



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

File Ref. : ES10171015

RSPO PUBLIC SUMMARY REPORT

CLIENT : SIME DARBY PLANTATION BHD – SOU 33 DERAWAN

PARENT COMPANY : SIME DARBY PLANTATION BERHAD

RSPO MEMBERSHIP No.: 1-0008-04-000-00

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

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
SOU 33 Derawan Certification Unit	Derawan Palm Oil Mill	3° 23'24.732"N	113° 20'43.500"E	97008 Bintulu, Sarawak
	Derawan Estate	3° 23'59.230"N	113° 20'33.620"E	97008 Bintulu, Sarawak
	Sahua Estate	3° 29'48.264"N	113° 23'13.200"E	97008 Bintulu, Sarawak
	Takau Estate	3° 23'59.230"N	113° 20'33.620"E	97008 Bintulu, Sarawak
	Damai Estate	3° 28'15.564"N	113° 23'52.800"E	97008 Bintulu, Sarawak

MAP : See Attachment 1

AUDIT DATE : 3 - 7 September 2018

DURATION : 16 auditor days

TYPE OF AUDIT : ☒ Annual Surveillance Audit No. 2 ☐ Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014 (REVISED 14 JUNE 2017)

SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using the Mass Balance Supply Chain Model

VALIDITY OF RSPO CERTIFICATE : 30/12/2016 – 29/12/2021

The following attachments form part of this report:

Non-conformity Report(s) ☐

List of additional site(s) ☐

Report by Audit Team Leader

Name : AMIR B BAHARI

Signature :

Date : 12/12/2018

Acknowledgement by Client's Representative

Name : ~~SIME DARBY PLANTATION (SARAWAK) SDN. BHD~~
(Company No. 179385-M)

Signature :
Date : 13/12/18
SALWA MD. YAZID
Assistant Manager SQM
Sarawak Region

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SUMMARY OF AUDITS

Recertification audit				
On-site audit date	:	8 th – 12 th August 2016	No. of auditor days	: 13.5 Auditor days
Audit team	:	Mohd Zulfakar Kamaruzaman (LA), Hazani Othman, Selvasingam T. Kandiah, Rozaimee Ab Rahman (Observer)		
No. of major NCR	:	2	Indicator: 2.1.1, 4.7.2	Closing date : 11/10/2016
No. of minor NCR	:	5	Indicator : 4.1.2, 4.7.5, 4.8.2, 6.6.2, 6.9.3	
Indicate the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		√		√
		Contract workers	NGOs	Govt. agency
				Independent growers
		Indigenous people	Contractor	Others (Please specify)
			√	
Supply base sampled	:	Derawan Estate and Takau Estate		

Annual Surveillance Audit 1				
On-site audit date	:	24 - 27 October 2017	No. of auditor days	: 12
Audit team	:	Hazani Othman, Rozaimee Ab Rahman, Mohd. Norddin Abd. Jalil		
No. of major NCR	:	4	Indicator: 4.2.4 (f), 6.5.1, D3.2, D5.1	Closing date : 26/12/2017
No. of minor NCR	:	2	Indicator : 4.1.2, 4.4.2	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		√		√
		Contract workers	NGOs	Govt. agency
		√		Independent growers
		Indigenous people	Contractor	Others (Please specify)
			√	
Supply base sampled	:	Damai Estate and Sahu Estate		
Changes since the last audit	:	Changed of company name from Sime Darby Plantation Sdn Bhd to Sime Darby Plantation Bhd.		
Report approved by	:	Radziah Mohd. Daud	Approval date : 1/02/2018	

Annual Surveillance Audit 2				
On-site audit date	:	3 – 7/09/2018	No. of auditor days	: 16.0 auditor day
Audit team	:	Amir B Bahari (LA), Mohd Zulfakar Kamaruzaman Rozaimee Ab Rahman Rahayu Dzulkipli		
No. of major NCR	:	2	Indicator : 6.12.3 & 6.5.2	Closing date : 30/11/18
No. of minor NCR	:	4	Indicator : 4.7.5, 4.8.2, 6.5.4 & 6.1.4	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers / Local communities
		√		√
		Contract workers	NGOs	Govt. agency
		√		Independent growers
		Indigenous people	Contractor	Others (Please specify)
		NA	√	
Supply base sampled	:	All – Derawan, Sahu, Takau & Damai Estate		
Changes since the last audit	:	Derawan CU has converted their POM supply chain model from IP to MB. The verification audit has been carried out on 29/08/2018 and received RSPO EB approval on 2/09/2018.		

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Justification of audit planning :	The total allocation of auditor days for Derawan CU were: 16 auditor days Mill = 4 days (3 day for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems). There was four (4) estates audited namely Derawan, Sahu, Takau and Damai Estates. A three (3) man-day each was allocated for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title. Thus 4 estates is equivalent to 4 x 3 man-day = 12 man-day. The total for the entire CU is therefore 16 man-day which justified the no of auditors and their respective days for this audit.	
Report approved by :	Radziah Mohd. Daud	Approval date : 12/12/2018

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

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

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SUMMARY OF INFORMATION

TABLE 1

	STAGE 2/ RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	August 2016 – July 2017	August 2017 – July 2018	Aug 2018 – July 2019		
Certified FFB Processed (MT)	130,569.76	126,784.38	124,202.00		
Production of Certified CPO (MT)	28,725.34	28,207.48	26,728.27		
Production of Certified PK (MT)	6,919.99	5,719.91	5,589.09		
Certified Areas (Ha)	-	-	*9,528.83		
Planted Areas (Ha)	-	-	8,057.93		
Production Areas (Ha)	-	-	5,555.37		
HCV Areas / Conservation Areas (Ha)	-	-	**333.70		
REMARKS	<p>*As obtained and verified in this audit. Derawan CU has confirmed that these certified areas figures were provided by the SDP Land Management Department. It has been noted that these figures included the portion shared between Derawan CU and estates under Rajawali CU. For information there were 5 titles across Damai, Sahua and Derawan Estates that has shared portion with estates under Rajawali CU. As for RSPO reporting, the total certified area shall follow the total title declared by the Land Management Department's figure and titles recorded at their end as the final figures. The email between the CU and the SDP Land Management was sighted.</p> <p>**The HCV areas were based on assessment carried out in June 2017.</p>				

TABLE 2

	PO	PK
Last years certified volume (MT)	28,207.48	5,719.91
Last years actual certified sold (MT)	3,800.00	3,900.00
Last years actual sold under other schemes (MT)	0.00	0.00
Last years sold conventional (MT)	18,000.00	1,050.00
New year certified volume (MT)	26,728.27	5,589.09

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1.0 AUDIT PROCESS

1.1 Certification Body

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

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

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Amir B Bahari	Lead Auditor GAP, Safety & Environment	Possessed B Sc (Hons) USM and Diploma Palm Oil Milling Technology/Management 1996 MPOB. Working experience for 30 years in the oil palm industry including in the mill and estates. A qualified RSPO P & C Auditor with experience in ISO, EMS and RSPO/MSPO auditing.
Mohd Zulfakar Kamaruzaman	Auditor HCV and SC	Holds a B.Sc. Forestry. He had several years of working experience in the oil palm operation. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor.
Rozaimée Ab. Rahman	Auditor Environment and occupational health and safety	Holds a B. Sc. of Agriculture. He had 7 years of working experience in the oil palm operation. He is a qualified Lead Auditor for RSPO P&C and MSPO.
Rahayu Zulkifli	Auditor Social	Holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor

1.3 Audit methodology

The audit covered the Derawan palm oil mill and all 4 of its supply base. The audit included an on-site audit to the estates, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

Stakeholder consultation was carried out during the on-site audit. In general, there was no negative comments made against this Certification Unit.

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1.5 Audit plan: Refer to Attachment 2.

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 8 months from this audit.

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Derawan Certification Unit (CU) is one of the Strategic Operating Unit (SOU) of Sime Darby Plantation Sdn Bhd (SDPSB). The CU is in Bintulu, Sarawak, East Malaysia and known as SOU 33. The CU consisted of one palm oil mill, the Derawan Palm Oil Mill (DPOM) and four-supply bases, namely, Derawan/Sahua/Takau and Damai Estate. All Estates belong to SDPB. DPOM commenced operations in 1994 with a processing capacity of 40 metric tonnes of (FFB) per hour. The total combined land area of the four estates is 9,528.83 hectares (Ha) of which 8,057.93 Ha planted with oil palm. All the estates have been fully developed before 2005, hence Principle 7 of the RSPO P&C is therefore not applicable.

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

The FFB sourced from company owned estates that are certified. Details of the FFB contribution from each source to the Derawan Palm Oil Mill are shown in the following tables:

**Table 1: Actual FFB production by the supply base for the last reporting period
(August 2017 to July 2018)**

CU own estates	FFB Contribution		Certifying CB
	Tonnes	Percentage (%)	
Derawan Estate	26,712.55	24.67	SIRIM
Takau Estate	29,604.33	27.34	SIRIM
Damai Estate	21,188.31	19.57	SIRIM
Sahua Estate	29,552.336	27.29	SIRIM
Bayu Estate	1,189.04	1.10	SIRIM
Paroh Estate	3.98	0.004	Mutu Agung Lestari
Pekaka Estate	3.36	0.003	Mutu Agung Lestari
Rajawali Estate	10.83	0.010	SIRIM
Samudera Estat	7.16	0.007	SIRIM
Rasan Estate	8.43	0.008	Mutu Agung Lestari
Semarak Estate	16.32	0.015	SIRIM
Third parties	0	00.00	-
Total	108,296.65	100.00	

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**Table 2: Projected FFB production by supply base for the next reporting period
(August 2018 to July 2019)**

Estates	FFB Production		Certifying CB
	Tonnes	Percentage (%)	
Derawan Estate	35,438	22.15	SIRIM
Takau Estate	30,171	18.86	SIRIM
Damai Estate	29,164	18.39	SIRIM
Sahua Estate	29,429	18.23	SIRIM
Total	124,202	77.63	SIRIM
Third parties	35,800	22.37	-
Grand Total	160,002	100	-

Table 3: Actual FFB received and CPO & PK dispatch by Derawan Mill for the last reporting period (August 2017 to July 2018)

RSPO Supply Chain Model : Mass Balance	Total (MT)
FFB Received	108,296.65
FFB Processed	108,183.65
Certified FFB Processed	108,183.65
Non-certified FFB Processed	0.00
Crude Palm Oil (CPO)	
Overall CPO Production	21,904.40
Certified CPO Production	21,904.40
Certified CPO delivered as RSPO	3,800.00
Certified CPO delivered as non-RSPO	18,000.00
Certified CPO delivered under other sustainable schemes	0.00
Palm Kernel (PK)	
Overall PK Production	5,055.32
Certified PK Production	5,055.32
Certified PK delivered as RSPO	3,900.00
Certified PK delivered as non-RSPO	1,050.00
Certified CPO delivered under other sustainable schemes	0.00

**Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period
(August 2018 to July 2019)**

RSPO Supply Chain Model : Mass Balance	Total (MT)
FFB Received	160,002.00
FFB Processed	160,002.00
Certified FFB Processed	124,202.00
Non-certified FFB Processed	35,800.00
Crude Palm Oil (CPO)	
Overall CPO Production	34,432.43
Certified CPO Production	26,728.27
Certified CPO delivered as RSPO	26,728.27
Certified CPO delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00

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Palm Kernel (PK)	
Overall PK Production	7,200.10
Certified PK Production	5,589.09
Certified PK delivered as RSPO	5,589.09
Certified PK delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00

Table 6 Planted and certified area of Derawan CU

Estate	Planted (ha)	Certified (ha)
Derawan	2044.77	2490.79
Takau	2033.67	2107.00
Sahua	2041.03	2287.04
Damai	1938.46	2644.00
Total	8057.93	9528.83

Table 7 Planting profile for SOU Derawan

Estate	Year of establishment	Mature (Ha)	Immature (Ha)	Planted area	% of planted area mature	% of planted area immature
Derawan	1994	1515.26	529.51	2044.77	74.10	25.90
Takau	1995	1281.56	752.11	2033.67	63.02	36.98
Sahua	1994	1406.65	634.38	2041.03	68.92	31.08
Damai	1996	1351.90	586.56	1938.46	69.74	30.26
Total		5555.37	2502.56	8057.93	68.94	31.06

<u>Estate</u>	<u>Year of planting</u>	<u>Replanting Cycle</u>	<u>Mature >3 years (Ha)</u>	<u>Immature < 3 years(Ha)</u>	<u>Planted area</u>	<u>% of planted area mature</u>	<u>% of planted area immature</u>
Derawan Estate	1994	1	361.70	529.51	2044.77	17.69	25.90
	1995	1	235.84			11.53	
	1996	1	68.23			3.34	
	2012	2	179.58			8.78	
	2013	2	123.75			6.05	
	2014	2	239.08			11.69	
	2015	2	307.08			15.02	
Takau Estate	1995	1	925.53	752.11	2033.67	45.51	36.98
	2013	2	180.27			8.86	
	2014	2	175.76			8.64	
Sahua Estate	1994	1	241	634.38	2041.03	11.81	31.08
	1995	1	373.96			18.32	
	1998	1	760.69			37.27	
	2000	2	31			1.52	
Damai Estate	1996	1	136.60	586.56	1938.46	7.05	30.26
	1997	1	105.24			5.43	
	1998	1	633.81			32.70	
	2014	2	150.24			7.75	
	2015	2	326.01			16.82	
Total			5555.37	2502.56	8,057.93	68.94	31.06

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2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Mr. Khaizarudin Awaludin
Position	:	Mill Manager
Address	:	Sarawak Zone Office Rajawali Complex, KM 52, Jln Bintulu-Miri, P.O. Box 673, 97008, Bintulu, Sarawak Derawan POM, P.O Box 673, 97008 Bintulu, Sarawak, Malaysia
Phone no.	:	+6086-477313
Fax no.	:	+6086-477313
Email	:	khaizarudin.awaludin@simedarby.com

3.0 AUDIT FINDINGS

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

There was no change to the certified products since last assessment.

3.2 Progress and changes in time bound plan (Refer to Attachment 7 for the time bound plan)

- i. Have all the estates under the parent company been certified? ☐ Yes ☒ No

If no, comments on the organization's compliance with the RSPO partial certification rules :

Sime Darby Plantation – Indonesian Operations is in progress to certify all 8 new SOUs from 2017 to 2020 as verified through the Time Bound Plan (updated in December 2017). The SOUs are PT Sime Indo Agro, PT Ladangrumpun Suburabadi, PT Bersama Sejahtera Sakti, PT Bahari Gembira Ria, PT Guthrie Pecconina Indonesia, PT Mitra Austral Sejahtera (MAS), PT Sandika Nata Palma & PT Budidaya Agro Lestari.

- ii. Are there any changes to the organization's time bound plan? ☒ Yes ☐ No

If yes, comment in terms of acceptance or non acceptance on the changes in the time-bound plan?

The time bound plan for Sime Darby Plantation Sdn Bhd, updated as at December 2017 is provided in Attachment 7 of this report.

- iii. Are there associated smallholders (including scheme smallholders) in the CU ☐ Yes ☒ No

If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification? ☐ Yes ☐ No

If no, please state reasons Not applicable. There is no associated smallholders supplying FFB to the CU.

- iv. Any new acquisition which has replaced primary forests or HCV areas ☐ Yes ☒ No

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

Sime Darby Plantation Sdn Bhd has been changed to Sime Darby Plantation Berhad.

3.4 Status of previous non-conformities *

☒

Closed

☐

Not closed*

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

3.5 Complaint received from stakeholder (if any)

No complaints from stakeholders were observed.

4.0 DETAILS OF NON-CONFORMITY REPORT

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

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

List : 4

4.7.5, 4.8.2, 6.5.4 & 6.1.4

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

List : 2

6.12.3 & 6.5.2

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

Total no. of minor NCR(s) (details
refer to Attachment 5)

List : -

Total no. of major NCR(s)
(details refer to Attachment 5)

List :

5.0 AUDIT CONCLUSION

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

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6.0 RECOMMENDATION



No NCR recorded. Recommended to continue certification.



Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

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



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.



Recommended to continue certification.



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

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

7.0 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 :

AMIR B BAHARI

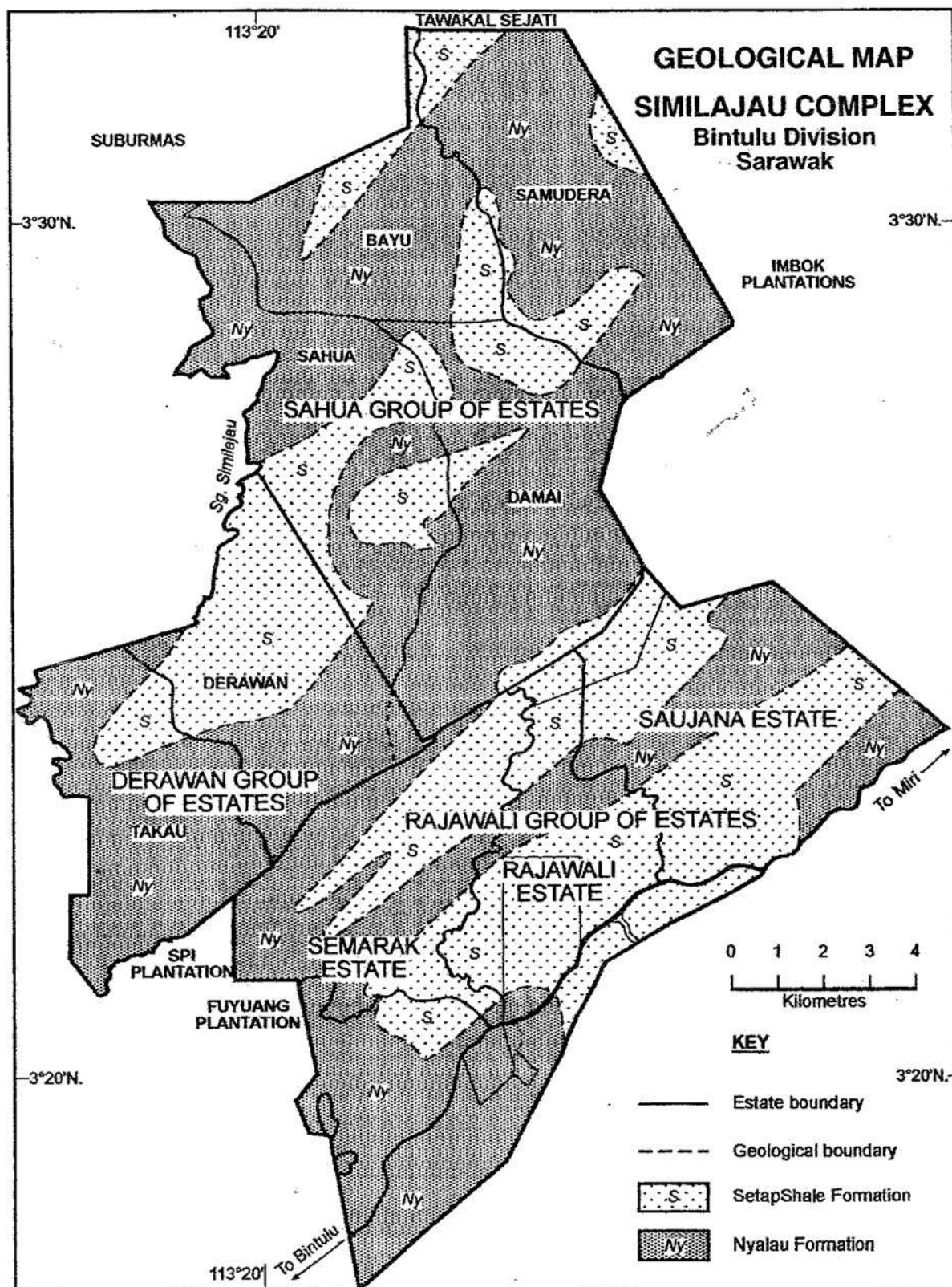
(Name)

(Signature)

30/11/18

(Date)

Map of Derawan CU



RSPO Surveillance Audit Plan

1. Objectives

The objectives of the audit are as follows:

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

2. Date of assessment : 03 – 07 September 2018

3. Site of assessment : SOU Derawan

- Derawan Palm Oil Mill
- Derawan Estate
- Damai Estate
- Takau Estate
- Sahua Estate

4. Reference Standard:

- a. RSPO P&C MYNI:2014
- b. RSPO Certifications Systems for P&C, June 2017
- c. RSPO Supply Chain Standard, November 2014
- d. Company's audit criteria including Company's Manual / Procedures

5. Assessment Team

- a) Lead Auditor : Amir B Bahari (GAP, Safety Environmental, Health)
- b) Auditors : Rozaimie Ab Rahman (Environmental, Safety, Health)
- : Mohd Zulfakar Kamaruzaman (SC, HCV, Mill Best Practices)
- : Rahayu Zulkifli (Social)

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

7. Audit Method

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

8. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non conformities if the corrective actions are not satisfactory implemented in the next audit.

9. 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.

10. Working Language : English and Bahasa Malaysia

11. Reporting

- | | | | |
|----|------------------------|---|---|
| a) | Language | : | English |
| b) | Format | : | Verbal and written |
| c) | Expected date of issue | : | 2 weeks after the closure of the Major NC / or if only minor NC, 30 days from the last day of this audit. |

12. Facilities Required

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

13. Assessment Programme Details : As below

Date / Time	Coverage of assessment / Activity / Site	AB	MZK	RAR	RZ
Day 0-02/918 5.30pm– 7.35pm	<ul style="list-style-type: none"> MH 2746: Audit team All 4 auditors travel from KLIA to Bintulu. Representative from Derawan to arrange transportation from Bintulu Airport to Rajawali Guest House 	/	/	/	/
Day 1-03/9/18 8.30am – 9.15am	Opening Meeting – Venue: Derawan POM <ul style="list-style-type: none"> Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases , Time bound plan, actions taken to address previous audit findings. 	/	/	/	/
9.15am – 12.30pm	Site observation to Derawan POM P1, P2, P4, P6, P7, P8 <ul style="list-style-type: none"> Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. Occupational safety & health aspects, chemical management Laws and regulations Interview with workers, contractors etc. Environmental management, waste & chemical management RSPO Supply Chain 2014 <ul style="list-style-type: none"> RSPO Supply chain standard implementation 	/	/	/	/
12.30pm – 1.30pm	Lunch Break				
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	MZK	RAR	RZ
Day 2 – 04/9/18 8.30am – 12.30pm	Site observation to Derawan Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, New planting Social aspects -SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the mill Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. Interview with workers & contractor Laws and regulations Environmental management, waste & chemical management Occupational safety & health aspects, chemical management 	/	/	/	/
12.30pm – 1.30pm	Lunch Break				

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1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	MZK	RAR	RZ
Day 3 – 05/9/18 8.30am – 12.30pm	Site observation to Damai Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, • New planting • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the mill • Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. • Interview with workers & contractor • Laws and regulations • Environmental management, waste & chemical management • Occupational safety & health aspects, chemical management 	/	/	/	/
12.30pm – 1.30 pm	Lunch Break				
1.30pm – 5.00pm	Continue assessment at respective site	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	MZK	RAR	RZ
Day 4 – 06/9/18 8.30am – 12.30pm	Site observation to Sahu Estate P1, P2, P3, P4, P6, P7, P8 <ul style="list-style-type: none"> • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, • New planting • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the mill • Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. • Interview with workers & contractor • Laws and regulations • Environmental management, waste & chemical management • Occupational safety & health aspects, chemical management 	/	/	/	/
12.30pm – 1.30pm	Lunch Break				
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/	/
Date / Time	Coverage of assessment / Activity / Site	AB	MZK	RAR	RZ
Day 5 – 07/9/18 8.30am – 12.30pm	Site observation to Takau Estate P1, P2, P3, P4, P6, P7, P8	/	/	/	/

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	<ul style="list-style-type: none"> • Laws and regulations • Interview with workers & contractor • Social aspects - SIA, management plan & implementation, workers' quarters • Stakeholder consultation with affected communities surrounding the estate • Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, • IPM New planting 				
12.30pm – 2.30 pm	Lunch Break				
2.30pm –4.00pm	Continue assessment at respective site	/	/	/	/
4.00pm – 5.00pm	Closing meeting	/	/	/	/

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Attachment 3

RSPO P&C Audit Checklist and Findings

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and / or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	Yes	Derawan CU continued to implement their documented communication procedure. As the time the audit is penned there was NIL request for information from the stakeholders being recorded. All the estates and mill audited provide availability of management documents i.e. related to environment, and social and legal issues were available to the public except for those prevented by commercial confidentiality or where disclosure of information that would potentially result in negative environmental or social outcomes. SDPB continued to use website for disseminating public information which are available in the company's website http://plantation.simedarby.com . Information among others in relation to the following; land titles, safety and health plans, pollution prevention plans and procedure for complaints and grievances.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	Records of requests for information and the CU's responses are filed and maintained at the respective estate/mill offices.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles/user rights	Yes	Copy of land use titles of all audited units maintained.
		Occupational health and safety plans	Yes	Occupational Health & Safety Plan titled 'Occupational Safety & Health Plan 2017' has been established. Indicators set in the plan are being monitored. The audit on the progress monitoring of the programs identified is as in C 4.7 below.
		Plans and impact assessments relating to environmental and social impacts	Yes	The Social Environmental Impact Assessment for SOU 33 Derawan was prepared by the Sustainability Unit, PSQM Sime Darby and carried out in Sept 2016. Action Plans related to social impacts are being updated annually.
		HCV documentation summary		The HCV documentation is maintained and mentioned in criteria 5.2 and 7.3 inclusive in this report.
		Pollution prevention and reduction plans	Yes	The list of waste generated from estate and mill activities maintained available. All sources of pollution have been identified by management (Pollution Prevention Plan 2017/2018). Mitigation measure and action taken also made available. Among of activities covered include nursery, growing, drainage, planting, fertilizing, scheduled waste management and mill operation.

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		Details of complaints and grievances (Criterion 6.3);	Yes	Details of complaints can be written in the Complaints Book and to be resolved in accordance with the Complaint & Grievances Resolution Procedure. Two separate Complaints Book for external and internal stakeholders are available for each Mill and Estate.
		Negotiation procedures (Criterion 6.4);	Yes	Negotiation procedure for the SOU 33 Derawan is contained in the Flowchart and Procedures On Handling Land Dispute. This document was made available and sighted during the Surveillance Audit. No land dispute between third parties and any of the units was observed.
		Continual improvement plans (Criterion 8.1);	Yes	The continual improvement plans were available established. They were being maintained and updated with the assistance and guide personnel from Sustainability Department. Sime Darby Plantation Berhad is committed to utilise the established system to regularly monitor and review their key activities at the mill and estates. Relevant action plans were initiated to continuously improve its key areas of operations, environmental, safety, health and welfare of the workers as well as social contribution to the community.
		Continual improvement plans (Criterion 8.1);	Yes	This is mentioned in Principle 6. The Social Impact Assessment is available prepared by trained personnel based in Head Office.
		Public summary of certification assessment report;	Yes	The Public summary is available in website: http://www.sirim-qas.com.my .
		Human Rights Policy (Criterion 6.13).	Yes	The CU subscribes to SDPB's Social & Humanity Management Policy dated Jan 2015. The policy was signed by the SDPB's Managing Director and are being displayed on various notice boards at the Mill and the estates offices.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	Yes	SOU 33 Derawan subscribes to SDPB's Code of Business Conduct which contains among others, the following aspects of business conduct: Equal opportunity and non-discrimination, Criminal activities, Harassment and violence, Avoiding conflicts of interests, Guarding against bribery and corruption, Anti money laundering and anti-terrorism financing and How to report a violation. There is evidence that trainings on the Code of Business Conduct during townhalls and morning musters.

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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	Yes	In entirety, it was evident that SOU Derawan continued complied with the applicable local, national and ratified international laws and regulations. Among others compliance observed were related to: (a) Minimum Wage Order 2016, (b) Employment Insurance System Act 2017 and (c) Workers' Minimum Standards of Housing and Amenities Act 1990.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	Yes	The CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that were applicable to them. Each estate and mill had its own Legal and Other Requirements Register and were being evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective managers. The SQM Department is responsible to track changes and the information was disseminated to all its plantations and Mill department.
	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 Estate & Mill Quality Management System under Standard Operation Manual distributed to all operating units Derawan CU. SQM 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.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	The SQM Department is responsible to track changes in the legal requirement. Thereafter the information will be disseminated to all operating units (plantations and mills).
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	Evidence of legal ownership of the land including history of land tenure was verified during this audit. a) Takau Estate - the land was previous owned by Derawan Sdn Bhd and Sahua Enterprise Sdn Bhd and then transferred to Austral Enterprises Bhd, b) Derawan Sendirian Berhad and Sahua Enterprise Sdn Bhd has bought the land from Sarawak Government on 20 April 1988. c) Derawan Sendirian Berhad and Sahua Enterprise Sdn Bhd are owned by Golden Hope and after merged with Sime Darby in 2007, The Land Title was transferred under the name of Sime Darby Plantation Bhd. Each estate had legal use of the land through an Ownership signed by the Superintendent of Lands and Surveys of Bintulu following the payment of premium and Land fee.
	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	Boundary stones/markers along the legal boundaries were observed visibly maintained by the CU. a) The auditor has verified the boundary stone/pegs at Derawan, Takau Sahua & Damai. b) The boundary pegs were visible along the boundary adjacent to another plantation area which is owned estate and outsider plantation. c) During the site visit, the auditor visited the boundaries of Takau Estate with Palm height and SPI Plantation and Derawan, Takau Sahua and Damai which is of boundary with one another. All the physical markers/boundary stones along the legal boundaries between was visibly available.

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	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	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sime Darby since 1988. The audit team had confirmed that there were no land issues related to previous owners. The audit team has also interviewed relevant stakeholders and concluding from the interviews, it was confirmed that there was no evidence of any land dispute at Derawan CU.
	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	As highlighted in 2.2.1 of this checklist, it has been verified that the land is legitimately owned by Sime Darby since 1988. Hence, there is no land conflict anticipated and no need for acceptable conflict resolution processes. The audit team has also interviewed relevant stakeholders which is from the surrounding estates. From the interviews, it can be concluded that there was no evidence of any land dispute at Derawan CU with their neighbouring private oil palm estates.
	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	As illustrated in 2.2.1, it has been verified that there is no conflict or dispute over the land. The auditor has verified this through Stakeholder meetings and JKPP Meetings and interviewed with settlers and other oil palm plantation companies that there was no violence action taken by the Derawan CU in maintaining peace. Derawan CU only employed Auxiliary Police in order to guard their workers, staffs and children life, their belongings and company properties.
	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	In 2.2.1, it has been verified that there is no conflict or dispute over the land. It has been confirmed that there was no land conflict between Derawan CU and neighbouring communities, as there was no evidence that the oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.

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C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	Yes	It has been confirmed that there was no land conflict between Derawan CU and surrounding communities. Hence, there was no need for the establishment of map showing the legal, customary, or user right of other users as required by this indicator.
	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;	Yes	As reported in 2.2.1 of this checklists, Derawan CU has been developed since 1988, after it was bought from the previous land owner; Sarawak Government. All the related documentation regarding the land acquisition was kept in Sime Darby HQ Office and was verified by the auditor. There were no issues regarding land with villagers, local community and neighbouring estate. The audit team had also confirmed this through interviews of relevant stakeholders and based on the audit findings, copies of negotiated agreements on FPIC and other evidences required by these indicators a) to c) were not applicable.
	2.3.2	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	As mentioned in 2.3.2 a) to c) of this checklist, this requirement in this indicator does not apply to Derawan CU.

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	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	Yes	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sime Darby since 1988. The audit team had confirmed that there were no land issues related to previous owners. Hence this requirement is not relevant.
	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	As reported in 2.2.1 of this checklist, it has been verified that the land is now legitimately owned by Sime Darby since 1988. The audit team had confirmed that there were no land issues related to previous owners. Hence this requirement is not relevant.

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	The mill has a business plan prepared annually in the form of year budget and the projection for 5 years prepared as guidance for future planning. The business plan among others contains; a) FFB yield & CPO production forecast b) Extraction Ratios – OER / KER, c) Cost of production d) CAPEX - capital expenditure mainly for buildings, furniture and others asset related expenses.
	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 program for the four estates is available for review. The program is reviewable on an annual basis which is subject for an amendment. All figures in Hectares.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and Monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	Derawan CU adopted the following manuals / guidelines for the day-to day operations of the estates and mill. It includes the operation activities in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and security. All the estates and mill operations were guided through the manuals and SOPs. The procedures as documented in the Agriculture Reference Manual were disseminated to the staff/workers through morning briefings and trainings. The Manuals are kept in the main office for references of employees particularly for the supervisory personnel. Field inspection and interviews with the workers confirmed that the SOPs had been implemented and they understood the requirements of the SOPs. The SOPs included the operation activities in the estates and the mills from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and dispatch of CPO & PK and security in the CU.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Yes	The mechanisms to check the implementation of procedures were carried out through internal audit, safety and health meeting and routine inspection (workplace inspection) by assistant manager, staff and hospital assistant. In addition team QA (quality assurance) from HQ has conducted quarterly monitoring regarding on quality of implementation procedure such as loose fruit collection, harvested bunch left and unharvested bunches.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available as appropriate. Minor Compliance	Yes	The monitoring of the SOP implementation was closely made by the all levels of the supervisory personnel with records maintained and checked. Records were kept for a minimum period of 12 months and available for verification.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	Yes	Derawan POM already changed their supply chain systems from identity preserved to mass balance and it has been approved by RSPO on 02/09/2018. However, it has been noted that during auditing the mill has yet to receive a third party crop.
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	Derawan CU continued to manage and improve soil fertility to a level that ensures optimal and sustained yield by monitoring the fertilizer inputs through annual fertilizer applications. The sustaining of the soil fertility is guided by the organization SOPs and the process of the fertilizer application follows a flow chart Fertilizer application, which was of paramount importance for maintenance of soil commencing from an agronomist visit for a leaf sampling to determine the level of nutrient therein.

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	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Fertiliser application program was monitored using records like program sheets, bin cards, field cost book, Fertiliser Application monitoring forms, etc. Records of programs and applications of fertilisers were reviewed by auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Yes	Periodic tissue and soil sampling were carried out in Derawan CU to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitor the changes in the organic carbon and total nitrogen.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	Yes	Derawan CU had a nutrient recycling strategy practiced; Palm fronds were properly stacked in the interrow left to decompose and application of EFB.
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	Yes	The soil series for the 4 estates were provided. There were no fragile/marginal soils in Derawan CU.
	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	SDP had a management strategy in place for planting on slopes and to minimize and control erosion and degradation of soils. All the four estates had also implemented prevention of soil erosion measures such as construction of moisture conservation pits in steep slope areas. Cover crops were observed to be in place as the CU management had generally encouraged the establishment of soft growth. Visits to the site found that significant areas of the ground were covered with <i>Neprolepis biserrata</i> . Most slopes had well established <i>Mucuna bracteata</i> .
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	During the field visit, it was observed that the main and field roads of Derawan CU were in satisfactory condition and accessibility were made possible by regular maintenance.
	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	Peat soil is available in Takau Estate P95TG size of 15 ha. Subsidence of peat soil at this area is being monitored. Equipment/Tools are prepared as per the ARM.
	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	Drains were made at every 2 rows interval. Desilting is made whenever the drains are discovered silted.

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	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	Yes	Noted that the efforts are made though the area is only 15 ha. The peat soil is available in Takau Estate.
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	Derawan CU had its Water Management Plan for year 2018/19 developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods such as; implementation of rain water harvest, construction of water gate for effective management of collection/main drain, establishment of <i>Mucuna bracteata</i> to prevent erosion, side drain at field road to control water, frond stacking and enhancement of ground vegetation at bare ground area. In the Water Management Plan.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	Yes	The estates continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along the natural waterways. The estates adopted the existing SDP policy to maintain the buffer by restricting agrochemicals application and left undeveloped during replanting. Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	Yes	Site visit to the effluent treatment plant and interview with operator in charge revealed that the operation was in accordance with standard operation procedure and legal requirements. No over flow was observed, and flow meter reading was recorded daily. The results from final discharge were compliance within parameter limit.
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches shall be monitored. Minor Compliance	Yes	Processing water obtained from water catchment near to the mill. The mill water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis. Noted the high consumption of water during this period due to peak crop and mill cleaning.
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	Derawan CU continued to implement Integrated Pest Management in all the estates. It continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Agricultural Reference Manual.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	Trainings relating to IPM implementation were organized mainly at estate level by the executives. Guidelines as specified in the Agricultural Reference Manual (ARM). This includes beneficial plant and rat baiting management. However, the training sessions held during the period of 12 months in 2017/2018 has not covered major estates operations among others, as highlighted in NCR AB 01 in clause 4.8.2 in this checklist.

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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	All pesticides used were those officially registered under the Pesticide Act 1974. The CU had used only class II class III & class IV pesticides. a) No illegal agrochemicals (stated by local and international laws) paraquat were used in their estates. b) The usage of the agrochemicals was based on the Agricultural Reference Manual (ARM) Section 15 and 16, SOP and in the Pictorial Safety Standard Book where written justifications had been provided for various fields operations. c) The Manual has included chemical register list which indicates the use of selective products that are specific to the targeted pest, weed or disease. The procedures also covered the use of PPE when handling the chemicals. The estates continued to use pesticides as per the SOPs.
	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	Derawan CU had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and active ingredients per 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. Records of pesticides used were available and verified. All pesticides used were those officially registered under the Pesticide Act 1974. The CU had used only class II, class III & class IV pesticides. No illegal agrochemicals in particular paraquat were used in their estates.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	Yes	Derawan CU is committed to minimize the usage of agrochemicals through the implementation of IPM practices among others; the planting of beneficial plants, no blanket spraying, no prophylactic use of such pesticides is permitted and an introduction of Barn Owl in Takau Estate.

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	4.6.4	Pesticides that are categorised as WHO 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 minimized and/or eliminated as part of a plan and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Sect. 53A); and in acc. with USECHH Reg. (2000). Minor Compliance	Yes	<p>All the four estates confined usage of pesticides which are were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations 2000.</p> <ul style="list-style-type: none"> a) The review of the chemical register concluded that all pesticides used is were of class II, III & class IV. The use of paraquat had been prohibited in all SDP estates. b) There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used. c) Sighted from records and interviews with workers, staff and estate assistants, concluded that trainings were held with all precautions being taken and all legal requirements met.
	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. Major Compliance	Yes	<p>Records showed that pesticides were handled, used and applied by trained persons and as per the SDS of the pesticide. The staff 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. The trade and generic names of the chemicals were made known to the workers through the SDS training. It was also noted that SDS are available at all sites during the audit. Trainings on pesticide handling were available in all the visited estates.</p>

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	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. 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	The chemical stores in all 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).
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Yes	During the audit, it was noted that Derawan CU had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions .
	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 application of agrochemicals is not practiced in Derawan CU. This is confirmed through observation during the site visit, estate complex and interview with the employees.
	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. Minor Compliance	Yes	Training on pesticide/chemical handling was continuously carried out at Derawan CU. The trainings included the safety aspects and usage of PPE when handling with pesticides and herbicides. From interviews with the staff and workers such as the storekeepers and workers who applied fertilizers, it was evident that they have been trained and understood the hazards involve and how the chemicals should be used in a safe manner.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated. Minor Compliance	Yes	The procedure; Scheduled Wastes (Hazardous Waste) Management has been established. Collection is made by a DOE licensed contractor.

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	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Yes	It has been noted that Derawan CU has carried out the CHRA in 2015 by an appointed assessor and the implementation of recommendations from the CHRA exercise were evident. This include the annual medical surveillance where every unit in the CU has sent their relevant workers for check-up and concluded to be fit for work.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	All the estates and mill in the CU complied with procedure and guidelines provided the Standard Operating Procedure adopted by the Organisation whereby no work with pesticides is given to pregnant or breast-feeding women. The estates maintained the list of sprayers. Identification of pregnancy status is made by the respective appointed Medical Assistant during the monthly check-up. Field interviews with the lady workers confirmed that such a regulation is a standard practice in the estates and in compliance.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented. The occupational health and safety plan shall cover the following:	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Yes	The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Managing Director of Sime Darby Plantation dated January 2015 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the Regional SQM Executives and monitored by SQM Department at Head Office. Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. In interviews with the workers and staff during the site visit workshop, office compound, workshop, laboratory, engine room, boiler house) revealed that the employees had been briefed and had understood the policy.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance	Yes	The CU had identified the significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Necessary precautions observed. The CU had identified the significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment.

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	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective eq shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations & land preparation, harvesting and, if it is used, burning. Major Compliance	Yes	Trainings and briefings on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. The staff and workers such as the storekeepers, Mill workers, harvesters, pruners, field workers, sprayers, fertilizer and rat bait workers were trained, and they had understood the hazards involved and how the chemicals should be used in a safe manner.
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person 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 Yes	Both the Estates / Mill Managers were appointed as the Chairman of the ESH committee. The letter of appointment for the Managers signed by the Regional CEO was sighted. The Manager subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. Similar appointment was made for all the estates and the mill. All identified Executives were officially given a letter for such an appointment. Both estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting.
	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	No	Procedures guidelines were issued by SQM and amended to tailor to the situation differences in the estates and mills. ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The trainings are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. The trained personnel for the First Aid were among the employees working in the mill on shift and the estates staff/mandores. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room etc. Similarly, the estates distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops Derawan Estate: Field no P2015A. The lady mandore in charge of the supervision of rat baiting gang at site did not possessed a First Aid Box - non-available at operation site for any contingency use. Hence an NCR AB 02 is raised.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	SOU Derawan provides medical care to Group Estate workers with Klinik Ladang established within the premises. Cases requiring higher attention of medical care are referred to Hospital Bintulu located approximately 50 km from the Estates/Mill vicinity. All estates used the insurance services from Etiqa Takaful Bhd.

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	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed.
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	The training program for 2018/19 covering all aspects of the RSPO Principles and Criteria and other essential operations activities has been established. Regular assessments of training needs were available and verified. Training needs identification matrix has been established with target dates for of implementation.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	No	SOU Derawan had trained their staff, workers and records of training were kept in the RSPO training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. The training sessions held during the period of 12 months 2017/2018 has not covered major estates operations among others: a) Harvesting & collection b) HIRARC / IPM / PPE Adherence c) HCV / buffer zone d) MSPO/RSPO Awareness e) Briefing of Company's Policies / Induction Program <i>Hence an NCR AB 01 was raised.</i>

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have env. 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	Derawan CU has established its environmental aspects / impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	Yes	POM - Environmental Aspect and Impact Identification Form & Environmental Impact Evaluation Form was used to identify Aspect & Impact and take necessary action. The record was reviewed in Oct 2017 by the Assistant Engineer and approved by the Mill Manager. No changes were made to the record. The Waste Management Plan FY 2017/18 comprising of Pollution Prevention Plan 2017/18 has been established on 1/07/17. Among others the pollution prevention identified are; the control of black smoke emissions, monitoring water course & scheduled wastes and effluent discharge monitoring. Records of monitoring by the mill was sighted. Estates – The Pollution Prevention Plan has been established to address environmental issues; leakage of pesticide during chemical mixing, contaminated ground / soil at workshop area, prohibited spraying at line site & river (buffer zone).
	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	POM – There was no changes made to the environmental aspects and impacts or current practices which require changes in the environmental action plans at the mill. Nevertheless, the existing environmental action plans had identified timeframes and responsible person at each operating unit assessed; BOD final discharge, reduce water & electricity consumption. Estates - An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. The pollution prevention plan and waste management plan were reviewed on yearly basis and was verified at all visited operating units. Sighted and extracted the following environmental management issues for all Estates 2018/19; vehicle maintenance, rat baiting reduce spillage to land / water and bagworm infestation.
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	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations. Major Compliance	Yes	SOU Derawan has reviewed their HCV with new assessment conducted on June 2017. The new HCV assessment titled 'HCV Assessment For Sarawak Zone' which included both the planted area and relevant wider landscape-level considerations with villages and forest reserved. Based on the HCV assessment report, there is only HCV 4 declare in SOU Derawan, and the total area of HCV area for SOU Derawan is 333.70ha.

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<p>affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>	5.2.2	Where rare, threatened or endangered 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	The HCV Assessment report indicated that there is no threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations. There is only common bird sighted. The appropriate measures that are expected to maintain and/or enhance them were implemented.
	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 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	Yes	Although there was no RTE species found in the CU, 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.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <input type="checkbox"/> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; <input type="checkbox"/> Outcomes of monitoring shall be fed back into the action plan. Minor Compliance	Yes	An action plan for FY2017/18 was made available at the Takau, Derawan, Sahua and Damai Estate. The outcomes of monitoring were included in the HCV report. No RTE species were found within the estates 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 installation of signage at strategically locations.

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	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance	Yes	There was no HCV set asides with existing rights of local communities observed.
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	The CU has identified and documented all waste product and sources of pollution from its activities. The environmental management plans were established at each site to manage and mitigate the wastes and its impact.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Empty pesticides containers were rinsed at the washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory & consignment notes verified for confirmation of proper management & disposal.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	Yes	<p>Mill – the wastes disposal method is as follows:</p> <ul style="list-style-type: none"> a) EFB - sent for mulching in the estate, b) while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. As for the POME, an effluent treatment plant is in place. c) Effluent quality monitoring was done on monthly basis. Samples were taken at the final discharge point. The monitoring of the effluent discharge is reported to DOE on monthly and quarterly basis. This practice is accordance with the requirements in the written approval issued by DOE. Review of the results revealed that the quality of the effluent discharge is in within the regulatory limit. <p>All Estates - wastes like scrap iron was sold to the approved contractor via HQ arrangement whilst the domestic wastes were disposed to land fill located far from line site and water bodies.</p>
C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	Yes	A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2018/19. The document was updated in July 2018.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the	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	There was no land prepared by burning at Derawan CU. All estates had continued to adhere to the policy as per the Agricultural Manual and SOP on (Zero Burning) which advocates zero burning for land preparation and as per their Environmental Policy.

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ASEAN guidelines or other regional best practice	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' 2003</i> . Minor Compliance	Yes	There was no evidence that fire had been used to prepare land for replanting in the estates. No fire was used for waste disposal.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent.	Yes	An assessment of all polluting activities has been conducted and monitored. This included the gaseous emissions, particulate / soot emissions and effluent. 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 estates and mill activities / operation. 'Pollution Identification Environmental Improvement Action Plan' – is used to identify the waste products and sources of pollution, was in place and is reviewed accordingly.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	Derawan CU had identified emission of greenhouse gas (GHG) from their operations such as emission from their farm tractor and gen set operation. <ul style="list-style-type: none"> a) The management from both estates and mill had planned to reduce emission by daily inspection and monitoring for their farm tractor and gen set to prevent any leakage and problem that could adverse impact the environment. b) Fuel Consumption, Peat Oxidation, POME and reported in the Palm GHG Summary Report

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<p>knowledge and methodology. It is also recognized that it is not always feasible or practical to reduce or minimise these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>	5.6.3	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	Summary of net GHG emissions from PalmGHG calculator																																																																
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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Finding
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	A Social Impact Assessment (SIA) covering 5 operating units namely Derawan Palm Oil Mill, Derawan Estate, Sahua Estate, Takau Estate and Damai Estate was carried out in September 2016 by the PSQM Unit of the Sime Darby Plantation. The process and findings were duly documented and sighted during the Surveillance Audit. The SIA Report considered access and user rights, economic livelihood, women, health and education facilities for children, subsistence activities, cultural and religious values. It also listed out the findings from the SIA and Action Plan needed.

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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	Based on the records of meetings that were available and sighted, there is evidence that the SIA was done with the participation of the affected parties. Those who participated in the SIA were harvesters, loaders, security personnel, loose fruit collectors, manurers, drivers, store keepers, sprayers, auxiliary police, clerical staff, general workers, teachers from nearby schools, the police, etc.
	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, incl. responsibilities for implementation. Major Compliance	Yes	There is evidence that the reviews of the Action Plan were developed following inputs and feedbacks from affected parties. The inputs were then incorporated into a document with timetables and names of persons in charge. For the Mill and Derawan Estate, inputs were received during Stakeholder Meeting attended by employees, contractors, management, teacher, salesman. Additional inputs were obtained during Safety Committee.
	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	No	The SIA which was conducted in September 2016 and the reviews are being held by the respective units annually. For example, the Mill did its review on November 2017. Takau Estate's review was done in Apr 2018 and Damai Estate in July 2018. However, there is no evidence that the Management on Social Impact Assessment Plans carried out by Derawan Estate and Damai Estate took into account the impacts of ongoing replanting activities on affected parties. Therefore, a Minor NCR No RZ 02 of 2018 was raised.
	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 smallholders scheme at SOU 33 Derawan and therefore this indicator is not relevant.
C 6.2 There are open and transparent methods for communication and consultation between growers	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	Yes	Consultation and communications procedures for SOU 33 Derawan was documented in the Standard Operating Manual dated 1/4/2008 entitled "Procedure for External Communications". This document was sighted during the audit.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	Management officials responsible for social issues were duly appointed.

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	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	The list of stakeholders for SOU 33 Derawan was maintained by the respective sites. The stakeholders comprise of contractors, vendors/suppliers, neighbouring estates/smallholders, government agencies, clinics, hospitals, etc. Records of communications which showed actions taken in response to inputs from stakeholders and efforts made to ensure understanding were documented and sighted during this Surveillance Audit.
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 whistleblowers, where requested. Major Compliance	Yes	The system used by the SOU 33 Derawan in resolving disputes and grievances was available. The Mill and Estates within SOU 33 each have its own Internal Complaint Book and External Communication Book. The Internal Complaint Book is used for employees to lodge complaint pertaining to their houses. The external book was reviewed and found no complaints against the CU.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	Yes	There is no record of any dispute at SOU 33 Derawan. However, documentary evidence was made available during the audit that complaints are being resolved and the outcome made available. For example, records of complaints raised by workers on various defects to the houses are documented, rectified and confirmed completed by the person responsible.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	Yes	The procedure for identifying legal, customary or user rights, and compensation process is incorporated in the Sustainable Plantation Management System. The procedures state that ex-workers issues are to be handled by the Employee Relations, and the land issues by the Land Management Department of the Head Office. Both procedures stipulate the negotiation procedures, calculation and distribution of compensation to the affected parties.

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	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 & long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	Yes	In accordance with the Procedures for Handling Boundaries Disputes the procedure for calculating and distributing fair compensation falls within the purview of the Land Management Department of at the Sime Darby Head Office. The procedure stipulates the involvement of the respective estate management, Land Office, NGOs and the affected parties in the negotiation procedures.
	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	As of the date of this Surveillance Audit, no negotiation and payment of compensation has been carried out to any party and therefore this Indicator is not applicable.
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	Documentation of pay throughout SOU 33 Derawan is in the form of monthly pay slips given out to all employees. Conditions of pay on the other hand, are contained in the employees' respective employment contracts/letter of employment. Samples of the monthly pay slips and employment contracts/letters of employment were made available and reviewed during the audit. Each pay slip include the name of employee, month of pay, income (basic, overtime, reimbursement, allowances), deductions (statutory such as EPF, SOCSO, EIS), net salary, number of days worked, annual leave and medical leave taken, etc. Interview with workers reveal that they understand the contents of the pay slips and would seek explanation whenever they needed clarifications.

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	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 workers or explained carefully to them by a management official. Major Compliance	No	<p>Contracts and conditions of employment are contained in employment contracts signed between the Mill and respective estates on one hand, and their workers on the other. The employment contracts sampled were prepared in Bahasa Indonesia because all the foreign workers are from Indonesia. Verbal briefings on the contents of the agreement were also done for the workers. Among others, the contracts defined the period of employment, wage rate, work benefits, overtime, annual leave, public holidays, contract termination, etc. Details on monthly salary and deductions for every worker and staff are reflected in their pay slips which are issued to the workers during pay day.</p> <p>For the local workers, there is evidence that the payment of statutory contributions such as EPF, SOCSO and Employment Insurance Scheme are being made in accordance with the relevant legal provisions.</p> <p>However, the following non-compliances were found:</p> <ul style="list-style-type: none"> ➤ At least 8 foreign workers' contracts at Derawan Estate were not dated and their respective contract duration is therefore not clear. ➤ At least 8 foreign workers' contracts at Derawan Estate were not attached with "Appendix 1" which details out their salary scale and therefore their payments are not detailed out. ➤ At least 6 workers at the Derawan Mill, 6 workers at Derawan Estate and 3 workers at Tukai Estate did not receive paid annual leave which contravenes Clause 14 of their contracts of employment. ➤ At least 3 workers at Derawan Estate and 5 workers at Tukai Estate received normal rate of pay for working on a rest day which contravenes Clause 3 of their contracts of employment. <p>Therefore, a Major NCR RZ05 2018 was raised.</p>
	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. Minor Compliance	Yes	<p>Field visits to the line sites reveal that generally, the Estates and Mills provide adequate housing to their employees. Each house has three rooms and accommodate between 3 to 6 workers per house. Among the facilities provided include a <i>surau</i>, playing field, a kindergarten, creche, grocery shops and a clinic which is managed by a Medical Assistant and a support staff. A visiting Medical Officer comes for regular visits once a fortnight to assist with linesite inspections, dispensing medical advice and treating patients. The houses are provided rent-free, including free treated water and electricity which are available 24 hours a day.</p>

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	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	No	The workers are free to purchase their daily needs and provisions from either one of the grocery shops near the workers' housing complexes. Among the items sold include vegetables, frozen chicken, eggs, rice, flour, sanitary items, cooking oil, coffee, tea, sugar, etc. More than 50% of the workers interviewed raised the issue of unaffordability of goods sold at the shops compared to those sold in Bintulu. Although the grocery shops extend a price list of items sold to Derawan estate on a yearly evidence of demonstrable efforts being made to monitor prices of goods sold at the shops Derawan Housing Complex. Therefore, a Minor NCR RZ03 2018 was raised.
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	Recognition of freedom of association is available in the Sime Darby Plantation Social Policy dated January 2015. The policy states that the company respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. This Social Policy is applicable throughout all operating units and is printed and translated in Bahasa Malaysia and displayed on notice boards.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	The workers in the estates and mill are not unionized. However, each Estate and Mill have its own Safety Committee where several workers (both local and foreign sit on the Committees. However, worker representatives who sit on the Safety Committees were appointed by the Estate or Mill Management respectively, instead of being appointed by the workers themselves. Workers interviewed are not aware of who these representatives are. Minutes of the meetings are documented and sighted during this Surveillance Audit.
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	Yes	The policy on non-employment of children is contained in the Sime Darby Social Policy dated January 2015. There was no evidence that the estates and the mill employs anyone below the age of 18 years. This was verified by examining the master lists of workers. Interviews with workers and staffs, as well as observations made during field visits show that those employed are 18 years and above.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	The equal opportunities policy is contained within the Sime Darby Social Policy dated January 2015, which states that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. The Social Policy was displayed on notice boards in both Bahasa Malaysia and English.
	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	Apart from the Social Policy which states that all employees shall be treated equally, there is also no evidence that there has been any form of discrimination against any employee, or group of employees. Payment of wages/salaries, provision of housing and access to benefits and amenities is fair based on observation, review of pay checks, contracts of employment, and interviews of staff, local and foreign workers (harvesters, sprayers). Foreign workers are also accorded the same living standards and accommodations as local workers.

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	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	Based on interviews with the estates and mill management and documentation review (interview assessment and medical report), recruitment selection, hiring and promotion are based on suitable job vacancies, experience, qualification/skill and medical fitness appropriate for the job. Candidates submit their application forms followed by interview assessment and medical check-up. Annual appraisal forms are used to determine the employee's skills and capabilities.
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 policy to prevent sexual and other forms of violence is contained in the Sime Darby Social Policy dated January 2015. In addition, awareness on sexual and other forms of harassments are also briefed during muster and Gender Committee meetings held at each Mill and Estates. The Gender Committee Meetings are being held regularly where topics discussed include sexual harassment and violence. Records of Gender Committee Meetings were sighted.
	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 policy to protect reproductive rights of women is contained in the Sime Darby Plantation Gender Policy. In addition, Gender Committees have been established at the Mill and Estate levels to help disseminate awareness on issues relating to reproductive rights. In addition, awareness on reproductive rights are also briefed during muster and Gender Committee meetings held at each Mill and Estates.
	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 grievance mechanism which respects anonymity and protects complainants is in place at the CU as per the Sime Darby Gender Committee Handbook 1st Edition 2014. Employees were aware of the avenue and mechanism for lodging complaint. This was communicated to all staff during muster briefings and training.
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	As of the date of this Surveillance Audit, the Mill only receives FFB from its own supply base and has not commenced sourcing FFB from external parties. Therefore, this Indicator is not yet relevant to SOU 33 Derawan.
	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. Major Compliance	Yes	As of the date of this Surveillance Audit, the Mill only receives FFB from its own supply base and has not commenced sourcing FFB from external parties. Therefore, this Indicator is not yet relevant to SOU 33 Derawan.

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	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	Interviews conducted with replanting contractors, school bus driver and a maintenance contractor confirmed their understanding of the agreements they entered into, and that the contractual relationship with the Estates and Mill are fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Interviews conducted with the contractors as detailed under Indicator 6.10.3 confirmed that payments are made in a timely manner; namely within 2 – 3 weeks of issuance of invoice.
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	SOU 33 Derawan contribute to local development via its Corporate Social Responsibility programmes. Among contributions provided are provision of a school bus to transport school children living in the workers' housing complex, payment of operation and maintenance costs of the kindergarten, creche, surau and payment of creche workers' salaries.
	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	Since there is no scheme smallholders within SOU33 Derawan, this indicator is therefore not yet applicable.
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 workers, field observations, review of the employment contracts, records of wages, overtime payments, there is no evidence of any form of forced or trafficked labour within SOU 33 Derawan.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	As verified through employment contracts, and interviews with foreign workers, it was verified that no contract substitution has occurred at the Mill and estates.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	No	<p>There is no evidence of implementation of special labour policy at Takau Estate. A special labour policy should have:</p> <ul style="list-style-type: none"> • Statement of the non-discriminatory practices; • No contract substitution; • Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; • Decent living conditions to be provided. <p>However, no post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc was carried out for newly arrived workers. Therefore, a Major NCR RZ 04 2018 was raised.</p>

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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. Major Compliance	Yes	The policy to respect human rights was documented in the Sime Darby Plantation's Social and Humanity Management Policy. This Policy states among others, that it will develop its businesses with a sense of humanity, ensuring that they are socially beneficial and do not infringe basic human rights. This policy was communicated to the workers during muster briefings.
	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	SOU 3 Derawan provides education opportunities to children of foreign workers who are ineligible to enter Malaysian national schools. These children enrol into the Community Learning Centre (CLC) which is located at the neighbouring SOU Rajawali. Transport is also provided to allow the children access to education.

Principle 7: **RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Derawan CU has no plan for any new planting and no new development of area was observed during the visit. Auditors has verified through checking the www.globalforestwatch.com, GOOGLE Maps, Estate Maps and also through site visit to all four estates. Based on the audit findings, it was confirmed that there were no new planting or new development of areas at Derawan CU.

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		

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	a)	Reduction in use of pesticides(Criterion 4.6);	Yes	<p>The CU adopted several continuous improvements in reducing of pesticides i.e. increasing planting of beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> and continue to monitor pest through Early Warning System.</p> <ul style="list-style-type: none"> a) The CU also adopted planting of <i>Leguminious</i> Cover Crop mainly <i>Pueraria Javanica</i> and <i>Calopogonium Mucunoides</i> at replanting area to minimize circle and selective weeding. b) <i>Neproliphis biserata</i> was maintained and encouraged to be planted in Derawan SOU. This can be seen in their continuous improvement plan. This was to suppress growth of noxious weeds and thus reduce the use of pesticides for selective weeding. c) Woody sprayings were carried out whenever necessary and only twice a year. Blanket spraying was not practiced encouraging soft grasses in inter row and frond stacking area d) Mills waste such as EFB were used as fertilizer in the field.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	<p>Environmental impact assessment, management action plans and continuous improvement plan for Derawan SOU has been updated and monitored by management. Among the improvement actions:</p> <ul style="list-style-type: none"> a) construction of sump at chemical and workshop to prevent ground or water contamination. b) collect back chemicals bags and allocate store for control of misused. c) use of tray for tractor parking and workshop stations to prevent ground contamination
	c)	Waste reduction (Criterion 5.3);	Yes	<p>The management of Derawan SOU had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and genset / water treatment plant to prevent any leakage and problem which can impact on smoke emission.</p>
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	<p>The management of both estates and mill had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and gen set / water treatment plant to prevent any leakage and problem which can impact on smoke emission.</p>
	e)	Social impacts (Criterion 6.1);	Yes	<p>The CU continued to improve the social impacts with activities like:</p> <ul style="list-style-type: none"> a) implementation of retention incentive for foreign workers. b) organized social events for worker and communities, such Workers' Day celebration together with The Best & Beautiful House competition on 7/5/2017 and Family Day on 20/5/2017. This will be continued and the CU in the midst of having a similar program for the current financial year 2018/19 planned during the 4th quarter.
	f)	Encourage optimizing the yield of the supply base	Yes	<p>As Derawan CU is part of a well-established organisation, Sime Darby Plantations Berhad, the yield performance has always been the top priority in ensuring long-term economic and financial viability. In general, various efforts had been done to optimise the yield of the plantation such as;</p> <ul style="list-style-type: none"> a) maximizing crop recovery, optimum ripeness b) standard (harvest ripe bunches only and 100% loose fruit collection), c) the soil fertility was maintained and planting only high yielding planting material.

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RSPO Certifications Systems for Principles & Criteria June 2017

Clause	Indicators		Comply Yes/No	Findings																																										
4.5.3 Time-bound plan Note: Where there are isolated lapses in implementation of a time-bound plan, a minor non- compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	YES	Sime Darby Plantation – Indonesian Operations is in progress to certify all 8 new SOUs from 2017 to 2020 as verified through Time Bound Plan as at December 2017 which are:																																										
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(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	YES	The time bound plan set for 8 new/uncertified SOUs was appropriate and within the timeframe of three years for RSPO certification.																																											
(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate	YES	CB has received and verified time bound plan for 8 new/uncertified SOUs as at December 2017. The time bound plan was revised and endorsed by the Head of PSQM, Sime Darby Plantation Sdn Bhd - Indonesia.																																											

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		to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);																																										
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any required to maintain or enhance HCV accordance with RSPO P&C criterion 7.3. Any new plantings since 1 st January 2010 shall comply with the RSPO NPP. For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	<div>The status of 8 uncertified SOUs through Mutuagung Assessment Report were as follows:</div> <table><tr><th>No</th><th>Name of SOU</th><th>Name of Units</th><th>Replacement of primary forest or HCV area and new planting</th></tr><tr><td>1</td><td>PT Sime Indo Agro</td><td>East & Sei Mawang</td><td>No new planting since November 2005.</td></tr><tr><td>2</td><td>PT Ladangrumpun Suburabadi</td><td>Subur Abadi Plasma 1</td><td>Smallholder project – SAP 1 is targeted for certification by 2019</td></tr><tr><td>3</td><td>PT Bersama Sejahtera Sakti</td><td>KKPA BSS</td><td>New smallholder project - KKPA Maju Bersama targeted for Certification by 2019</td></tr><tr><td>4</td><td>PT Bahari Gembira Ria</td><td>Plasma BGR</td><td>Smallholder Project – socialization is on going with the Koperasi Unit Desa (KUD).</td></tr><tr><td>5</td><td>PT Guthrie Pecconina Indonesia</td><td>Sungai Jernih Estate and GPP KKPA</td><td>The Certificate Holder has sent Liability Disclosure and LUCA for PT GPI and GPP KKPA to RSPO Compensation.</td></tr><tr><td>6</td><td>PT Mitra Austral Sejahtera (MAS)</td><td>MAS 1, MAS 2, MAS 3, Mas Factory & PLASMA MAS</td><td>HCV assessment was conducted in March 2009. A disclosure of liability including LUCA analysis sent to RSPO Secretariat on 24 June 2016 and expected to submit final LUCA to RSPO Secretariat office by end Dec 2017.</td></tr><tr><td>7</td><td>PT Sandika Nata Palma</td><td>Karya Palma & KKPA SNP</td><td>There was a new planting area in the estate. Need to submit NPP.</td></tr><tr><td rowspan="3">8</td><td rowspan="3">PT Budidaya Agro Lestari</td><td>Pelanjau & Sg. Putih (PT BAL)</td><td>No new planting activities.</td></tr><tr><td>Baturus (PT BAL)</td><td>There was a new planting area in the estate. Need to submit NPP.</td></tr><tr><td>KKPA BAL</td><td>No new planting activities.</td></tr></table>	No	Name of SOU	Name of Units	Replacement of primary forest or HCV area and new planting	1	PT Sime Indo Agro	East & Sei Mawang	No new planting since November 2005.	2	PT Ladangrumpun Suburabadi	Subur Abadi Plasma 1	Smallholder project – SAP 1 is targeted for certification by 2019	3	PT Bersama Sejahtera Sakti	KKPA BSS	New smallholder project - KKPA Maju Bersama targeted for Certification by 2019	4	PT Bahari Gembira Ria	Plasma BGR	Smallholder Project – socialization is on going with the Koperasi Unit Desa (KUD).	5	PT Guthrie Pecconina Indonesia	Sungai Jernih Estate and GPP KKPA	The Certificate Holder has sent Liability Disclosure and LUCA for PT GPI and GPP KKPA to RSPO Compensation.	6	PT Mitra Austral Sejahtera (MAS)	MAS 1, MAS 2, MAS 3, Mas Factory & PLASMA MAS	HCV assessment was conducted in March 2009. A disclosure of liability including LUCA analysis sent to RSPO Secretariat on 24 June 2016 and expected to submit final LUCA to RSPO Secretariat office by end Dec 2017.	7	PT Sandika Nata Palma	Karya Palma & KKPA SNP	There was a new planting area in the estate. Need to submit NPP.	8	PT Budidaya Agro Lestari	Pelanjau & Sg. Putih (PT BAL)	No new planting activities.	Baturus (PT BAL)	There was a new planting area in the estate. Need to submit NPP.	KKPA BAL	No new planting activities.
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	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in acc. with RSPO P&C 2.2, 6.4, 7.5, 7.6;	YES	The status of 8 uncertified SOUs through Mutuagung Assessment Report were as follows:			
				No	Name of SOU	Name of Units	Land conflicts
				1	PT Sime Indo Agro	East & Sei Mawang	East Estate does not have existing land conflicts with the community, the land issue is currently under the process of legality under the purview of the Ministry of Forestry, Indonesia.
				2	PT Ladangrumpun Suburabadi	Subur Abadi Plasma 1	Smallholder project – SAP 1. No land conflict.
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	YES	3	PT Bersama Sejahtera Sakti	KKPA BSS	New smallholder project - KKPA Maju Bersama. No land conflict.
				4	PT Bahari Gembira Ria	Plasma BGR	Smallholder Project. No land conflict.
				5	PT Guthrie Pecconina Indonesia	Sungai Jernih Estate and GPP KKPA	Still in process to get certificate of land use right. Head of Musi Banyuasin District concerning the Granting of Plantation Business License of PT Guthrie dated 25 Feb 2010.
				6	PT Mitra Austral Sejahtera (MAS)	MAS 1, MAS 2, MAS 3, Mas Factory & PLASMA MAS	There are land conflict. Sime Darby Plantation is submitting quarterly progress report to RSPO. The latest report was submitted on 18 Dec 2017. The details of the case is available on RSPO Website https://www.rspo.org/members/complaints/status-of-complaints/view/29
				7	PT Sandika Nata Palma	Karya Palma & KKPA SNP	No land conflict.
				8	PT Budidaya Agro Lestari	Pelanjau, Sg. Putih, Beturus & KKPA BAL (PT BAL)	No land conflict.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	YES	Based on the internal audit report, there were no labour dispute that are not being resolved through an agreed process for all uncertified units for all 8 uncertified units of Sime Darby Plantation Sdn Bhd - Indonesia as at December 2017.			
				There was legal non-compliance on land title for 5 uncertified SOUs as listed below. These PTs waiting for land title process ; PT Sime Indo Agro 1,652 Ha, PT Bersama Sejahtera Sakti 765 Ha, PT Bahari Gembira Ria 1,639 Ha, PT Guthrie Pecconina Indonesia 4,133 Ha and PT Budidaya Agro Lestari. PT Mitra Austral Sejahtera was in progress to close non-compliances in relation to legal requirements as raised during Internal Audit Nov 2017.			

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(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:																		
	<ul style="list-style-type: none"> A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; 	YES	<p>The status of 8 uncertified SOUs through Mutuagung Assessment Report were as follows:</p> <table border="1"> <thead> <tr> <th>No</th><th>Name of SOU</th><th>Name of Units</th><th>Positive assurance statement and self-assessment</th></tr> </thead> <tbody> <tr> <td>1</td><td>PT Sime Indo Agro</td><td>East & Sei Mawang</td><td>Internal assessment was conducted on 29 May – 3 June 2017 by PT Mutuagung Lestari Auditor</td></tr> <tr> <td>2</td><td>PT Ladangrumpun Suburabadi</td><td>Subur Abadi Plasma 1</td><td>Internal assessment has been conducted for Subur Abadi Plasma 1 on 22 Feb 2017. The Subur Abadi Plasma 1 Scheme is currently undergoing RSPO Certification under PT Ladangrumpun Suburabadi pending certification. RSPO Pre-assessment has been completed on 20-24 March 2017. The contract between the Certification Body (PT Mutuagung Lestari) and PT Ladangrumpun Suburabadi is available (dated 6 March 2017) which includes the scope of the supply base of Subur Abadi Plasma stated under Clause 2, 1a. There is no outstanding land and social conflicts on the ground. HCV Assessment for Subur Abadi Plasma smallholders have been conducted (by Pollito) in July 2011 before commencement of any new planting. Land Use Change Analysis for the Plasma is in progress.</td></tr> <tr> <td>3</td><td>PT Bersama Sejahtera Sakti</td><td>KKPA BSS</td><td>New smallholder project currently under preparation to undergo RSPO Certification by 2019, internal audit for PT BSS has been undertaken, the latest internal audit has been conducted on 21 April 2018. There is no outstanding social and land conflicts on the ground. The plasma scheme has already undergone HCV Assessment (conducted by Pollito) in July 2011 before commencement of New Planting. Land Use Change Analysis is in progress.</td></tr> </tbody> </table>	No	Name of SOU	Name of Units	Positive assurance statement and self-assessment	1	PT Sime Indo Agro	East & Sei Mawang	Internal assessment was conducted on 29 May – 3 June 2017 by PT Mutuagung Lestari Auditor	2	PT Ladangrumpun Suburabadi	Subur Abadi Plasma 1	Internal assessment has been conducted for Subur Abadi Plasma 1 on 22 Feb 2017. The Subur Abadi Plasma 1 Scheme is currently undergoing RSPO Certification under PT Ladangrumpun Suburabadi pending certification. RSPO Pre-assessment has been completed on 20-24 March 2017. The contract between the Certification Body (PT Mutuagung Lestari) and PT Ladangrumpun Suburabadi is available (dated 6 March 2017) which includes the scope of the supply base of Subur Abadi Plasma stated under Clause 2, 1a. There is no outstanding land and social conflicts on the ground. HCV Assessment for Subur Abadi Plasma smallholders have been conducted (by Pollito) in July 2011 before commencement of any new planting. Land Use Change Analysis for the Plasma is in progress.	3	PT Bersama Sejahtera Sakti	KKPA BSS	New smallholder project currently under preparation to undergo RSPO Certification by 2019, internal audit for PT BSS has been undertaken, the latest internal audit has been conducted on 21 April 2018. There is no outstanding social and land conflicts on the ground. The plasma scheme has already undergone HCV Assessment (conducted by Pollito) in July 2011 before commencement of New Planting. Land Use Change Analysis is in progress.
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			4	PT Bahari Gembira Ria	Plasma BGR	Confirmation of the status is in progress. Sime Darby Plantation does not have management control over the plasma scheme. 1 out of 6 Koperasi Unit Desa (KUD) has been RSPO Certified. And all KUD is planned to undergo RSPO Certification by 2020 as reported in the timebound plan. Land Use Change Analysis has been completed for Plasma BGR. Refer to RSPO Certificate & Report for PT BGR - https://rspo.secure.force.com/membership/servlet/servlet.FileDownload?retURL=%2Fmembership%2Fapex%2F%2FRSPOCertSearch&file=00P9000001OioYJEAZ https://rspo.secure.force.com/membership/servlet/servlet.FileDownload?retURL=%2Fmembership%2Fapex%2F%2FRSPOCertSearch&file=00P9000001OioXOEAZ
			5	PT Guthrie Peconina Indonesia	Sungai Jernih Estate and GPI KKPA	Sungai Jernih Estate and GPI KKPA were audited by Mutuagung as verified through Recertification Audit report. The assessment was conducted on 15 – 20 May 2017.
			6	PT Mitra Austral Sejahtera (MAS)	MAS 1, MAS 2, MAS 3, Mas Factory, Plasma MAS	Internal assessment was conducted on 9 - 10 Nov 2017 by PSQM Indonesia.
			7	PT Sandika Nata Palma	Karya Palma & KKPA SNsP	Internal assessment was conducted on 10 Feb 2017.
			8	PT Budidaya Agro Lestari	Pelanjau, Sungai Putih & Beturus (PT BAL)	Internal assessment was conducted on 18 - 23 Sept 2016. This PT also has conducted Stage 1 audit on RSPO Certification System, P&C RSPO (2016) and RSPO Supply Chain Certification Standard on 17 – 22 April 2017.
					KKPA BAL	Smallholder project – targeted for certification by 2020.
		<ul style="list-style-type: none"> Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. 	YES	Mutuagung Lestari had conducted the consultation with relevant NGO's as verified by audit team through the Mutuagung Assessment Report.		
		<ul style="list-style-type: none"> Desktop study e.g. web check on relevant complaints 	YES	Verified through RSPO website: https://www.rspo.org/members/status-of-complaints/		
		<ul style="list-style-type: none"> If necessary, the audit team may decide on further stakeholder 	YES	Mutuagung Lestari had conducted the consultation with relevant NGO's and field inspection as verified by audit team through the Mutuagung Assessment Report.		

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		consultation or field inspection, assessing the risk of any non- compliance with the requirements.		
<p>4.6.4</p> <p>The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.</p>		No additional indicators	YES	<p>As it has been mentioned in 2.2.1 of this checklist, Derawan CU land was owned by Derawan Sendirian Berhad and Sahua Enterprise Sdn Bhd. They bought the land from Sarawak Government in April 1988. Derawan Sendirian Berhad and Sahua Enterprise Sdn Bhd are owned by Golden Hope and after merged with Sime Darby in 2007, the Land Title was transferred under the name of Sime Darby Plantation Bhd. Based on the interviews and this audit finding, it has been confirmed that there was no such case concerning the rights of local communities and indigenous peoples at Derawan CU.</p>
<p>Note: 1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&C. For example, if an NC against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed; 2. Failure to address any outstanding NC within uncertified unit(s) regarding 4.5.4 (a)-(d) may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of these Certification Systems.</p>				

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Attachment 4

Details of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
6.12.3	Major	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.	Estate management to conduct the post-arrival orientation / related briefings to the new foreign workers and record. Workers Management Unit will conduct the orientation programme on behalf of all SRR estates upon the arrival of new foreign workers.	<p>The SDP Sarawak Region coordinated by the Sustainability Unit conducted a briefing to all Managers/Assist Managers/MAs and relevant staff on 08/10/18 time 2.30 pm venue at ROSR on the following subjects</p> <ol style="list-style-type: none"> 1) induction program for new workers 2) min wages 3) incident reporting <p>The training /briefing was attended by 67 people. Signed list of attendance was sighted and verified.</p> <p>Takau Estate conducted induction training by the Manager /Assist Manager on</p> <ol style="list-style-type: none"> a) 11/10/18 for 2 new FW briefing on the following; <ul style="list-style-type: none"> - <i>Perjanjian kontrak & peraturan undang-undang.</i> - <i>Polisi2 Syarikat</i> - Whistleblowing & function of WMU Careline no - Grievance procedure. b) 6/11/18 for 16 workers FW on: <ul style="list-style-type: none"> - <i>Kenaikan gaji baru</i> - <i>Kontrak kerja</i>

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				<ul style="list-style-type: none"> - Peraturan undang2 - Salahlaku & tindakan tatatertib/ - Hak2 pekerja. <p>c) 5/11/18 for 16 personnel FW on;</p> <ul style="list-style-type: none"> - Penerangan kontrak kerja baru. <p>KKS Derawan held the following training by the Manager/Assist Manager;</p> <p>a) 7/11/18 for 11 FW</p> <ul style="list-style-type: none"> - Perjanjian kontrak & peraturan undang-undang. - Kenaikan gaji baru - Salahlaku & tindakan tatatertib/ - Hak2 pekerja. <p>Evidences of the above documents and information were provided by the CU through copies of training forms, photos of pay slips, memos and emails. All evidences provided were satisfactory and conclusive to close the NCR raised during the audit.</p> <p>Status: Closed</p>
6.5.2	Major	<p>1. Contracts of employment at Derawan Estate were not dated.</p> <p>2. 'Appendix 1' which details out the workers' salary scale is not attached to foreign workers' contracts at Derawan Estate.</p> <p>3. Workers not paid for annual leave taken at Derawan Palm Oil Mill, Derawan Estate, Takau Estate.</p> <p>4. Workers not paid double rate for work on rest day at Derawan Estate and Takau Estate.</p>	<p>1. To get clarification from HR department in HQ; OR; state duration of contract at the signed letter.</p> <p>2. To provide the workers with the appendices and keep photo evidence.</p> <p>3. To communicate with SAP review team in HQ of the corrections to be made on the system to accrue payment of paid annual leave for the</p>	<p>The Sustainability Unit communicated with the HR/IR of SDP Head Office via series of emails dated from 18/9/18, 20/9/18, 4/10/18, 5/10/18, 15-17/10/18, 23/10/18, 1/11/18 and 5/11/18 for the discussion to finalise the <i>Review of Employment Contracts for Foreign Workers in Sarawak (Indonesian)</i>. The content has</p>

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			<p>workers.</p> <p>4. To conduct briefing by HR personnel on the standardization of pay for rest days and/or holidays worked to the management teams.</p> <p>5. To show evidence of payment made/allocated for the workers on approved paid leave and rest days worked.</p> <p>1. To revise the employment contract version 2017-01 to 2018-01 and provide all workers with the revised contract.</p> <p>2. To keep photo evidences whenever new documents are given.</p> <p>3. To brief workers on the available careline number to report any grievance pertaining to miscalculation of their salary.</p> <p>4. To conduct briefing by HR personnel on the standarization of pay for rest days and/or holidays worked to the workers.</p>	<p>been amended for the following clauses further to the NCR raised among others;</p> <ul style="list-style-type: none"> a) 4.3 – overtime b) 18 – Termination of services. c) 3.1 – salary d) Appendix – rate for field workers e) 12.1 – public holiday f) 14.1 – annual leave. <p>The Regional HR of Sarawak issued a memo to all OU in Sarawak Region dated 30/10/18 on <i>the working on public holidays and rest days guidelines</i>.</p> <p>There was memos and circulars issued by the Sarawak Regional Office on the following subject;</p> <ul style="list-style-type: none"> a) 1/9/18 on the minimum wages order MWO 2018. b) Basic necessities & benefits provided by SDP to workers on arrival, after arrival and festival token. <p>A copy of the revised <i>Perjanjian Kontrak Kerja Baru</i> was sighted and verified in the evidence given by the CU. Workers in Sarawak FW were provided with new <i>Perjanjian Kontrak Kerja Baru</i> sampled for Takau Estate on 6/11/18 and KKS Derawan dated 17/11/18.</p> <p>The CU produced a sample of KKS Derawan <i>Contoh</i></p>
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				<p><i>Pembayaran Slip Gaji & Checkroll Oct 2018</i></p> <p>differentiating the coding of;</p> <ul style="list-style-type: none"> - Code 01 normal pay rate - Code 02 double pay rate. - Code 03 triple pay rate <p>The CU provided evidence for the pay slip records vs the checkroll report in Oct 18 and confirmed reflective of payment made for the work on rest day and public holidays.</p> <p>a) KKS Derawan employees no 38136 7 52640 & 92015</p> <p>b) Ladang Takau employees no 40165 & 40167.</p> <p>The SDP Sarawak Region coordinated by the Sustainability Unit conducted a briefing to all Managers/Assist Managers/MAs and relevant staff on 08/10/18 time 2.30 pm venue at ROSR on the following subjects</p> <ol style="list-style-type: none"> 1) induction program for new workers 2) min wages 3) incident reporting <p>The training/briefing was attended by 67 people. Signed list of attendance was sighted and verified.</p> <p>Evidences of the above documents and information were provided by the CU</p>
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				<p>through copies of training forms, photos of pay slips, memos and emails on the revised contract. All evidences provided were satisfactory and conclusive to close the NCR raised during the audit.</p> <p>Status: Closed</p>
6.1.4	Minor	Impacts of replanting activities at Sahua Estate, Derawan Estate and Damai Estate were not taken into account when reviewing the Social Impact Assessment Plans.	<p>To conduct review of social impact on the workers affected from the replanting activities and record. To put as one of the agendas during MSPO & RSPO Management Review Meeting template to prevent point missed-out.</p>	<p>The SIA content will be checked in the forthcoming audit among others to see whether the issue arising on the workers affected from the replanting program being addressed therein. Also to verify the list of agenda in the Management Review whether this has been included as indicated by the CU.</p> <p><i>Status: All corrective action plans provided on minor non conformities have been satisfactorily reviewed. The effectiveness of this will be further verified in next audit.</i></p>
6.5.4	Minor	No evidence of demonstrable efforts to monitor prices of goods sold at the shops Derawan housing complex.	To compare price of current items with price sold at the nearest town of the same items.	<p>The price comparison list and other relevant information i.e. minutes of meeting with the committee, photos will be checked and verified.</p> <p><i>Status: All corrective action plans provided on minor non conformities have been satisfactorily reviewed. The effectiveness of this will be further verified in next audit.</i></p>

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			<p>1. To form a committee that consists of management, workers representatives and shop owners.</p> <p>2. To agree on cap price of items sold at the shops.</p>	<p>The formation of committee and discussion established in relation to the pricing of items will be verified.</p> <p><i>Status: All corrective action plans provided on minor non conformities have been satisfactorily reviewed. The effectiveness of this will be further verified in next audit.</i></p>
4.8.2	Minor	<p>The training sessions held during the period of 12 months 2017/2018 has not covered major estates operations among others:</p> <ul style="list-style-type: none"> a) Harvesting & collection b) HIRARC / IPM / PPE Adherence c) HCV / buffer zone d) MSPO/RSPO Awareness e) Briefing of Company's Policies / Induction Program 	<p>To make available all the evidence of training provided and/or; plan for training/ re-training of areas that are without proper records.</p> <p>To improve on the recording of training provided but stating actual date conducted at the plan for training with records only.</p>	<p>Training records and the scope of subjects will be checked and verified whether the salient subjects on the main activities and RSPO elements being addressed in the forthcoming surveillance audit.</p> <p>The CU has produced the following training held at Takau Estate following the NCR raised.</p> <ul style="list-style-type: none"> a) 11/10/18 training for 18 harvesters at field no 95 TH. b) 8/10/18 training for 5 sprayers at field 95 TR. c) 12/10/18 <i>Pemanduan Traktor & penyusunan pelepah</i> at field no 95 TD d) 19/10/18 Chemical pump handling for 20 sprayers at office complex. <p><i>Status: Further records will be checked during the next audit.</i></p>

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4.7.5	Minor	Field no P2015A. The Lady mandore in-charge of the supervision of rat baiting gang at site did not possessed a First Aid Box - non-available at operation site for any contingency use.	To issue Show Cause / Warning Letter to the Mandore by the management. To brief / remind all mandores and person in-charge of the first aid box to carry the first aid box at all times during operations.	The relevant documents i.e. letter and briefing records will be verified. <i>Status: Further records will be checked during the next audit.</i>
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Attachment 5

SECTION A: GENERAL INFORMATION

1. File Reference No.	: ES10171015
2. Name of facility/ site(s) /entity(ies)	: Sime Darby Plantations Berhad – SOU Derawan
3. Site Location (single site/multisite/Group)	: P.O Box 2324, 97011 Bintulu, Sarawak, Malaysia
4. SC model	: Identity Preserved change to Mass Balance
5. Type of entity	: Mill / Crusher / Refinery / Biodiesel plant / Primary Oleochemical / Secondary Oleochemical / End product manufacturer <i>For oleochemicals and its derivatives, please check the conversion factor against the “RSPO Rules for Oleochemicals and its Derivatives” dated 1st December 2016</i>
6. RSPO Member Number	: 1-0008-04-000-00
7. Annual summary records of certified oil palm products purchased and claimed	: Projected for last year for period of August 17 until July 18 CPO Projected: 28,207.48MT PK Projected: 5,719.91MT CPO Sell: 21,800.00MT CPO Claim as RSPO certified: 3,800.00MT CPO Claim as Non-RSPO: 18,000.00MT PK Sell: 4,950.00MT PK Claim as RSPO certified: 3,900.00MT PK Claim as Non-RSPO: 1,050.00MT

SECTION B (i): RSPO SUPPLY CHAIN CERTIFICATION SYSTEM (REVISED JUNE 2017)

	Requirements	Remarks
	Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT	
5.3.8	The certification audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.	N/A as this audit is a surveillance audit.

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	Audit Process Requirements – SURVEILLANCE AUDIT	
5.3.26	<p>The surveillance audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>In cases where an organization seeking certification outsources activities to independent third parties, a risk assessment shall be done by the CB to determine whether an audit of the sub-contractor is required. If the outsourced contractor holds RSPO Supply Chain certification, then it does not require an additional audit.</p>	<p>Derawan POM had revised their documented procedure title '<i>Standard operating procedure for Sustainability Supply Chain and Traceability SD/SDP/PSQM/001</i>'. The procedure was kept in file RSPO Supply Chain Manual Appropriate changes were also made in the change to include the new clause Production volume, Conversion factors, Internal Audit, Complaints and Management Review.</p>

SECTION B (ii): GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN

	Requirements	Remarks
1	Applicability of the general chain of custody requirements for the supply chain	
1.1	Organization takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Derawan POM has legal ownership and physically handles RSPO certified sustainable crude palm oil and palm kernel.
1.2	Traders and distributors require a licence obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable as the Derawan POM is the processing facility.
1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform	RSPO Palm Trace ID : Available. Registered under name: Derawan Oil Mill
1.4	Processing aids do not need to be included within an organization's scope of certification.	No processing aid involved in Derawan POM scope of certification.
2	Supply chain model	
2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Derawan POM has been made aware on the need to downgrading of supply chain model. However, Derawan POM already changed their model From Identity Preserved to Mass Balance which has already been approved by RSPO on 2/9/18.
2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Derawan POM already changed their model From Identity Preserved into Mass Balance and already approved by RSPO on 2/9/18.
3	Documented procedures	
3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:	Derawan POM had revised their documented procedure entitled ' <i>Standard operating procedure for Sustainability Supply Chain and Traceability SD/SDP/PSQM/001</i> '. The procedure was kept in file RSPO Supply Chain Manual Appropriate changes were also made in the change to include the new clause Production volume, Conversion

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		factors, Internal Audit, Complaints and Management Review.
a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	Supply chain procedure was revised February 2018 (revision: 3) The Procedure was sighted and found all elements of the RSPO Supply Chain standard were covered.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	Sighted CPO and PK production record, weighbridge report, dispatch record and training record was up to date and well maintained.
c)	Identification of 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 organization's procedures for the implementation of this standard.	The Assistant Manager has the overall responsibility and authority over the implementation of RSPO supply chain requirement in RSPO Derawan POM. Interview with sustainability committee member, Mill Manager, Assistant Mill Manager & weighbridge operator confirmed that they understood the supply chain requirements.
3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii. Effectively implements and maintains the standard requirements within its organization.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.</p>	RSPO internal audit was conducted in July 2018 by internal lead auditor. The internal audit has followed the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.
4	Purchasing and goods in	
4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number. 	<p>Derawan POM already changed their model From Identity Preserved into Mass Balance and already approved by RSPO on 2/9/18 In the interim, DPOM had continued to receive certified FFBs from the CU's own supply bases.</p> <p>There were four supply bases (estates) sending certified FFBs to DPOM. They were Takau, Derawan, Sahua and Damai Estates. Sighted FFB consignment note for Takau, Derawan, Sahua and Damai Estates from June 2018 - August 2018.</p> <p>Among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight.</p>

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	Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).	
a)	The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).	DPOM had continued to receive certified FFBs from the CU's own supply bases as well as non-certified FFBs from outsiders. There were four supply bases (estates) sending certified FFBs to DPOM namely Takau, Derawan, Sahua and Damai Estates. Sighted FFB consignment note for Takau, Derawan, Sahua and Damai Estates from June 2018 - August 2018. Among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight.
b)	The site ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcement and Shipping Confirmation on the RSPO IT platform on the level of each shipment.	Derawan POM has been registered in IT platform.
c)	A check of the validity of the Supply Chain Certification of suppliers for all sites that are SC certified. This shall be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcement.	DPOM had continued to receive certified FFBs from the CU's own supply bases as well as non-certified FFBs from outsiders. There were four supply bases (estates) sending certified FFBs to DPOM namely Takau, Derawan, Sahua and Damai Estates.
4.2	The site shall have a mechanism in place for handling non-conforming material and/or documents.	DPOM had started implementing the electronic system 'Simeweigh' to trace the volume of in-coming FFBs from the certified supply bases (estates). Every lorry load of certified FFBs leaving the certified estate are accompanied by a 'card'. On arrival at DPOM, the lorry driver surrendered the 'card' to the Weighbridge Clerk. The 'card' was then scanned and the relevant information on the certified FFBs was then captured and stored in a data base. On processing, DPOM still referred to the sales contract issued by the Headquarters office for production planning (Refer 8.0 of the SOP – Process Monitoring). As DPOM already changed their model From Identity Preserved into Mass Balance and already approved by RSPO on 2/9/18 had continued to implement the MB model for its supply chain system, both RSPO and non-RSPO FFBs were being processed together in the same production line.
5	Outsourcing activities	

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5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.</p> <p><i>This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).</i></p>	<p>There are 1 outsourced company CPO transporter and the agreement was signed in Oct 2016.</p> <p>The agreement document was available and communication on the RSPO supply chain requirement were communicated to them. Record of training was sighted.</p>
5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The responsibility is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance. 	<p>There are 1 outsourced company CPO transporter and the agreement was signed in Oct 2016.</p> <p>There is contract document between Derawan POM and the transporters. The RSPO Supply Chain procedure has described on outsource activity. Inspection was carried out as additional effort to ensure no contamination. Sighted book at AP Post.</p>
5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	List of contact person for both transporters were made available and up-to-date.
5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.	No new contractors used for the processing or production of RSPO certified materials.
6	Sales and goods out	
6.1	The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):	The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Sime Darby Plantations Berhad and Global Trade Marketing Department (HQ) on behalf of Derawan POM. Derawan POM already changed their model From Identity Preserved into Mass Balance and already approved by RSPO on 2/9/18.

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	<ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number; • A unique identification number. 	
7	Registration of transactions	
7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are supply chain actors between the mill and final refinery; • take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and • are part of the supply chain of RSPO Certified Sustainable oil palm products <p>must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</p>	Derawan POM has legal ownership and physical handle RSPO certified sustainable CPO and PK.
8	Training	
8.1	The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.	Training plan has included the RSPO Supply chain training scheduled in August 2018 for staff & workers.
8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training shall be specific and relevant to the task(s) performed.	Training was conducted for workers in Aug 2018 attended by 19 person including PIC, Clerk, Assistant Engineer, Staff, Weighbridge Operator and Attendance list & photograph was seen. The lead auditor for RSPO internal audit has experience regarding SCCS almost 6 years and already trained by internal and external personnel.
9	Record keeping	
9.1	The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Sighted CPO and PK delivery note, weighbridge ticket, production data and internal audit records were found up-to-date.
9.2	Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Relevant records are maintained for a duration of more than 2 years
9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO	From August 2017 to July 2018, Derawan POM had delivered 3,800.00 MT of CPO IP to 2 buyers only and From same date 2,800.00 MT of PK IP to 1 buyer only.

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	certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
10	Conversion factors	
5.10.1	Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website (www.rspo.org).	Mill OER and KER has been used as the conversion ratios.
10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	The actual OER & KER was updated on monthly basis.
11	Claims	
11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.	No claim been made.
12	Complaints	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Documented procedure has established to address collecting and resolving the complaint.
13	Management review	
13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Documented procedure has defined management review will be conducted once a year.
13.2	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO SCCS • Customer feedback • Status of preventive and corrective actions • Follow-up actions from management reviews • Changes that could affect the management system • Recommendations for improvement 	Management review meeting in Nov 2017 (combine RSPO SC and MSPO): <ul style="list-style-type: none"> a) Internal audit – 0 NCR b) Customer feedback – data analysis show result from customer survey (i.e. RSPO-CSPO related to meeting the contract volume, timely delivery, dispatch documentation) result achieved. c) Previous meeting – was highlighted d) Changes e) Recommendation for improvement – improve the established system
13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes • Resource needs 	Recommendation for improvement. Resources are sufficient.

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Mass Balance Model – Module E

Item No	Requirement NOV 2014	Findings
E 3 E 3.1	Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	a) Derawan POM had revised their documented procedure title ' <i>Standard operating procedure for Sustainability Supply Chain and Traceability SD/SDP/PSQM/001</i> '. The procedure was kept in file RSPO Supply Chain Manual Appropriate changes were also made in the change to include the new clause Production volume, Conversion factors, Internal Audit, Complaints and Management Review. The procedure was kept in file RSPO Supply Chain Manual (SCM/RSPO/SD) Appropriate changes were also made in the change from the previous Segregation to Identity Preserved model. Derawan POM already changed their model From Identity Preserved into Mass Balance and already approved by RSPO on 2/9/18. The revised procedure has included the new site of MB which is Derawan POM. The Assistant Manager have overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Derawan POM. Interview with sustainability committee member, Mill Manager, Assistant Mill Manager & weighbridge operator confirmed they understood the supply chain requirements.
E 3.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	DPOM had continued to implement the procedures it had on receiving and processing of RSPO certified and non- certified FFBs. Weighbridge Clerks knew and kept a list of all certified supply bases (estates) supplying FFBs to DPOM and checked on the validity of the estates' P&C Certificates for Sustainable Palm Oil Production (P&C Certificate). During the receiving of FFBs, the Weighbridge Clerk checked and verified that in-coming RSPO-certified FFBs must be accompanied by consignment note issued by the certified estate. Consignment note must indicate the name of the estate and the number of the RSPO P&C Certificate. For non- RSPO certified FFB, the consignment note issued by the supplier was also verified for quantity but not on the certified status of the FFB.
E.4 E.4.1	Purchasing and goods in The site shall verify and document the volumes of certified and non-certified FFBs received.	Derawan POM already changed their model from Identity Preserved into Mass Balance and already approved by RSPO on 2/9/18 DPOM had continued to receive certified FFBs from the CU's own supply bases as well as non-certified FFBs from outsiders, but now has yet to receive the FFB from outsider due to MB model just approved by the RSPO. There were four supply bases (estates) sending certified FFBs to DPOM namely Derawan, Takau, Sahua and Damai Estates. The Weighbridge Clerk checked and verified the consignment notes issued by the supplying estates for the in-coming RSPO and non-RSPO FFBs. KPOM still kept copies of the FFB Consignment Notes or FFB Delivery Notes issued by the supplying estates. DPOM had also continued to keep records on (1) Daily FFB Received Supply Report by Supplier and (2) Monthly Crop Report and Mid-Month Crop Report and (3) Quarterly Mass Balancing Record on RSPO and non-RSPO FFB Received, CPO and Kernel Production and Stock Balances. The Monthly Crop Report provides a detailed monthly account on the receipt of FFBs, production of CPO and PK as well as on the actual oil extraction rate (OER) and kernel extraction rate (KER).
E 4.2	The site shall inform the CB immediately if there is a projected overproduction.	There was no overproduction of certified FFBs during the period under review (August 2017 to July 2018).
E.5	Record keeping	DPOM had continued to keep record and balances of all receipts of RSPO-certified FFBs and deliveries

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E.5.1	<p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock)</p>	of RSPO-certified CPO and PK on a three-monthly basis in the table 'Mass Balancing Record for Oil Mill'.
E 5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	DPOM was not involved in crushing of the kernels. All of the kernel produced by DPOM was delivered to Sime Darby Austral Crushing Plant, another company under the Sime Darby Group in Bintulu, Sarawak.
E.4 E.4.1	<p>Sales and good out</p> <p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <p>a) The name and address of the buyer;</p> <p>b) The date on which the invoice was issued;</p> <p>c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)</p> <p>d) The quantity of the products delivered;</p> <p>e) Reference to related transport documentation.</p>	The mill has continued to implement documented procedure related to sales of CPO and PK.
E.5 E.5.1	<p>Training</p> <p>The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.</p>	Training was conducted for workers in Aug 2018, attended by 19 person including PIC, Clerk, Assistant Engineer, Staff, Weighbridge Operator and Attendance list & photograph was seen. The lead auditor for RSPO internal audit has experience regarding SCCS almost 6 years and already trained by internal and external personnel.
E.6 E.6.1	<p>Claims</p> <p>The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.</p>	As at to date no claim regarding usage of logo was made. There was only claim for CPO and PK as IP.

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Attachment 6

Status of Non-conformities Previously Identified

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
RSPO Certification System Document (2007) HO-01	Major	Requirement: Clause 4.2.4 (f): A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organisation. This would require evidence of the self-assessment against each requirement; Finding: There is one uncertified unit under the organisation membership which yet to be certified and fulfil requirements for uncertified units of 4.5.4 of the RSPO Certification System for Principle & Criteria (June 2007).	Internal assessment to review the certification system requirement has been carried out on 9-10/11/2017. With regards to the land dispute issue, the RSPO Secretariat has been well informed on the progress through regular briefing and progress reports. The latest meeting with the RSPO Secretariat was held on 8/9/2016. As of to-date, nine progress reports were provided to RSPO, with the most recent report was submitted on 30th June 2016.	Details as available in the Time Bound Plan providing the progress of certification status. The TBP and status of uncertified management unit will be an on-going verification process. We will revisit this clause to get an updated status for the relevant CU involved. Status: Closed.
6.5.1 HO-02	Major	No evidence of documentation of pay for grass-cutters contract workers at Derawan Palm Oil Mill meet Minimum Wage Order 2016.	Terminated the contract of the contractor. Future contract to include relevant requirement in contract.	Termination of contract sighted. The contract has been terminated and status still current as checked. Status: Closed.
D3.2 HO-03	Major	There are FFB Consignment Notes and Weighbridge Tickets not state "RSPO Certificate Number" as per Clause 6.3 i of "6.3 Delivery of FFB from the Estate".	All supply bases has been informed to state "RSPO Certificate Number". Weighbridge operator to stamp on FFB Ticket the "RSPO Certificate Number".	All supply bases and Weighbridge Operator have been informed to stamp "RSPO Certificate Number" on FFB Ticket. All the audited document possessed "RSPO Certificate Number". on the FFB Tickets. The system is effective as raised during the 2017 audit. Status: Closed.

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D5.1 HO-04	Major	No evidence the mill record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Relevant information related to balance has been obtained from respective mill and sales units. Column of balances included.	Balances of receipts and deliveries has been updated. This document was further checked and confirmed in compliance. The column of balances is shown. Status: Closed.
4.1.2 RR 01	Minor	<p>Sahua Estate</p> <ul style="list-style-type: none"> Traces of oil spills at tractor parking area. Oil trap and oil sump not properly maintenance at skid tank and lubricant store area. During site visit, it was full with mud and mosquito larvae. Failed to ensure emergency shower (eye wash) in good condition based on recommendation made by CHRA 2015. <p>Derawan POM</p> <ul style="list-style-type: none"> Declaration of health status as per Industry Code of Practice for Safe Working in a Confined Space 2010 for the authorised entrant prior to each entry was not evident e.g. work carried out at front header on end of March 2017. 	<p>Corrective Action:</p> <ol style="list-style-type: none"> To training the workshop attendant cover for oil trap & sump has been replaced and the maintenance scheduled has been arrange from monthly to weekly to replace new emergency shower part & water pumps and allocated at suitable condition Derawan Mill will ensure that health declaration form (as per ICOP Safe Working in a Confined Space 2010) to be filled every time before work started. Requirement of health declaration form will be included in permit to work. 	<p>Corrective action accepted.</p> <p>Status: The effectiveness of the corrective action will be verified during next audit.</p> <p>The estates have all the measures as stipulated in the corrective action to include the following;</p> <p>Training as recorded in 4.7.3</p> <p>Covers for the trap and sump are available.</p> <p>Emergency shower available at the premix area.</p> <p>The mill adopted health declaration form prior to any confined space work commencement.</p> <p>There was no repetition of similar issues sighted during this 2018 audit and of such the implementation of the previous NCR were effective.</p> <p>Status: Closed.</p>
4.4.2 MN 01 2017	Major	It was found that the streams in field 98SF in Sahua Estate and field 98DE in Damai Estate did not have the buffer zones.	To mark the stream buffer and to erect signage.	Stream buffer has been marked and signage erected. During the 2018 audit the marking and signboards at the buffer zones for all the visited units were available. The implementation was effective as raised in 2017. Status: Closed.

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Attachment 7

RSPO Certification Timebound Plan for Sime Darby Plantation (SDP)

Table 1: Initial Timebound Plan and Summary of RSPO Certification Status

Financial year (July – June)	Targeted	Achieved/Status	Attachments
Jun-08	5 SOUs	<p>Achievement of Timebound Plan Sime Darby Plantation has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment by end Dec 2011 in accordance to the initial timebound plan. As at Dec 2011, all Malaysian SOUs have been RSPO certified (with the exception of 2 new oil mills commissioned to replace the current oil mills after the initial timebound plan targets).</p> <p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes. Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. A new mill in Liberia is planned to be commissioned.</p> <p>Note: Time-bound plan to achieve 100% RSPO certification has shifted to 2015 .</p>	<p>For details please refer to Attachments:</p> <ul style="list-style-type: none"> i) SDP - RSPO Certification Status for Malaysia Operations ii) SDP- RSPO Certification Status for Indonesia Operations iiia) Updates on PT MAS iii) RSPO SCCS status for Sime Darby Plantation (Downstream Operations)
2008/2009	20 SOUs (from Malaysia and Indonesia)		
2009/2010	20 SOUs (from Malaysia and Indonesia)		
2010/2011 (End Dec 2011)	17 SOUs (from Malaysia and Indonesia)		

Note: SOU - Strategic Operating Units (consisting of one oil mill and supplying estates)

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Table 2: Details of RSPO Certification Status as at Dec 2017

Status	Malaysia	Indonesia	Liberia	Total	Remarks
RSPO Certified	33	23	0	56	<p>Malaysia * Effectively 33 Mills (Excluding Bintang Oil Mill) - Note: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down, and Pekaka POM is being mothballed.</p> <p>*SDP acquired Bintang Palm Oil Mill, Talisman Estate, and Lian Seng Estate in Johor in April 2017. Lian Seng Estate is merged into Bk Paloh Estate of SOU 21 Gunung Mas, while Talisman Estate is merged into CEP Nyior Estate of SOU 22 Bk Benut. Lian Seng will be incorporated in the RSPO Certification Scope of SOU Gunung Mas in 2018, whilst Talisman Estate has been incorporated in the RSPO Certification Scope of SOU Bk Benut in 2017. For Bintang Oil Mill, the selling off process of this mill is being initiated hence the RSPO certification process for Bintang Oil Mill is being put on hold as at Dec 2017.</p> <p>Indonesia *Effectively 23 Mills *Note: <i>Angsana Mini POM closed down in 2016. Selabak POM is being mothballed.</i></p>
Planned for Certification/Under going Stage 1 or Stage 2 Assessment/ RSPO EB Review	0	1	1	2	<p>SDP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills.</p> <p>Indonesia PT MAS has undergone RSPO Main assessment and is delayed due to some social disputes. The target date for certification is by 2017 subject to the progress of the matter being resolved.</p> <p>Smallholders As at Dec 2017, a total of 28,712 Ha of smallholders have been certified. The entire KKPA (1-5) in Sebamban, KKPA Sg. Cengal, and Plasma TGK and SIA (East and West Plasma) are now RSPO certified with a production capacity of 465,602 mt of FFB. Total scheme smallholders hectares are 51,353 and total communities are 22,613.</p> <p>Certification process for the remaining associated smallholders areas is on-going. SDP expect to achieve 100% RSPO certification of associated smallholders and outgrowers by end 2020.</p> <p>Liberia Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification Stage 2 Assessment in March/April 2018. RSPO NPP process has been completed in 2011.</p>
Total SOUs	33	24	1	58	<p>Other remarks: In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified.</p>

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SDP - RSPO Certification Status for Malaysia Operations

SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	Sg. Dingin	Karangan, Kedah	12 Aug '10	11-Aug-20	SPO 550179	
2	Chersonese	Kuala Kurau, Perak	5 Oct '11	4-Oct-21	CU-RSPO-815148, RSPO 590800	
3	Elphil	Sg Siput, Perak	18 Jun '11	17-Jun-21	RSPO 550180	
4	Flemington	Teluk Intan, Perak	5 Oct '11	4-Oct-21	CU-RSPO-819144, RSPO 590802	
5	Seri Intan	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-811218, RSPO 0015	
5	Selaba	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-819142, RSPO 0016	
5a	Sg Samak		3 Mar '11	NA	NA	
6	Tennamaram	Bestari Jaya, Selangor	3 Mar '11	2-Mar-21	CU-RSPO-819143, RSPO 0014	
7	Bkt Kerayong	Kapar, Selangor	15 Apr '11	14-Apr-21	RSPO 550181	
8	East	Carey Island, Selangor	19 May '10	18-May-20	SPO 543543	
9	West	Carey Island, Selangor	19 May '10	18-May-20	SPO 543594	
9a	Sepang	Sepang, Selangor	19 May '10	NA	NA	
10	Bukit Puteri	Raub, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-815147, 18502206 001, 824 502 14020	
11	Kerdau	Temerloh, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-819155, 18502207 001, 824 502 14019	
12	Jabor	Kuantan, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-819156, RSPO 928288, 824 502 16049	
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29-Dec-21	CU-RSPO-819163, SGSRSPO/PM/MY13/01284, 824 502 16039, SGS-RSPO/PC17-00004, CURSPO-855480	
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18-May-20	SPO 541905	
15	Sua Betong	Port Dickson, Negeri Sembilan	18/2/2014	17-Feb-19	SGS-RSPOPM-MY14/01364, 824 502 16032	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO-819165, certification date: 30 Dec 2011.
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '11	6-Jul-21	CU-RSPO-819157, RSPO 928188, 824 502 16051	
17	Kempas	Jasin, Melaka	19 May '10	18-May-20	RSPO 005	
18	Diamond Jubilee	Jasin, Melaka	5 Oct '11	4-Oct-21	CU-RSPO-819146, RSPO 591224	
19	Pagoh	Muar, Johor	28/1/2014	27-Jan-19	RSPO 600305	Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill with Certificate No: SPO 549297, certification date: 7 Jan 2011.

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19a	Yong Peng	Yong Peng, Johor	20 Oct '10	19-Oct-15	RSPO 550182	
20	Chaah	Chaah, Johor	18 Nov '10	17-Nov-20	RSPO 548299	
21	Gunung Mas	Kluang, Johor	19 May '10	18-May-20	RSPO 901888	
22	Bukit Benut	Kluang, Johor	5 Oct '11	4-Oct-21	CU-RSPO-819147, RSPO 591229	
23	Ulu Remis	Layang-layang, Johor	11 Apr '11	10-Apr-21	SGS-RSPO/PM-00722, 824 502 16042	
24	Hadapan	Layang-layang, Johor	29 Mar '11	28-Mar-21	SGS-RSPO/PM-00715, 824 502 16040, BVC-RSPO20170623-01	
25	Segaliud	Sandakan, Sabah	20 May '10	19-May-15	RSPO 547123	
26	Sandakan Bay	Sandakan, Sabah	1 Oct '08	30-Sep-18	RSPO 537872	
27	Melalap	Tenom, Sabah	21 Jan '11	20-Jan-21	RSPO 547124	
28	Binuang	Kunak, Sabah	16 Jan '09	12-Jul-20	RSPO 001	
29	Giram	Kunak Sabah	16 Jan '09	12-Jul-20	RSPO 002	
30	Merotai	Tawau, Sabah	16 Jan '09	12-Jul-20	RSPO 004	
30a	Jeleta Bumi	Kunak, Sabah	24/5/2010	NA	NA	
30b	Mostyn	Kunak Sabah	16 Jan '09	NA	NA	
31	Lavang	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819166, MUTU-RSPO/053	
32	Rajawali	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819167, RSPO 0020	
33	Derawan	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819169, RSPO 0019	
34	Pekaka	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-815150, MUTU-RSPO/054	Mill is mothballed, supply base merged into Lavang effective Dec 2017.

Legends:

Certification
Withdrawal

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SDP- RSPO Certification Status for Indonesia Operations

NO	Name of PT	Name of Mill	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	PT LAHAN TANI SAKTI	ALUR DUMAI	Bagan Sinembah/Tanh Putih, Pujud, Rokan Hilir, Riau	16-Jan-12	15-Jan-22	MUTU-RSPO/011, SGS-RSPO/PC17-00005, SGS-RSPO/PC17-00005	
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6-Jul-11	6-Jul-16	MUTU-RSPO/006b	Mill closed down
3	PT SAJANG HEULANG	MUSTIKA	Sebamban, Indonesia	3-Jul-13	3-Jul-18	MUTU-RSPO/027	
4	PT LADANGRUMPUN SUBURUBADI	ANGSANA	Sebamban, Indonesia	9-Nov-16	8-Nov-21	MUTU-RSPO/006a	
5	PT LANGGENG MUARAMAKMUR	BEBUNGA	Pamukan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur	16-Mar-12	3-Aug-22	MUTU-RSPO/014	Recertification of Bebunga POM is in progress.
6	PT KRIDATAMA LANCAR	SUKAMANDANG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	2-Sep-16	1-Sep-21	MUTU-RSPO/003	
7	PT BAHARI GEMBIRA RIA	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9-Jul-12	28-Nov-22	MUTU-RSPO/019	
8	PT TUNGGAL MITRA PLANTATIONS	MANGGALA	Riau, Indonesia	25-Nov-10	24-Nov-20	MUTU-RSPO/002	
9	PT PARIPURNA SWAKARSA	PONDOK LABU	Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16-Mar-12	19-Jul-22	MUTU-RSPO/016	Recertification of Pondok Labu POM is in progress.
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	21-Oct-16	20-Oct-21	MUTU-RSPO/005	

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11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16-Mar-12	19-Nov-22	MUTU-RSPO/017	Recertification of Rantau Panjang POM is in progress.
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30-Dec-11	05-Feb-22	MUTU-RSPO/009	
13		BETUNG		1-April-14	1-April-19	MUTU-RSPO/035	
14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23-Nov-10	22-Nov-20	MUTU-RSPO/001	
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/015	Mill is mothballed.
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11-Sep-12	28-Nov-22	MUTU-RSPO/020	
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9-Sep-16	8-Sep-21	MUTU-RSPO/004	
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	01-Dec-16 1 April 2014	30-Nov-21 1 April 2019	MUTU-RSPO/008	
19		MANDAH				MUTU-RSPO/036	
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	8-Dec-16	7-Dec-21	MUTU-RSPO/007	
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10-Jul-12	28-Dec-22	MUTU-RSPO/018	

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22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18-Jul-16	17-Jul-21	MUTU-RSPO/088	
23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3-May-13	3-May-18	MUTU-RSPO/026	
24	PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3-Jul-14	2-Jul-19	MUTU-RSPO/044	
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab. Sanggau, Kalimantan Barat	NA	NA	NA	

Legends

Pending Certification by RSPO Mill closed down/Mothballed

NA - NOT APPLICABLE