp; health management, social &amp; humanity policy related to code of ethical conduct and integrity in all operations. In addition Operational policies also available. All policies was approved by Managing Director, dated 15.01.2015.</p> <p>The policy also displayed at the mill and estates notice board and at several locations such as office, muster ground and security guard house.</p>

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

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	NO	<p>The CU was found to be complying with most of the applicable legal requirements. Site audit at operational areas and supporting facilities confirmed evidence of compliance. Relevant licenses and permits were valid and displayed at the estate and mill offices. Monitoring activities were being conducted in accordance with the relevant requirements. These included the employee audiometric test and hearing conservation programme and monitoring of smoke &amp; dust particulates emission from the boiler and discharges from the effluent treatment plant. The monitoring of boiler emissions and effluent discharges has also included measurements conducted by external accredited laboratories.</p> <p>The mill also has continued to maintain the requirements for a “Competent person” such as</p> <ul style="list-style-type: none"> <li>• CePPOME (certified environmental professional in the treatment of palm oil mill effluent – pond process)</li> <li>• CePSWAM (certified environmental professional in scheduled waste management)</li> <li>• Authorised gas tester and entry supervisor for confined space</li> <li>• Authorised entrant and standby person for confined space</li> <li>• Steam Engineer</li> <li>• Electrical Charginan,(A4)</li> <li>• Relevant licenses and permits such as MPOB license for Sungai Buloh Estate &amp; Bukit Talang Estate.</li> </ul> <p>Random sample on foreign workers work permit and passport was found to be valid. The renewal of work permits was carried by Sime Darby Berhad Foreign Workers Centre.</p> <p>The Sungai Buloh and Bukit Talang Estate have conducted the Chemical Health Risk Assessment (CHRA) in August 2015. However, during this Recertification Audit, the CHRA report was still pending for finalization by the consultant. A major non-conformity was raised against Indicator 2.1.1. (NCR No. : STK 01 2016).</p> <p>SOU 6 has taken necessary action where they have communicated with the CHRA consultant to finalise the report and present the assessment findings and recommendation to the management of Sungai Buloh and Bukit Talang Estate. Final CHRA report for both estates were submitted to the audit team.</p> <p>Generally, SOU 6 has managed the scheduled wastes in accordance with EQ (Scheduled Waste) Regulations 2005 except at Tennamaram mill where it was found that the scheduled waste containers content SW 306 and SW 410 was not labelled with appropriate hazard signage. At Sungai Buloh estate, the inventory record and waste</p>

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				notification for certain scheduled wastes was found inadequate. A major non-conformity was raised against Indicator 2.1.1. (NCR No. : RA 02 2016). Tennamaram mill and Sungai Buloh estate have taken necessary action, photograph showing appropriate hazard signage has been submitted to auditor. Scheduled waste inventory record and notification record were also submitted to the audit team. Based on the evidences submitted, the major NCR was closed.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained Minor Compliance	YES	SOU 6 had continued to maintain a Legal and Other Requirements Register (LORR). Among the identified legal requirements are the Environmental Quality Act 1974 and its Regulations, Factories and Machinery Act 1967 and its Regulations, Occupational Safety and Health Act 1994 and its Regulations, Pesticides Act, 1974, & Worker's Minimum Standards of Housing and Amenities Act, 1990, Code of Practice for Confined Space 2010 and other applicable requirements for mill and estate operation. The registers were update accordingly. In Sungai Buloh Estate, it was updated on 1.12.2015, Bukit Talang Estate on 7.07.15 while Tennamaram mill on 1.7.2015. The following were added: <ul style="list-style-type: none"> <li>• Immigration Act 1959</li> <li>• Holiday Act 1951</li> <li>• Selangor Water management Authority (Licensing) Regulation 2012</li> <li>• Estate Hospital Assistants (Regulation) Act 1965 (Review 1990)</li> </ul>
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU 6. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10.12.2008].
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	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. SOU 6 has continued to implement the established procedure for tracking changes, accessing and updating the legal requirements.
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	Copy of legal ownership of the lands of the supply base were available. The audit team had verified the land title for Sungai Buloh Estate, Bukit Talang and Tennamaram mill. All original titles are kept by SDPSB headquarters and the estates only maintained the copies.

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	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	YES	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to forest reserves.
	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	There was no record of disputes since the previous surveillance audit.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance	YES	There was no record of disputes since the previous surveillance audit.
	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	There was no record of disputes since the previous surveillance audit.
	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	The audit team had confirmed through Stakeholders Meeting and interview with local communities & other oil palm plantation companies that there was no conflict raised due to violence action taken by SOU 6.
C 2.3 Use of the land for oil palm does not diminish	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights	YES	There was no record of disputes since the previous surveillance audit.

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the legal, customary or user rights of other users without their free, prior and informed consent.		(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		
	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 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	YES	There was no record of disputes since the previous surveillance audit.
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	YES	There was no record of disputes since the previous surveillance audit.

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		Minor Compliance		
	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	There was no record of disputes since the previous surveillance audit.

### 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	Tennamaram CU has continued to persevere and make commitment to long-term economic and financial viability. The annual budgets for 2015/2016 to 2019/2020 were sighted. The budget provisions cover activities such as upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure and RSPO compliance. The budget included projections on yield / hectare and total cost of production per metric tonne 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 2026/2027 were sighted for both Sungai Buloh estate and Bukit Talang estate. This programme was reviewed once a year and is incorporated in their annual financial budget.

### 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	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	Tennamaram CU has continued to maintain the implementation of documented procedures which among others included the following : <ul style="list-style-type: none"> <li>• Plantations / Mill Quality Management System (PQMS / MQMS),</li> <li>• Sustainable Plantation Management System (SPMS) Manual,</li> <li>• RSPO Supply Chain Manual</li> </ul>

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implemented and monitored				<ul style="list-style-type: none"> <li>• ESH Management System Manual (SD/SDP/SQM (ESH)</li> <li>• Pictorial Safety Standards</li> <li>• Laboratory Process Control Manual</li> <li>• Security Guidelines</li> <li>• Agricultural Reference Manual (ARM)</li> <li>• Guidelines on river management</li> </ul> <p>The procedures have described the good milling practises and good agriculture practises, safety and health matters, social and welfare, environmental monitoring and control and etc. Sighted procedures entitle "Harvesting oil palm SBE SOP-16" dated 18-07-2014, "Transportation SBE SOP-13" dated 18-07-2014 and "Manuring SBE SOP-20" dated 18-07-2014. The procedures were written in Bahasa Malaysia for easy reference by the staff. The SOPs were displayed at various workstations such as at estate office notice board and mill workstation notice board.</p> <p>Interviews with workers at Sungai Buloh estate, Bukit Talang Estate and Tennamaram mill confirmed that the SOPs have been implemented and they understood the requirements of the SOP and consequence if deviate from the SOP.</p>
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	NO	<p>The CU has established a mechanism to ensure consistent implementation via Plantation/ Mill Advisor visits and sustainability audit from Sime Darby Plantation Sdn. Bhd., PSQM department.</p> <p>Both estates demonstrated good agricultural practices as per their SOPs. This was verified during the on-site visits, inspections and discussions with relevant personnel. Random interviews with the estate workers showed that they knew the requirement of the SOPs. These include the harvesting standards and pesticides usage which had been properly understood by the estate harvesters and sprayers respectively.</p> <p>Generally both estates had well established soft vegetation in the inter rows of mature palm and sighted that cover crop is well maintained by the estates. However, it was sighted at Bukit Talang estate that in Field P11A palm fronds were not pruned/cut flushed with the trunk and pruned fronds were not stacked as required by the SOP for pruning palms, stacking fronds. Hence, a minor NCR (NCR STK 02 2016) was raised.</p> <p>SOU 6 has taken corrective action where Field P11A palm fronds were pruned/cut flushed with the trunk and Pruned fronds were stacked as required. Training for pruning palms has been conducted on 7.01.2016 also with continues supervision at the field. Evidence was submitted to the auditor i.e. photograph of Field P11A palm fronds were pruned/cut flushed with the trunk and pruned fronds were stacked were sighted by the auditor. Training attendance records were submitted to the auditor.</p> <p>Tennamaram mill has continued to maintain the existing milling operation manual. Interviewed with operators and supervisors revealed that the SOPs have been implemented accordingly. A minor lapse was observed related to the consistent implementation of permit-to-work system. Hence, a minor NCR (NCR RA 01 2016) was raised.</p> <p>SOU 6 has taken Corrective action as follows:</p> <ol style="list-style-type: none"> <li>1) Permit to work (PTW) training for Permit issuer and Permit Approver, expected complete in February 2016.</li> </ol>



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				<p>2) Provide dedicated place for PTW at all station and Permit Requester must submit back the PWT to the issuer after job complete or postpone, expected completed in January 2016.</p> <p>3) To include ESH documentation checking in Workplace Inspection on 3 monthly basis.</p>
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	<p>In general all records related to milling / estate operation, environmental, safety, health &amp; welfare, stakeholders communication, employment and social aspects were kept for a minimum of 12 months.</p> <p>Among the monitoring records sighted were:</p> <ul style="list-style-type: none"> <li>Records related to work activities, such as Programme sheets for Circle Spraying, fertilizer application, rat baiting, Crop Quality, Tally sheet, Unstripped Bunches, water treatment operation on water quality and CPO / PK quality.</li> <li>Records of control / issuance records, such as Store Bin Cards, Kernel Stock sounding, Oil Tank Sounding, Boiler water Test etc.</li> <li>Monitoring reports e.g. audiometric monitoring, effluent discharge, dust and black smoke, Buku Rondaan Sempadan, Buku Laporan Tugas Harian, etc.</li> <li>Stakeholders visits and communication, e.g. Complaint Books, correspondence, etc</li> <li>Daily muster chits at estates.</li> </ul>
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	YES	It was confirmed through weighbridge summary report from Oct 2014 till the audit date that there are no third-party sources of FFB received and processed by the mill.
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	<p>Soil fertility had been maintained at optimum levels by the application of empty fruit bunches (EFBs) mulching, proper frond stacking (biomass), POME application (only in Tennamaram Estate), water management, maintaining soft weeds within interlines regular and by annual application of inorganic fertilizers recommended by SDPSB's upstream research and development unit, which is located at Carey Island, Selangor. The Annual Fertiliser recommendations were made based on annual foliar sampling.</p> <p>The fertilisers used in SOU 6 were Ammonium Sulphate, Ammonium Chloride, MOP, CIRP, Borate and Kieserite. The fertilizer applications were monitored via programme sheets.</p>
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Records of fertiliser application against fertilizer recommendation have been verified and found accurate.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	<p>The tissue analysis results for Sungai Buloh estate is seen in Fertilizer/Agronomic recommendations report Oil Palm by Sime Darby Research Sdn Shd dated 16-17/12/2015 has been incorporated with the fertilizer recommendation.</p> <p>Soil Analysis Report sighted in Sg Buloh estate and Bukit Talang estate. SOP for soil sampling is sighted in SPMS appendix 7 version 2008 dated 01.11.2008. Soil sampling works are carried out by Sime Darby Research Sdn Bhd.</p>
	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.	YES	Nutrient recycling was sighted in both Sungai Buloh and Bukit Talang estates by way of EFB application.

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		Minor Compliance		
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	YES	Soil maps were available for both Sungai Buloh and Bukit Talang estates. There is minimal fragile source – Sungai Buloh 15 Ha of peat soil and Bukit Talang about 145 Ha.
	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	Both estates are on flat areas. 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 plantings on slopes between 9 and 25 degrees was in Slope & River Protection Policy – Buffer Zone & 25 degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual. Both estates had complied with this strategy.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	The CU has continued the road maintenance program and it was evident at Sungai Buloh and Bukit Talang estates. Road maintenance records sighted.
	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	YES	Some peat soil areas in Bukit Talang and Sungai Buloh Estates has been planted with oil palm. The management continues to carry out its best practice in maintaining the water table of these areas according to its established procedure and programme.
	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	YES	The network of drainage system was adequate and water table was monitored and maintained at 60 cm from the ground surface at all times by using piezometers, water level markers, sand bag stop bunds and water gates. In addition, both estates had mobile and static water pumps to pump out and pump in as and when the need arises. The inlet and outlet of water through these areas were controlled by water gates.
	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	YES	Based on both estate soil maps and during field visit to the estates, found that there were no other fragile and problematic soils noted.
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	YES	Water management plan is available and sighted in Agricultural Reference Manual – ARM section 10. Clean water is supplied by SYABAS- Syarikat Bekalan Air Selangor through Majlis Daerah Kuala Selangor. The catchment area in Bukit Talang estate sighted during the visit was no longer in- used and the area has been fenced for safety purpose. No application of POME for both estates Sungai Buloh and Bukit Talang.
	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	YES	Tennamaram CU has continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways. Tennamaram CU has adopted Sime Darby's policy to maintain the buffer by restricting agrochemicals application and will be left undeveloped during replanting.

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		national guidelines) shall be demonstrated Major Compliance																
	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	Site visit to the effluent treatment plant and interview with PIC revealed that the operation had been carried out in accordance with the established SOP and legal requirements. No sight of effluent over flow and flow meter reading was recorded daily. Mill monitoring records on water quality monitoring for DOE submission in the 'Borang Penyata Suku Tahunan'. The reports for Q1 to Q3 of 2015 were reviewed. It can be confirmed that all BOD results for Tennamaram mill were far less than the 5000 mg/l requirement. Tennamaram mill had obtained DOE approval for land application.														
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	YES	Based on data monitoring for financial year July 2014/June 2015, the average figure was 1.30 m3 per tonne of FFB process														
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	The CU continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques as per SOP/SectionB13 Pest & diseases and ARM/Section 15/Plant Protection. In order to minimize use of Insecticides, the estate had established nurseries for beneficial plants mainly Tunera subulata, Cassia cobanensis and Antigonon leptopus. This was to establish continuity in the planting of beneficial plants in order to maintain low population of leaf eating caterpillars, hence reducing the need to use chemical treatment. Census records confirmed that there has been no major outbreak of leaf eating pest. SOU 6 though practised 'Calendar Baiting' in order to control the rat population, it had also provided barn owl boxes (Tyto alba) for better control and with the aim to reduce use of rat baits.														
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	For Bukit Talang, records of training were sighted for rat baiting. Briefing was carried out and census record for bagworm M Plana sighted. Sungai Buloh – During the audit, P&D census team was interviewed and they have sufficient knowledge on census for pest. They were carried out census for Metisa Plana in field 2010B.														
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 of all agrochemical used was available in the Agricultural Reference Manual Section 15 and 16, Standard Operating Procedure (SOP) and in the Safety Pictorial Book. The use of selective products that are specific to the target pest, weed or disease were demonstrated in the Agricultural Reference Manual. The CU has continued to implement procedures for safe handling of chemicals which covered activities related to :														
				<table><tr><th rowspan="2">Activity / Procedure</th><th colspan="2">Procedures for safe handling of chemicals</th></tr><tr><th>Sungai Buloh Estate</th><th>Bukit Talang Estate</th></tr><tr><td>Handling &amp; Storage</td><td>SBE / SOP 33</td><td>BT / SOP 19</td></tr><tr><td>Issuing</td><td>SBE / SOP 19</td><td>-</td></tr><tr><td>Mixing</td><td>SBE / SOP 31</td><td>BT / SOP 31</td></tr></table>	Activity / Procedure	Procedures for safe handling of chemicals		Sungai Buloh Estate	Bukit Talang Estate	Handling & Storage	SBE / SOP 33	BT / SOP 19	Issuing	SBE / SOP 19	-	Mixing	SBE / SOP 31	BT / SOP 31
				Activity / Procedure		Procedures for safe handling of chemicals												
					Sungai Buloh Estate	Bukit Talang Estate												
Handling & Storage	SBE / SOP 33	BT / SOP 19																
Issuing	SBE / SOP 19	-																
Mixing	SBE / SOP 31	BT / SOP 31																

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				Spraying	SBE / SOP 29	BT / SOP 7	
				Pump Maintenance		BT / SOP 17	
	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	Sungai Buloh and Bukit Talang estates have documented programs for spraying pesticides and for rat baiting. Pesticide application was implemented as programme. Both estates had continued to maintain records indicating the types of pesticides used with active ingredients, their LD50, where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports.			
	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, SOU 6 has continued to maintain nectariferous beneficial plants (i.e. Cassia cobanensis, Antigonon leptopus and Turnera subulata). The nurseries continuous planting in order to attract natural predators and thus reduce the use of insecticides against leaf eating pest. During the audit it was observed a number of beneficial plants had been planted and estates had plants ready for planting in the nurseries. The estates were committed to reduce the use of chemicals and now have implemented and will continue to only spray Circles (Strip) and noxious weeds. Soft weeds and Nephrolepis bisserata are maintained and encouraged in the inter rows. Harvester's paths were only grass cut. Both estates stacked chipped palm materials in Close Ended Conservation Trenches (CECT) which will contain water in the replants in order to minimise/prevent breeding of Rhinoceros Beetle thus reducing chemical control. EFB applied in replants is applied in single layers and is not dumped in large amounts to prevent breeding of Rhinoceros Beetles. Sungai Buloh and Bukit Talang estates have put up barn owl boxes to help in controlling rats so as to reduce chemical baiting. Records showed that there were 233 barn owl boxes in Sungai Buloh Estate and 157 in Bukit Talang Estate. In both estates prophylactic spraying using diluted cypermethrin for immature palms in zero burning of oil palm to oil palm replanting was carried out against rhinoceros and apogonia attack as per standard operating procedures.			
	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 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	YES	Both estates only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. From the review of the chemical register, it was noted that all pesticides used are of class III & class IV. The use of paraquat had been banned in all SDPSB estates. Except for Methamidophos, there was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions had been used. Methamidophos was used in 2015 for trunk injection to treat bagworm attack. From records and interviews with workers, staff and estate assistants, found that they were trained, all precautions taken and all legal requirements met. Signboards indicated 'AWAS Dilarang Masuk', block, dates of operation, type of operation and chemical were used.			

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		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		
	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	<p>Records showed that pesticides were handled, used and applied by trained persons and as per the CSDS of the pesticide. As mentioned under Indicator 4.6.1, Standard Operating Procedures for safe-handling of pesticides was in place.</p> <p>Storekeepers, sprayers, fertilizer and rat bait workers were trained and they understood the hazards involved 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 CSDS training. It was also noted that CSDS are available at point of use i.e. chemical stores.</p> <p>Training on pesticide handling was conducted at Sungai Buloh on 4.2.2015 by the respective Managers and Sustainability Officer. Training on spraying which included the safety aspects and usage of PPE when handling with pesticides was carried on 29.09.15 at Bukit Talang and on 24.11.2015 at Sungai Buloh by Mycrop. Record of training was available for verification. Trunk injection training was carried in Sungai Buloh Estate on 02.12.2015 by Environment, Safety and Health officer from the Plantation Sustainability Quality Management Department. Training record was maintained. From interviews conducted with 6 workers and 2 staffs in the fields and 2 stores clerks was confirmed that they had been trained and were aware of safe handling procedures.</p> <p>All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. It was also observed that PPE was used by workers working in the fields.</p>
	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	<p>The chemical stores in Sungai Buloh and Bukit Talang estates were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. . Record of purchase, storage and use had been properly maintained. All stores were well ventilated. Exhaust fans were available and the doors were lock for security purpose. Only authorized personnel were allowed to handle the chemicals. All chemicals were stored and segregated accordingly.</p> <p>The class 1b chemical, Methamidophos, in Sungai Buloh was stored separately in a locked cabinet in the well secured store. Empty pesticides containers had been triple rinsed, holes punched in them and stored separately in the schedule waste store.</p>
	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, Chemical Health Risk Assessment (CHRA) and by CSDS supplied by the manufacturer. It was observed the procedures were implemented accordingly.

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	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	Aerial spraying was not practiced by both Sungai Buloh Estate and Bukit Talang Estate and there was no evidence to show that any had been carried out
	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	The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. Training attendant list showed that training had been carried out related to spraying operation, sprayers safety and chemical handling.
	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	Domestic wastes generated from worker line site were collected by Majlis Perbandaran Kuala Selangor. While the scheduled waste were collected by DOE licensed contractor.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	YES	All sprayers, store keepers and workers handing pesticides in both estates were sent for annual Medical surveillance and the records presented to the auditors. It has been carried out in January 2016.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	Sungai Buloh estate and Bukit Talang estate had Internal Memos on “No Work With Pesticides For Confirmed Pregnant and Breast-Feeding Women” signed by the respective managers. List of sprayers were maintained by the Medical Assistant (MA) & Hospital Assistant (HA). In Bukit Talang Estate there were no female sprayers. All sprayers were men. In Sungai Buloh Estate identification of pregnancy was done by the MAs and HAs based on interview with women on the last periods dates. This interview is done during the monthly medical check-up conducted. There was no evidence that work with pesticides was undertaken by pregnant or breast-feeding women. Medical Assistants and workers confirmed this during interviews.
C 4.7 An occupational health and safety plan is	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall	YES	The CU continued to adopt SDPSB Occupational Safety and Health Policy dated April 2011. The policy had been communicated to all employees through briefings and being displayed on the estates and mil notice boards. It has been communicated to all workers during roll call and by the workers representative in OSH committee.

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<p>documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>		<p>be documented and implemented, and its effectiveness monitored.</p> <p>Major Compliance</p>		<p>A safety and health plan for 2015/2016 for each estate and mill had been implemented. The plan was presented to the audit team. The plan also covered workplace inspection and aim for zero accident case.</p> <p>The implementation of OSH plan was monitored by internal audits conducted by OSH officers from PSQM department.</p>
	4.7.2	<p>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.</p> <p>Major Compliance</p>	YES	<p>The hazard identification, risk assessment and risk control (HIRARC) had been carried out covering activities in the estates and mill. Updated HIRARC register were presented to the audit team during the audit.</p> <p>At Tennamaram mill, the record was last updated on 2.7.2015 by the mill engineer and approved by mill manager. Among the risk assess related to high noise level and dusty at kernel crushing plant. It was observed, the operator has use the dust mask &amp; ear plug.</p> <p>As for the Sungai Buloh Estate, the record was updated 1.07.2015 by the HIRAC team consisting of Estate Assistants, Medical Assistant (MA), Hospital Assistant (HA), Staffs, Workers, Contractors and headed by the Senior Manager, the review was signed by the Senior Estate Assistant and approved by the Senior Manager.</p> <p>At Bukit Talang the record was reviewed on 15.12.2015 by the MA and approved by the Senior Manager. This review was done after the accident to a harvester on 9.10.2015. Relevant reports were submitted to DOSH. Refresher training was conducted to all harvester on the safe operating procedure.</p> <p>Among the risk identified at estate operation such as falling object, slip &amp; fall, thorn prick, snake bite &amp; etc. Control measure were in place such as conduct work place inspection, provide appropriate PPE &amp; briefing during morning roll cal.</p>
	4.7.3	<p>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.</p> <p>Major Compliance</p>	YES	<p>Training and briefing on the operations were provided to workers to educate them on safe working practices and to ensure applicable precautions are adhered. Training for employees were conducted from time to time through various method such as on the job training, briefings, meetings, etc.</p> <p>The staffs and workers such as storekeepers, harvesters, pruners, field workers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner</p> <p>All workers were provided with appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the audit team. It was observed that PPE was used by workers working in the fields.</p> <p>Based on the HIRARC identified for both estates, the types of PPE for the various activity were identified using the 'Daily Safety Checklist'. Latest issue files and checklist from 5.3.14 to 28.11.15 were verified. The management had carried out daily inspection for PPE to all workers by daily basis. PPE that were provided at the estates were:</p> <ul style="list-style-type: none"> <li>i. Harvester - safety helmet, sickle cover, hand glove and wellington boots</li> <li>ii. Sprayers - respirator, nitrile glove (chemical resistant), goggles, wellington boots, and apron.</li> <li>iii. Manuring - apron, wellington Boots and dust mask</li> </ul> <p>Training records were maintained at the office. Some of the latest training conducted were frond stacking, spraying &amp; 1<sup>st</sup> aid for Sungai Buloh estate and harvesting, tractor driving &amp; spraying for Bukit Talang.</p>

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	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	The OSH Committee organisational chart for 2015/2016 at Sungai Buloh estate, Bukit Talang estate and Tennamaram mill were presented to auditor. The established committee comprised of the Chairman (Senior Manager), Secretary (Hospital Assistant) and management and workers representatives. Quarterly meeting were held and records of meeting held were verified. Among the agenda discussed are related to finding from work place inspection, unsafe condition during field maintenance, incident case and area for improvement.
	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	The CU had adhered to the SDPSB policy on 'Crisis Management & Emergency Response' plan, reference document : chapter 13 of PQMS, OSH manual and "Accident and Reporting and Investigation Procedure" in chapter 14 of the same manual. Each estates and mill had procedures for Fire, Flood, Chemical spillage, Strikes and Emergency and Accident Response in both English and Bahasa. The procedures were displayed in office, Muster Ground, Workshop and Dispensary. Telephone numbers and names of the members of the Emergency Response Team (ERT) were communicated to all employees and displayed at notice boards. Telephone numbers of the Police Station, Fire Brigade, Immigration Department and Hospital were also included. The ERT consisting of trained First Aiders, mill/field staffs, Mandores, Admin clerk, workshop operator and Security personnel. Interviews with mill/estate staffs and mandores revealed they had understood and were aware of the emergency procedures requirements. It was observed on site that all operating units had been provided with first aid boxes which were checked on a monthly basis by the Medical Assistants. At the mill, first aid box are located at supervisor room, laboratory, engine room, workshop and office. At the estates, first aid box were given to mandores and available at estate office. Records of replenishment were verified by the auditor. First aid trainings were conducted by the Medical Assistants and the records were verified. Tennamaram mill has conducted fire fighting training in August 2015.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	Sungai Buloh estate and Bukit Talang estate had a clinic each with qualified medical assistants to provide for daily basic and emergency medical care. The medical assistant from Tennamaram Estate is also providing daily medical care for Tennamaram mill's worker. For serious cases, the patient will be sent to hospital for treatment. It was verified that all employees were covered by accident insurance. The local workers are covered by SOCSO as required under Employee's Social Security Act 1969. Foreign Workers were covered workmen compensation as required by the Workmen Compensation Act 1952. At Sungai Buloh estate, it was verified that the affected workers received payments from SOCSO. And, it was also evident that the affected worker received payments from Workmen Compensation. For 2015, no claim made by Tennamaram mill's worker to SOCSO.



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	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	Both estates and Tennamaram mill had monitored the occupational injuries using Lost Time Accident (LTA) metrics. The records, JKPP 8, were available during the assessment and were verified by the auditor.
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	A formal training programme on all aspects of RSPO Principles & Criteria has been established and implemented. Briefing on RSPO and safety was carried out for workers by the General Manager in the town hall on 08.01.2015 for Bukit Talang estate and for Sungai Buloh estate on 13.01.2015. Records of attendance sighted.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	Training records for employees were available. Training conducted as per indicator 4.8.1, their training record sighted in file no. 27 for executives, file no. 28 for staff and file no. 29 for workers.

### 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	The CU has continued to maintain its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) records i.e. (SM/5.2/EAI) and (SM/5.2/EIE) which covers upstream activities such as FFB reception until downstream processes was identified. The 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 associated with air pollution, palm oil mill effluent (POME) discharge (water) and land contamination which related to managing the schedule waste and also general waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programme until delivery to mill have been identified. An Aspect and Impact assessment has been carried out, latest performance monitoring was carried out on 10 .08.2015 for Tennamaram mill and 01.08.2015 for Sungai Buloh Estate and 1.10.2015 for Bukit Talang Estate.
	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	YES	Significant environmental aspect and impact was derived from the environmental impact evaluation (EIE). Those activities evaluated as significant were monitored using the mitigation measure established for each significant activities. For FY 2015/2016, Sungai Buloh Estate and Bukit Talang estate have decided to minimize chemical usage in the harvesting path, inter palm rows and palm circle. Among the environmental management plan established was to continuously use CDA for circle spraying, to monitor circle raking done accordingly to avoid growth of VOPs and other

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		identify the responsible person/persons. Minor Compliance		soft grasses. Briefing on good agriculture practice on chemical spraying during muster ground was also conducted. At the mill, the audit team has sighted 'Pollution Prevention plan' i.e.no black smoke emission and ensure final effluent discharge within the stipulated limit has been developed. The assistant estate manager and mill engineer has been assigned to ensure the action plan implemented.
	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	Dedicated action plan was developed at each estate and mill and evidence of periodic review was evident.
C 5.2 The status of rare, threatened or 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.	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	YES	The CU has conducted assessment on HCV in 2014. The report titled 'HCV Re-Assessment For Selangor Central Zone: Strategic Operating Unit (SOU)' dated December 2015. Based on the report, the HCV4 areas been which have been identified in the Tennamaram SOU 6 were as follows: the water catchment areas at Tennamaram Estate & Bukit Talang Estate and the pond at Sg. Buloh Estate. At the same time, the Bukit Talang Estate is adjacent with peat swamp forest named Raja Musa Forest Reserve.
	5.2.2	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	YES	As above. During site review at Bukit Talang Estate, there were no resident of ERT species / IUCN Red List or areas of significant biodiversity values were reported in the Biodiversity Assessment.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be	YES	Although there was no RTE species found in the Tennamaram SOU, Sime Darby still established their own disciplinary measures if any of their staff or workers found to capture, harm, collect or kill the RTE species. If found any activities to capture, harm, collect or kill RTE species, both Sungai Buloh and Bukit Talang Estate will make a report to Wildlife Department immediately.

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		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		
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>Outcomes of monitoring shall be fed back into the action plan.</li> </ul> Minor Compliance	YES	Progress of implementation of the action plans 'Biodiversity Management Plan 2015/2016 – for Sungai Buloh and Bukit Talang Estate' were reviewed and verified on the ground. They have conducted an on-going monitoring of their HCV4. No RTE species were found within the estate area. Noted the CU had continued to implement planned actions such as awareness to the staffs and public on enhancing biodiversity, posting of relevant information in the Sime Darby webpage and erection of signage at strategically locations. Both estates have cooperated with Selangor Forestry Department, Global Environment Consultant and Department of Environment on a project to rehabilitation encroachment area in the Raja Musa Forest Reserve.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	YES	Local communities that lived nearby to the CU did not depend on the HCV area for their living needs. Therefore, this indicator was not applicable to this Certification Unit.
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	Since no changes on the CU activities, the identified waste products and its sources of pollution which was identified and documented in the document entitle "List of waste and its sources" is still relevant.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	Empty chemical containers, used lubricant oil and contaminated glove were being disposed as scheduled wastes. The wastes are collected by the Department of Environment' (DOE) licensed contractor. Sighted disposal document i.e. 6th schedule dated 7.8.2015 and 7.1.2016
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	The CU has continued to maintain SOP and guideline on waste management, e.g. for scheduled waste, SOP - Handling of scheduled wastes. Schedule Waste and for domestic wastes SOP – Domestic waste. All scheduled wastes were managed in accordance with Environmental Quality (Scheduled Waste) Regulation except lapses as highlighted in indicator 2.1.1. Domestic wastes from estates office and line sites were collected by Majlis Daerah Kuala Selangor.

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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	Diesel usage is being monitored by the CU. Records of monitoring were made available to the audit team. Tennamaram POM has continued to use fibre and shell as boiler fuel. Boiler maintenance were carried out as per schedule as to ensure no interruption of milling operation. As to-date the diesel genset has not been in operation. The power supply is sought from TNB. At the estates, vehicle maintenance record were verified and found satisfactory.
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	SDPSB has a policy on no open burning. Both estates practiced zero burning.
	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	SDPSB has a policy of zero burning during land preparation for replanting and both estates had adhered to this policy.
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 knowledge and methodology. It is also recognised that it is not always feasible or	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	The CU has continued to maintain its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) records i.e. (SM/5.2/EAI) and (SM/5.2/EIE) which covers from upstream activities such as FFB reception until downstream processes was sighted during the audit. 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, palm oil mill effluent (POME) discharge and land contamination which related to managing the scheduled waste and also general waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programme until delivery to mill has been identified. Tennamaram POM has conducted boiler stack sampling for each of the boiler stack. The monitoring was carried out by Environmental Science (M) Sdn. Bhd and their result within the stipulated limit. The audit team has verified the condition of the Continuous Emission Monitoring System (CEMS) at Tennamaram POM. The system was found in good condition. Data from the stack is continuously submitted online to DOE Putrajaya, DOE Selangor & DOE Sabak Bernam. Boiler smoke emission data found within the DOE stipulated limit. As to-date no complaint notice received from DOE related to black smoke emission.

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<p>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>				Effluent discharge was monitored yearly and submitted to MPOB on quarterly basis. The reporting on Q1 to Q3 of 2015 i.e. Jan to Sept 2015, were reviewed. It can be confirmed that all parameters were within that stipulated in the requirement. Tennamaram mill had obtained DOE approval for land application.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	The CU has continued to maintain its documented plans to mitigate environmental pollution associates to its activities. At Tennamaram mill, methane gas from the effluent treatment plant will be channeled to biogas plant. However, the plant is still in the commissioning stage and expected to be in operation by mid of 2016.
	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	The CU has submitted calculation on its GHG emission to RSPO but yet to receive feedback from RSPO.

### 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	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	A Social Impact Assessment (SIA) and records of meetings maintained by the CU. The assessment was conducted on 17-19 June 2014. All data has been gathered with the participation of external and internal stakeholders. The assessment has reported sampling and data collection procedure, demographic information, issues, complaints, suggestion from workers, interview with stakeholders (workers, union, contractors, suppliers, local community, local government and private bodies) and summary analysis.

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plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	Attendance lists and records of meetings with various stakeholders during the assessments were compiled in the SIA report.
	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	The estates and mill have made available their respective Social Management Plans (Action Plans) for FY 2015/2016. This consisted of a timetable with persons identified for monitoring the measures taken to mitigate negative impacts of estate and mill operation and the measures to enhance the positive ones. These impacts were identified through the SIA and consultations with internal and external stakeholders. The CU has continued to review its respective operating unit timetables titled 'Management Plan on Social Impact Assessment'. Status of previous action determined, status, person in-charge, actions planned and completion date were updated accordingly. Tennamaram POM, Sungai Buloh and Bukit Talang estate have listed all complaints and issues in their 'Management plan on social impact assessment'. Corrective actions have been taken after discussion with related parties and agencies.
	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 social management plan for Tennamaram POM and Bukit Talang Estate as explained in indicator 6.1.3 have been revised on 1.07.2015 and 12.01.2016 respectively.
	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 related with Tennamaram SOU 6.
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 has continued to implement the external and internal communication procedures. For internal communications, records of meetings, briefings and memos were sighted. Notices and posters / pamphlets displayed on estate notice boards and announce during morning muster ground. At the mill, regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees. In the case of external communications, they were mainly in the form of correspondence, which were kept in the External Communication File.

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	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	In each of the estate and mill, an official at the management level was nominated to handle communication and consultation issues. The letters of nomination were sighted. This responsibility is part of their duties to handle social issues. At Sungai Buloh and Bukit Talang Estate, the Assistant Manager was appointed to handle any social issue in the estate. The appointment letter dated 1.07.2015 was provided to the audit team. At Tennamaram POM the Assistant Engineer was appointed to handle social issue starting from 1.07.2015.
	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	YES	An updated list of stakeholders was made available at Bukit Talang Estate, Sungai Buloh and mill. The list included local communities, contractors, vendors/suppliers, government agencies and estate/mill employees. The employee master list also served as the internal stakeholder list. Records of action taken were compile in the Complaints Book and the Action Plan. The audit team has verified Stakeholders Meeting minutes at Bukit Talang Estate. Latest Stakeholders Meeting was conducted on 22.12.2015 with contractors. Bukit Talang Estate has invited Chairman of Jawatankuasa Kemajuan Keselamatan Kampong Persekutuan (JKKKP), Head of Kg. Raja Musa, Fire and Rescue, SYABAS, EPF and TNB. Based on interview with stakeholders such as head of the villages, contractors, sundry shop and canteen, it was confirmed that Bukit Talang Estate and Tennamaram POM have communicated with their stakeholders through stakeholders meeting. Auditor also has sighted list of stakeholders for Bukit Talang Estate and Tennamaram POM. The stakeholders meeting has been conducted on 15.12.2015.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties	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	The system was open to all aggrieved parties as evidenced in the Complaints Book. Any complaints from all stakeholders both internal and external are recorded in the Complaint Book. Anonymity of complainants and whistleblowers will not reveal to third parties where requested as explained in the job description for management social responsible person. Sime Darby also has published guideline on whistle blowing complaint at <a href="http://www.simedarby.com/about-us/governance/whistleblowing">http://www.simedarby.com/about-us/governance/whistleblowing</a>
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES	The procedure for dispute resolution developed by SDPSB maintained. This was as evident in the Estate/Mill Quality Management Manual, which is applicable to all SDPSB SOUs. The process by which a dispute/complaint was resolved and the outcome was documented in the Complaints Book and the Action Plan. During period of review no dispute found in SOU 6.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a	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	Documented procedures for handling land disputes had been developed by SDPSB - Flowcharts and Procedures for Handling Boundaries Dispute and the Flowchart, Procedures for Handling Squatters Dispute and Procedures for Handling Social Disputes (refer to Sime Darby Estate Quality Management System and Mill Quality Management System).

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documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	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 procedure for calculating and distributing fair compensation was incorporated in the Procedure for Handling Boundaries Dispute and the Procedures for Handling Squatters Dispute. According to the procedure the calculation and distribution of compensation would be carried out at the company level not at the estate / mill level. No case of compensation related to loss of legal or customary rights of indigenous peoples, local communities or external stakeholders was observed.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	There was no case involving disputes of legal and customary rights over land, and as such there was no document related to the process and outcome of legal and customary rights claim and the associated compensation claims.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	Pay and conditions for workers were spelled out in the Collective Agreement (CA) between the Malaysian Agriculture Producers Association (MAPA) and the National Union of Plantation Workers (NUPW). As for the administrative staff, pay and conditions were defined in the CA of 2014 between MAPA and the All Malaysian Estates Staff Union (AMESU) for a four year period. The audit team has verified wages of local and foreign workers from Indonesia and Bangladesh at Tennamaram POM and both estates, where it can be confirmed that the wages for sampled months in 2015 were above the minimum wages.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the	YES	Contracts of employment for foreign workers from Indonesia and Bangladesh have included details on working hours, deductions, overtime, sickness leave, holiday entitlement, period of notice and etc. As for deductions for EPF, SOCSO, insurance, etc., worker consent to the deductions can be found in the Communication File. Foreign workers at Tennamaram POM, Sungai Buloh and Bukit Talang Estate were voluntarily hand over their passport to be keep at estate office in order to avoid from lost, stolen or damaged. Each of foreign workers need to fill in the form titled 'Borang Penyerahan Pasport'. They can get their passport if they need it especially when they take long leave. Auditor has verified the form and confirm with the foreign workers during interview.



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		workers or explained carefully to them by a management official. Major Compliance		
	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 has continued to provide all their employees with accommodation, domestic water supply, electricity, clinic and welfare amenities such as mosque, crèche, kindergarten and playground. Tennamaram SOU 6 also has conducted weekly inspection of worker's housing. Record of inspection was verified by auditor.
	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	Bukit Talang, Sungai Buloh and Tennamaram mill are located about 2 to 5km away from the nearest town of Berjuntai Bistari. In addition sundry shop and canteen also available within the estate & mill in order to help worker to get their basic food.
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 means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	A statement recognizing Freedom of Association (FOA) was found incorporated in the company Social Policy dated January 2015 endorsed by Managing Director. This Policy was sighted on notice boards at the estates and mill.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	As noted above, each estate/mill has two local unions, one for the workers and the other for the administration staff i.e. NUPW and AMESU, respectively. Minutes of meetings held between estate / mill management and local union leaders have been verified by auditor such as Joint Consultative Committee (JCC) Meeting at Tennamaram POM and NUPW Correspondence at Bukit Talang Estate. Latest meeting was held on 28.10.2015 and 19.12.2015 respectively.
C 6.7	6.7.1	There shall be documentary evidence that minimum age requirements are met.	YES	An inspection of the employees register confirmed that no employee below 18 years of age was recruited by the company. This was also affirmed by administration staff and workers interviewed.

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Children are not employed or exploited.		Major Compliance		
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	A statement on equal opportunities was embedded in SDPSB's Social Policy statement. This Policy noted displayed on notice boards at the estates and mill.
	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	An inspection of the employment offer letters in relation to the MAPA-NUPW and MAPA-AMESU agreements revealed no case of discrimination based on race, religion, gender, national origin or any other form of discrimination. The payments and conditions of employment, for example, either foreign or local, male or female employees, were not decided arbitrarily by the estate / mill management. All employees, regardless of their socio-cultural and political backgrounds, were provided with the same housing and amenities as required by the law. Staff and workers interviewed also confirmed that they had not come across cases of discrimination.
	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	The audit team has verified medical fitness record of new employee at Tennamaram POM, Sungai Buloh and Bukit Talang Estate. The recruitment and hiring process was based on education qualification and interview with manager.
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 has continued to maintain its Gender Policy that cover sexual harassment and violence cases again women, workers and communities. Gender Committee maintained active to oversee any issues on sexual and violence. The sexual policy and flowchart for handling social issue have been explained to all levels of estates' workforce during the gender committee meeting dated 14.12.2015, held at Bukit Talang Estate. The Tennamaram POM planned to brief the Gender Policy on 14.03.2016.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	The company maintained its Gender Policy that cover sexual harassment, reproductive rights and violence cases again women, workers and communities. Gender Committee maintained active to oversee any issues on sexual and violence. Periodical meetings were conducted and minutes were made available. Tennamaram CU estates had briefed their workers and staff on Gender Policy during the meeting dated 14.12.2015. The Tennamaram POM planned to brief Gender Policy on 14.03.2016.
	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 for handling sexual harassment/violence against women, which was established some years ago had been updated. This updated version can be found embodied in the Gender Committee Handbook mentioned in 6.9.1 above.

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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	Not applicable as all the FFB supplied to the Tennamaram mill came from the group estate.
	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	The CU has continued to receive FFB from the group owned estates. Thus, no pricing mechanism for FFB is necessary. Meanwhile any services obtained were based on suppliers' quotation, prior to select and award.
	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	All contractors and suppliers confirmed that payments were made through cheques. The audit team has verified several quotations, and invoices that have been issued by contractor. Payment was usually made within 5 working days after submission of invoice for suppliers and 30 days for contractors as stated in the agreement.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	NO	During the interview with contractors, the audit team has been informed that there were cases where contractors had not received their payment in timely manner. This was due to the fact that Sime Darby has introduced a new online system i.e. Project MEX in September 2015. Sime Darby has declared the trial period of one year before the system is considered to be mature. During this audit, noted there were several payment has not been made in the timely manner due to inadequate information/documentation to be provided by contractor to Sime Darby. At Tennamaram POM, a contractor has received his payments except for September 2015 and November 2015 claims. Thus, a Minor NCR MRS 01 2016 was raised. Corrective action taken by SOU 6 as follows: Due to incomplete information given by the contractor, therefore the payment is delayed. Mill management will give the payment in February 2016. Project MEX still in familiarization stage, the main authority for approval is at Procurement at HQ level based on readiness of complete documentation data required. Contractor or supplier will be retrain on MEX system requirement or advice on the data required. The auditor has accepted the action plan and the effectiveness of the action plan will be verified in the next audit.
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	Records of contributions made to internal and external stakeholders were found in the CSR file. The CU has offered job opportunities to the local communities such as employment as security guard. Among the contributions made include donation to the nearby schools during sports day, grass cutting of sports field at one of the village and they are in the planning stage to build a bus stop for children. These were verified during the interview with the head of the villages.

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	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	YES	Not applicable as there is no scheme smallholders supply FFB to Tennamaram mill.
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	Based on interview with foreign workers, there was no evidence of forced or trafficked labour in the CU. The audit team has verified through workers work agreement and pay slip.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	There was no contract substitution occurred in the CU. The audit team has verified workers' employment contract and interview with foreign workers at Tennamaram POM, Sungai Buloh and Bukit Talang Estate.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	Special labour policy for employment of foreign workers has been addressed in the social policy such as employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived for three months. Sime Darby has established specific procedures/flowchart for employment of foreign workers titled '2) Sourcing Process for Foreign Workers'. The procedure has been implemented for any employment related with foreign workers.
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	A policy to respect human rights has been established by the CU as mentioned in the Social Policy. The audit team has verified through interviews with workers that the policy has been communicated to all levels of the workforce and operations. Both estates had briefed their workforce in meeting dated 14 December 2015. The Tennamaram POM planned to do the briefing on 23 May 2016.
	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	Not applicable in Peninsular Malaysia.

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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 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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.

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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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	7.3.3	Dates of land preparation and commencement shall be recorded Minor Compliance	NA	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.

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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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.

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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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	7.6.2	A system for identifying people entitled to compensation shall be in place. Major Compliance	NA	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. Major Compliance	NA	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. Minor Compliance	NA	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
<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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.



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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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
C 7.8 <i>Preamble</i> 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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.
	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	Not applicable as the CU has no plan for any new planting and no new development of area was observed during the visit.

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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	YES	Comments for indicators provided as follows:
	a)	Reduction in use of pesticides(Criterion 4.6);		<p><u>Pesticides reduction:</u> Both the audited estates have introduced a 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 was encouraged as indicated by Barn Owl census records. Until to-date occupancy rate for 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>To control the Bagworm, the estates have planted more nectariferous beneficial plants. This was evident with the presence of polybag young plants in the nurseries. This actions have reduced the use of chemical.</p>
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);		<p>The CU maintained to improve continually its environmental management. Environmental action plans continued reviewed and implemented. Among the improvements contained in documented:</p> <ul style="list-style-type: none"> <li>(a) Pollution Prevention Plan – FY2015/16.</li> <li>(b) Identification and Management of Wastewater – FY2015/16.</li> <li>(c) Environmental Improvement Plan - FY2015/16.</li> <li>(d) Environmental Management Plan (3 year Planning) for Tennamaram Oil Mill". FY2014 to FY2017.</li> </ul> <p>Among the improvement actions:</p>

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				<ul style="list-style-type: none"> <li>(a) construction of sump at chemical mixing and washing to prevent ground or water contamination..</li> <li>(b) collect back chemicals bags and allocate store for control of misused.</li> <li>(c) changed of method for tractor lubricant refilling from pumping method to tap method to reduce spillage.</li> <li>(d) domestic wastes to dispose through local municipal (Majlis Perbandaran Kuala Selangor) instead of self-land filled.</li> <li>(e) practise path grass cutting to reduce usage of chemical.</li> <li>(f) use of tray for tractor parking and workshop stations to prevent ground contamination.</li> </ul>
	c)	Waste reduction (Criterion 5.3);	YES	<p>The CU has maintained to reduce continually its waste generation. Waste Management Plan (FY2015/16) is annually updated.</p> <p>Among the improvement actions:</p> <ul style="list-style-type: none"> <li>(a) inculcate awareness to reduce domestic waste generation by monitoring disposal through local municipal (Majlis Perbandaran Kuala Selangor) instead of self-land filled.</li> <li>(b) salvage of reusable scrap metal for part repair or replacement.</li> <li>(c) reuse of wastewater generated from washing of pesticide containers for field application.</li> </ul>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	At Tennamaram mill, methane gas from effluent treatment plant will be captured and used in the biogas engine. The biogas plant is still under commissioning stage and expected to be in operation by mid of 2016
	e)	Social impacts (Criterion 6.1);	YES	A Social Impact Assessment (SIA) and records of meetings maintained by the CU. The assessment was conducted on 17-19 June 2014. All data has been gathered with the participation of external and internal stakeholders. The assessment has reported sampling and data collection procedure, demographic information, issues, complaints, suggestion from workers, interview with stakeholders (workers, union, contractors, suppliers, local community, local government and private bodies) and summary analysis.
	f)	Encourage optimising the yield of the supply base	YES	<p>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.</p> <p>Water bodies and water conservation pits were constructed to conserve moisture.</p>

### RSPO Supply Chain at the palm oil mill – Identity Preserved Model – Module D

## RSPO RECERTIFICATION AUDIT REPORT

Item No	Requirement	Findings
<b>D.1</b> D.1.1	<b>Definition</b> 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.	It was confirmed that all FFB entering Tennamaram POM came from certified estates i.e. Tennamaram Estate, Sungai Buloh Estate, Bukit Talang Estate and Elmina Estate. The Tennamaram POM sometime received FFB from Bukit Kerayong SOU 7 (another SOU under SDPSB) due to Bukit Kerayong mill shutdown for annual inspection. Bukit Kerayong SOU 7 is RSPO certified with BSI. The actual volume of FFB certified as mention in the above table i.e. Table 2 in this report. Based on the weighbridge tickets and production reports, it was also confirmed that there were no uncertified FFB received by Tennamaram POM.
<b>D 2</b> D.2.1	<b>Explanation</b> Estimate total tonnage of CPO and PK potentially produce in a year	Detail of total tonnage CPO and PK as mentioned in the table above i.e. Table 4 in this report.
<b>D 3</b> <b>D 3.1</b>	<b>Documented procedures</b> The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	Written procedure entitled 'Sime Darby Plantation, Plantation Quality Management System, Appendix 15 - Standard operating procedure (SOP) for Sustainable Supply Chain and Traceability' was established. During this audit, the procedure was under review and in progress to obtain approval from the management. Draft procedure was submitted to the auditor for verification. It was confirmed that the procedure has addressed all the requirement of RSPO SCCS November 2014. All the requirement of the RSPO SCC Nov 2014 was implemented on site. Tennamaram Mill Manager has been appointed as the person having overall responsibility for and authority over the implementation of the supply chain requirements.
<b>D 3.2</b>	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Tennamaram mill has implemented Clause 7.0 – Receiving FFB at the mill of Sime Darby Plantation, Plantation Quality Management System, Appendix 15 – “Standard operating procedure (SOP) for Sustainable Supply Chain and Traceability” for receiving and processing certified and non-certified FFBs. As of to-date, there is no non-certified FFB receive.
<b>D.4</b> D.4.1	<b>Purchasing and goods in</b> The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Tennamaram POM will only accept the RSPO certified FFB. Its main supply base are those Sime Darby's own estates i.e. Tennamaram Estate, Sungai Buloh Estate, Bukit Talang Estate and Elmina Estate. The tonnage of certified FFB received during the period of reviewed is highlighted in the above table and no FFB received from non-certified. Data was verified through mill weighbridge report.
<b>D 4.2</b>	The site shall inform the CB immediately if there is a projected overproduction.	Based on records of FFB received and CPO & PK produced, there was no overproduction observed.
<b>D.5</b> D.5.1	<b>Record keeping</b> 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.	Tennamaram POM has maintain a three-monthly basis accounting FFB, CPO and PK records and balance.
<b>D 6</b> <b>D.6.1</b>	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	For the period under review, Tennamaram POM has deliver RSPO certified CPO or PK to refinery through road tanker. It was confirmed through interview and traceability report no noncertified material were delivered.

## RSPO RECERTIFICATION AUDIT REPORT

<b>D.6.2</b>	The objective is for 100 % segregated material to be reached.	Tennamaram POM does not accept any non-certified FFB. It was confirmed through summary of weighbridge ticket and Therefore CPO and PK can be considered 100% segregated.
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## RSPO RECERTIFICATION AUDIT REPORT

### 4.0 Details of Non-conformities raised

Total no. of minor NCR(s) : 2	List : STK 02 2016 / RA 01 2016 and MRS 01 2016
Total no. of major NCR(s) : 1	List : STK 01 2016 / RA 02 2016

Details of non-conformities provided in the **Attachment 3**.

### 4.1 Status of Non-conformities Previously Identified

Previous nonconformities were verified for the corrective actions effectiveness. Corrective actions had been taken, verified and closed by the assessors. Details of non-conformities provided in the **Attachment 4**.

### 4.2 Issues Raised by Stakeholders

SIRIM QAS International has received a positive feedback from the District and Land Office, Kuala Selangor (letter dated 31.12.2015). The District Officer had conducted a visit on 30.12.2015 to the SDPSB estate located within Kuala Selangor, and concluded that in general the estate had maintained compliance against the "Kanun Tanah Negara". Estate management has provided housing, clinic, general amenity to their employees and as well provide job opportunities to local communities. There were no other comment received from stakeholder during the 30 days consultation period.

The employees and contractors involved were consulted through random sampling from each group in each of the FFB supplying unit and oil mill (e.g. mill operators, harvesters, general workers and sprayers from the estates and oil mill visited). Each consultation had lasted for about half an hour. The consultations which were conducted at the SOU 6's office had included solicitation of comments on issues relevant to principles 4, 5 and 6 of the RSPO MY-NI.

The consultations with the local communities were carried out at their premises. The sessions were carried out at times that were convenient to the stakeholders. The intention was to solicit their views on the impact of the SOU 6's operations on their economics and socio-cultural lives.

During the consultations, no representatives from the SOU were present. As such, the stakeholders had been able to present their views in a frank and open manner. Generally, there was no negative comments received from the interviewed stakeholders.

### 4.3 Noteworthy Positive and Negative Observation

The CU had improved their RSPO implementation. This can be seen from physical improvement of social responsibilities for its employees, minimal number of incidents related to environmental & occupational and maintaining its productivity at the best possible to maximise the company's profit. The level of awareness among the workers on the RSPO implementation was found to be improving. They are able to explain not only the operating procedure related to their work but also the impact of its deviation, the consequence for not following them and the importance in achieving conformity to the RSPO requirements. However, there are areas which require action for improvement as raised in the non-conformity reports.

### 4.4 Date of Next Audit

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

**5.0 Audit Conclusion**

Generally, the Tennamaram CU continues maintained the implementation of RSPO P&C certification in accordance with the requirements of the standard as well as the organisation's documented procedures. Positive observation was also noted during the audit generally on the social aspects, the practices of IPM, as well as environmental and safety and health management. Awareness on the RSPO generally has been improved since the last audit. However further actions are required with regards to the scheduled wastes management, timely payment to contractors and consistency in the implementation of SOPs related to the estate practice on frond stacking and permit to work system at the mill, as highlighted in the NCR reports.

## RSPO RECERTIFICATION AUDIT REPORT

### 6.0 Recommendation

☐

No NCR recorded. Recommended to continue certification.

☐

Minor NCR(s) recorded. Recommended to continue certification conditional upon acceptance of corrective action plans within 1 month of the date of this audit. Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs.

☐

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

☐

On-site audit of the following areas is recommended within 2 months (if applicable)

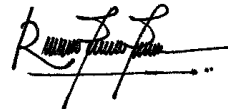
☐

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

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

**IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.**

Audit Team Leader : Ruzita Abdul Gani  
(Name)



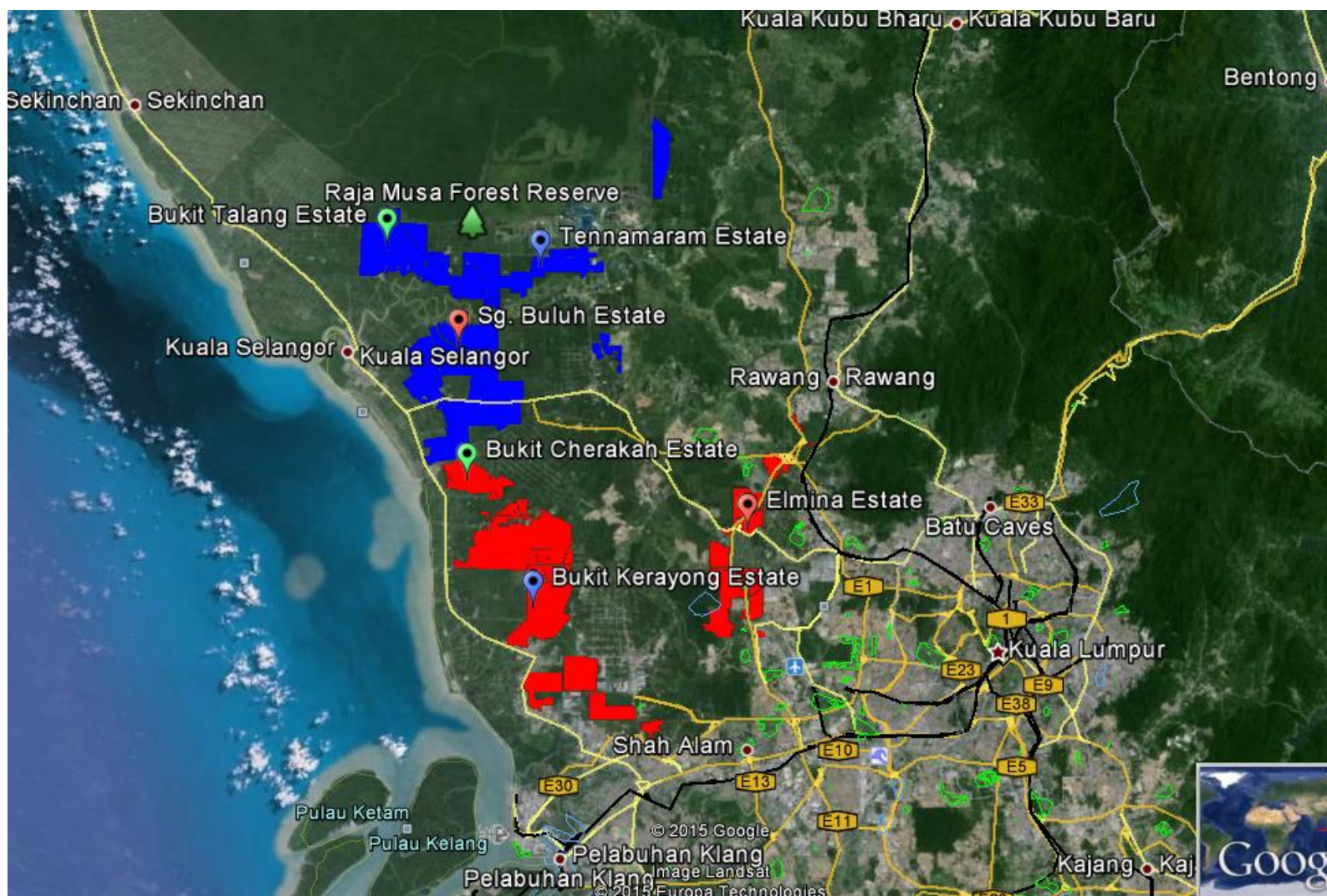
(Signature)

23/2/2016

(Date)



Map of SOU 6 - Tennamaram CU



**SIRIM QAS INTERNATIONAL SDN. BHD.**

**RSPO RECERTIFICATION ASSESSMENT PLAN**

**1. Objectives**

The objectives of the assessment are as follows:

- (i) The objectives of the assessment are as follows:
- (ii) To evaluate Tennamaram Strategic Operating Unit (SOU) [SOU 06 Tennamaram] continued conformance against the RSPO Principles & Criteria Malaysian National Interpretation(MYNI)
- (iii) To make appropriate recommendations based on the assessment findings

**2. Date of assessment** : 11 to 15 January 2016

**3. Site of assessment** : Tennamaram Palm Oil Mill  
Tennamaram Estate  
Bukit Talang Estate  
Sungai Buloh Estate  
Elmina Estate.

**4. Scope of certification** : Production of Crude Palm Oil and Palm Kernel using Identify Preserved Model

**5. Reference Standard:**

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

**6. Assessment Team**

- a) Lead Assessor : Ruzita Abd Gani
- b) Assessor : Mohd Razman Salim & Selvasinggam T.Kandiah
- c) Trainee Auditor : Subramanyan Danapalu Chettiar

*(If there is any objection to the proposed audit team, the organisation is required to inform the Lead Assessor/RSPO Section Manager.)*

**7. Audit Method**

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

**8. Confidentiality Requirements**

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain. In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed

**9. Working Language** : English and Bahasa Malaysia

**10. Reporting**

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : Tentative date of issue of report not more than 30 days after the completion of the peer review process.
- d) Distribution list : Client file

## RSPO RECERTIFICATION AUDIT REPORT

### 11. Facilities Required

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

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

Day 1:			
Time	Activities / areas to be visited		
10.00 a.m.	Opening Meeting – Location : Tennamaram Palm Oil Mill Objective : To introduce audit team member, audit objective, methodology, criteria and audit programmes by SIRIM QAS Audit Team Leader.		Top mgmt & Comm Member
10.15	Briefing on the organization background and implementation of RSPO at SOU 06 (including actions taken to address previous audit findings) by company Management Representative.		
10.30	SOU 06 to provide transportation to the estate / mill		
	<b>Ruzita Tennamaram POM</b>	<b>Selvasinggam / Subramanyan Sungai Buloh Estate</b>	
	Coverage of assessment: RSPO Supply Chain <ul style="list-style-type: none"> <li>• General requirements</li> <li>• Doc. procedures</li> <li>• Purchasing &amp; goods in</li> <li>• Outsourcing activity</li> <li>• Sales &amp; goods out</li> <li>• Processing</li> <li>• Records keeping</li> <li>• Registration</li> <li>• Training</li> <li>• Claims</li> <li>• Modular requirements – Module D – Identity Preserve</li> </ul> Other area identified during the assessment <ul style="list-style-type: none"> <li>•</li> </ul>	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>• P 3 Commitment to long-term economic and financial viability</li> <li>• P 4 Use of appropriate best practices - witness activities at site (weeding/ spraying, etc)</li> <li>• P 7 Responsible development of new plantings (if any) <ul style="list-style-type: none"> <li>• Nursery (if any)</li> <li>• Chemical store/fertilizer</li> <li>• Replanting (if any)</li> <li>• Continuous improvement</li> </ul> </li> <li>• Follow up from previous audit findings.</li> </ul> Other area identified during the assessment	Guide(s) for each assessor
13.00	Lunch Break		
14.00	Continue audit		Guide(s) for each assessor
17.30	End of day 1 audit		

Day 2:				
Time	Activities / areas to be visited			
	<b>Ruzita Tennamaram POM</b>	<b>Selvasinggam / Subramanyan Sungai Buloh Estate</b>	<b>Mohd Razman Bukit Talang Estate</b>	
09.00	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations</li> <li>• P 5 Environmental responsibility &amp; conservation of natural resources</li> </ul>	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>• P 3 Commitment to long-term economic and financial viability</li> </ul>	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>• P 5 Environmental responsibility &amp; conservation of natural resources ( Inspection of</li> </ul>	Guide(s) for each assessor

## RSPO RECERTIFICATION AUDIT REPORT

	<ul style="list-style-type: none"> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> <li>P 4 Use of appropriate best practices - witness activities at site (weeding/ spraying, etc)</li> <li>P 7 Responsible development of new planting s (if any)</li> <li>Nursery (if any)</li> <li>Chemical store/fertilizer</li> <li>Replanting (if any)</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	<p>protected sites with HCV attribute, Plantation Boundary, adjacent and neighbouring land use, Riparian zone &amp; etc)</p> <ul style="list-style-type: none"> <li>P 6 Responsible consideration of employees &amp; of individual &amp; communities affected by grower &amp; miller (visit interviews local communities representatives, relevant stakeholders, Union representatives &amp; etc)</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	
13.00	Lunch Break			
14.00	Continue assessment			
17.00	End of day 2 audit			

### Day 3:

Time	Activities /areas to be visited			
	Ruzita Tennamaram POM	Selvasinggam / Subramanyan Sungai Buloh Estate	Mohd Razman Bukit Talang Estate	
09.00	<p>Coverage of assessment:</p> <ul style="list-style-type: none"> <li>P 1 Commitment to transparency</li> <li>P 2 Compliance with applicable laws &amp; regulations</li> <li>P 5 Environmental responsibility &amp; conservation of natural resources</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	<p>Coverage of assessment:</p> <ul style="list-style-type: none"> <li>P 1 Commitment to transparency</li> <li>P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>P 3 Commitment to long-term economic and financial viability</li> <li>P 4 Use of appropriate best practices - witness activities at site (weeding/ spraying, etc)</li> <li>P 7 Responsible development of new planting s (if any)</li> <li>Nursery (if any)</li> <li>Chemical store/fertilizer</li> <li>Replanting (if any)</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	<p>Coverage of assessment:</p> <ul style="list-style-type: none"> <li>P 1 Commitment to transparency</li> <li>P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>P 5 Environmental responsibility &amp; conservation of natural resources ( Inspection of protected sites with HCV attribute, Plantation Boundary, adjacent and neighbouring land use, Riparian zone &amp; etc)</li> <li>P 6 Responsible consideration of employees &amp; of individual &amp; communities affected by grower &amp; miller (visit interviews local communities representatives, relevant stakeholders, Union representatives &amp; etc)</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	Guide(s) for each assessor

## RSPO RECERTIFICATION AUDIT REPORT

13.00	Lunch Break	
14.00	Continue assessment	
17.00	End of day 3 audit	

### Day 4:

Time	Activities /areas to be visited			
	<b>Ruzita Tennamaram POM</b>	<b>Selvasinggam / Subramanyan Sungai Buloh Estate</b>	<b>Mohd Razman Bukit Talang Estate</b>	
09.00	<p>Coverage of assessment:</p> <ul style="list-style-type: none"> <li>P 1 Commitment to transparency</li> <li>P 2 Compliance with applicable laws &amp; regulations</li> <li>P 4 Use of appropriate best practices - witness milling activities at site (ETP, boiler operation, oil separation &amp; etc)</li> <li>P 5 Environmental responsibility &amp; conservation of natural resources</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	<p>Coverage of assessment:</p> <ul style="list-style-type: none"> <li>P 1 Commitment to transparency</li> <li>P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>P 3 Commitment to long-term economic and financial viability</li> <li>P 4 Use of appropriate best practices - witness activities at site (weeding/ spraying, etc)</li> <li>P 7 Responsible development of new planting s (if any)</li> <li>Nursery (if any)</li> <li>Chemical store/fertilizer</li> <li>Replanting (if any)</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	<p>Coverage of assessment:</p> <ul style="list-style-type: none"> <li>P 1 Commitment to transparency</li> <li>P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>P 5 Environmental responsibility &amp; conservation of natural resources ( Inspection of protected sites with HCV attribute, Plantation Boundary, adjacent and neighbouring land use, Riparian zone &amp; etc)</li> <li>P 6 Responsible consideration of employees &amp; of individual &amp; communities affected by grower &amp; miller (visit interviews local communities representatives, relevant stakeholders, Union representatives &amp; etc)</li> <li>Continuous improvement</li> <li>Follow up from previous audit findings.</li> </ul> <p>Other area identified during the assessment</p>	Guide(s) for each assessor
13.00	Lunch Break			
14.00	Continue assessment			
17.00	End of day 4 audit			

## RSPO RECERTIFICATION AUDIT REPORT

Day 5:				
Time	Activities /areas to be visited			
	Ruzita Tennamaram POM	Selvasinggam / Subramanyan Sungai Buloh Estate	Mohd Razman Bukit Talang Estate	
09.00	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations</li> <li>• P 4 Use of appropriate best practices - witness milling activities at site (ETP, boiler operation, oil separation &amp; etc)</li> <li>• P 5 Environmental responsibility &amp; conservation of natural resources</li> <li>• Continuous improvement</li> <li>• Follow up from previous audit findings.</li> </ul> Other area identified during the assessment	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>• P 3 Commitment to long-term economic and financial viability</li> <li>• P 4 Use of appropriate best practices - witness activities at site (weeding/ spraying, etc)</li> <li>• P 7 Responsible development of new planting s (if any)</li> <li>• Nursery (if any)</li> <li>• Chemical store/fertilizer</li> <li>• Replanting (if any)</li> <li>• Continuous improvement</li> <li>• Follow up from previous audit findings.</li> </ul> Other area identified during the assessment	Coverage of assessment: <ul style="list-style-type: none"> <li>• P 1 Commitment to transparency</li> <li>• P 2 Compliance with applicable laws &amp; regulations (C 2.1.1)</li> <li>• P 5 Environmental responsibility &amp; conservation of natural resources ( Inspection of protected sites with HCV attribute, Plantation Boundary, adjacent and neighbouring land use, Riparian zone &amp; etc)</li> <li>• P 6 Responsible consideration of employees &amp; of individual &amp; communities affected by grower &amp; miller (visit interviews local communities representatives, relevant stakeholders, Union representatives &amp; etc)</li> <li>• Continuous improvement</li> <li>• Follow up from previous audit findings.</li> </ul> Other area identified during the assessment	Guide(s) for each assessor
13.00	Lunch Break			
14.00	Audit team discussion and preparation of audit findings			
15.30	Closing meeting – Acceptance and presentation of audit findings			
17.00	End of audit			
				CU
				All

*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.*

## RSPO RECERTIFICATION AUDIT REPORT

Attachment 3

### Details of Non-conformities and Corrective Actions Taken Recertification Audit : 11 – 15 January 2016

Detail Non-conformances	Corrective Action Taken by the CU and Verification by Assessors
<b>Compliance Specification : Major</b>	
<p><b>NCR No.:</b> STK 01 2016  <b>RSPO MYNI Principle &amp; Criteria :</b> Indicator 2.1.1</p> <p><b>Finding:</b>            Clause 9 of the Occupational Safety and Health (Use of Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 on health surveillance, which requires to conduct health risk assessment.</p> <p><b>Objective evidence:</b>            Sungai Buloh Estate and Bukit Talang Estate: At time of audit the Chemical Health Risk Assessment (CHRA) was expired.</p> <p><b>NCR No.:</b> RA 02 2016  <b>RSPO MYNI Principle &amp; Criteria :</b> Indicator 2.1.1</p> <p><b>Finding:</b>            Scheduled wastes management not in accordance with Environmental Quality (Scheduled Waste) Regulations 2005</p> <p><b>Objective Evidence:</b>            Tennamaram POM:                Inaccurate hazard signage for SW306 Spent Hydraulic oil and SW 410 Used empty chemical container.</p> <p>Sg Buloh Estate</p> <ol style="list-style-type: none"> <li>1) Inventory record (5<sup>th</sup> Schedule) for SW409 used empty chemical container not available at the time of audit</li> <li>2) Inaccurate information in the waste notification (2<sup>nd</sup> Schedule) for SW409</li> </ol>	<p><b>Corrective action taken by SOU 6</b>            The CHRA has been conducted on 24<sup>th</sup> August 2015 at Sungai Buloh Estate and 25<sup>th</sup> August 2015 at Bukit Talang Estate. However the CHRA has been reviewed on 27<sup>th</sup> January 2016 and there are few amendment have to be made by NIOSH.</p> <p>The final CHRA has been presented to Sungai Buloh Estate and Bukit Talang Estate on 4 February 2016.</p> <p><b>Verification by auditor:</b>            Copy of Sungai Buloh and Bukit Talang estates CHRA has been verified by auditor. The CHRA will be valid till year 2020.</p> <p><b>Status:</b> Closed</p> <p><b>Corrective action taken by SOU 6</b>            Tennamaram mill</p> <ul style="list-style-type: none"> <li>• Rearrange the Scheduled waste container according to the waste types.</li> <li>• To order additional pallet for SW305 container and locate SW 305 container at the designated area at scheduled waste store.</li> <li>• To provide dedicated place for SW 410 with correct signage and labelling as per EQA (Scheduled Waste) Regulations 2005</li> </ul> <p>Sungai Buloh Estate</p> <ul style="list-style-type: none"> <li>• Estate has maintained inventory for SW 409 daily and monthly inventory record. The data also key in to the DOE online system.</li> <li>• The waste information / 2 Schedule for SW409 has been updated in the DOE on line system.</li> <li>• Estate already send scheduled waste handler for training related to scheduled waste i.e. eSWIS system / DOE online system on 27<sup>th</sup> January 2016.</li> </ul> <p><b>Verification by auditor:</b>            Tennamaram mill</p> <ul style="list-style-type: none"> <li>• Auditor has verified photograph of scheduled waste store i.e. SW305 and SW410 container with appropriate hazard signage as per EQA (Scheduled Waste) Regulations 2005.</li> </ul>



## RSPO RECERTIFICATION AUDIT REPORT

	<p>Sungai Buloh Estate</p> <ul style="list-style-type: none"> <li>Auditor has verified the inventory record for SW 409 and it has made available and up-to-date</li> <li>Auditor has verified the waste information / 2 Schedule for SW409 it has updated in the DOE on line system.</li> <li>Training attendant list were sighted by the auditor.</li> </ul> <p><b>Status:</b> Closed</p>
<b>Compliance Specification : Minor</b>	
<p><b>NCR No.:</b> STK 02 2016  <b>RSPO MYNI Principle &amp; Criteria :</b> Indicator 4.1.2</p> <p><b>Finding:</b>  The SOP for pruning palms, Stacking Fronds was not complied with on Bukit Talang Estate.</p> <p><b>Objective evidence:</b>  1. It was noted that in Field P11A palm fronds were not pruned/cut flushed with the trunk.  2. In the same field pruned fronds were not stacked as required.</p> <p><b>NCR No.:</b> RA 01 2016  <b>RSPO MYNI Principle &amp; Criteria :</b> Indicator 4.1.2</p> <p><b>Finding:</b>  “Borang Permit Untuk Memasuki Ruang Terkurung” and Permit to work (for general work) was not consistently implemented in accordance with SOP confined space/OSH manual Permit to work system.</p> <p><b>Objective Evidence:</b>  Tennamaram POM</p> <ol style="list-style-type: none"> <li>“Borang Permit Untuk Memasuki Ruang Terkurung” for Boiler No. 2, date inspection 2/3/2015</li> <li>Permit to work (for general work) from 21<sup>st</sup> to 25<sup>th</sup> December 2015</li> </ol>	<p><b>Corrective action taken by SOU 6</b></p> <ul style="list-style-type: none"> <li>Field P11A palm fronds were pruned/cut flushed with the trunk and Pruned fronds were stacked as required.</li> <li>Training for pruning palms has been conducted on 7<sup>th</sup> Jan 2016</li> <li>Continues supervision at the field</li> </ul> <p><b>Verification by auditor:</b>  Photograph of Field P11A palm fronds were pruned/cut flushed with the trunk and pruned fronds were stacked were sighted by the auditor. Training attendance records were submitted to the auditor.</p> <p><b>Status:</b> Closed</p> <p><b>Corrective action taken by SOU 6</b></p> <ol style="list-style-type: none"> <li>1) Permit to work (PTW) training for Permit issuer and Permit Approver, expected complete in February 2016.</li> <li>2) Provide dedicated place for PTW at all station and Permit Requester must submit back the PWT to the issuer after job complete or postpone, expected completed in January 2016.</li> <li>3) To include ESH documentation checking in Workplace Inspection on 3 monthly basis.</li> </ol> <p><b>Verification by auditor:</b>  Accepted the action plan and the effectiveness of the action plan will be verified in the next audit.</p> <p><b>Status:</b> Open</p>



## RSPO RECERTIFICATION AUDIT REPORT

**NCR No.:** MRS 01 2016

**RSPO MYNI Principle & Criteria :** Indicator 6.10.4

**Finding:** Sime Darby (SD) has introduced new online system i.e. Project MEX on Sept.2015. SD has declared trial period of one year before the system to be mature. During this audit, noted there were several payment has not been made in the timely manner due to inadequate information / documentation to be provided by contractor to SD.

**Objective evidence:**

At Tennamaram POM, the relevant contractor has received his payment except September 2015.

**Corrective action taken by SOU 6**

Due to incomplete information given by the contractor therefore the payment is delayed. Mill management will give the payment in February 2016.

Project MEX still in familiarization stage, the main authority for approval is at Procurement at HQ level based on readiness of complete documentation data required. Contractor or supplier will be retrain on MEX system requirement or advice on the data required.

**Verification by auditor:**

Accepted the action plan and the effectiveness of the action plan will be verified in the next audit.

**Status:** Open

## RSPO RECERTIFICATION AUDIT REPORT

Attachment 4

### Status of Non-conformities Previously Identified

P & C Indicators	Classification <i>Major / Minor</i>	Detail Non conformance	Corrective Action Taken	Verification by Assessor during Recertification audit
2.2.3.1	Minor	<p><b>#NCR No. : HO-2015-01</b></p> <p><b>Finding:</b> Not all boundary stones along the perimeter bordered to forest reserve was able been located and visibly maintained.</p> <p><b>Objective evidence:</b> Not all boundary stones bordered to forest reserve at Tennamaram Estate was located and maintained.</p>	Written request to Land Management Dept. (Sime Darby) and plan for budgeting for boundary marking in FY2016/2017 had been initiated.	<p>During site review, it was observed that physical markers, boundary stones or permanent poles were visibly maintained along the legal boundaries between Bukit Talang Estate and Raja Musa Forest Reserve and also Taman Raja Musa.</p> <p><b>Status: Closed.</b></p>
D.2.2	Major	<p><b>#NCR No. : HO-2015-02</b></p> <p><b>Finding:</b> CB was not informed of overproduction.</p> <p><b>Objective evidence:</b> The actual production of CPO was 53,323.21 MT compared to 53,138.64 MT projected for the period of Dec 2013 to Nov 2014.</p>	CB had been informed and monitoring mechanism will be established.	<p>Based on record it was confirmed there is no repetition of uninformed overproduction of CPO.</p> <p><b>Status: Closed.</b></p>
D.3.4	Major	<p><b>#NCR No. : HO-2015-03</b></p> <p><b>Finding:</b> Not all relevant documents for RSPO good out had consistently specified as RSPO good and its supply chain model.</p> <p><b>Objective evidence:</b> There were documents, as examples below had not consistently specified as RSPO good and its supply chain model:</p> <ul style="list-style-type: none"> <li>- Contract: S/C-PSD/1501/CP00004</li> <li>- Contract: S/AGC/1014/PK2739P</li> <li>- Despatch Note: 009938, 29/1/15</li> <li>- Weighbridge Ticket: 012449, 29/1/15</li> </ul>	The relevant department had been informed to always specify in the contract, and plan to indicate the status in the relevant outgoing document including the Dispatch Note, as well as the Weighbridge Ticket.	<p>No recurrence of the same issue. All details were clearly specified in required documents i.e. contracts, dispatch notes and weighbridge ticket.</p> <p><b>Status: Closed.</b></p>