



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

File Ref. : ES10170011

RSPO PUBLIC SUMMARY REPORT

CLIENT : STRATEGIC OPERATING UNIT (SOU) 6 - TENNAMARAM

PARENT COMPANY : SIME DARBY PLANTATION SDN BHD

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

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Tennamaram CU	Tennamaram POM	3°23' 44.30" N	101°25' 03.41" E	45600 Bestari Jaya, Selangor
	Tennamaram Estate	3°24' 11.35" N	101°23' 59.24" E	45600 Bestari Jaya, Selangor
	Sungai Buloh Estate	3°18' 32.27" N	101°19' 07.23" E	45700 Bukit Rotan, Selangor
	Bukit Talang Estate	3°24' 09.15" N	101°18' 35.72" E	45000 Kuala Selangor

MAP : See Attachment 1

AUDIT DATE : 20-23/12/2016

DURATION : 14 auditor days

TYPE OF AUDIT : Annual Surveillance Audit No. 1

Recertification Audit

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

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

VALIDITY OF RSPO CERTIFICATE : 03 March 2016 - 02 March 2021

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

Report by Audit Team Leader

Name : Hazani Othman

Signature : *Hazani Othman*

Date : 17/05/2017

Acknowledgement by Client's Representative

Name : SIME DARBY PLANTATION SDN BHD
(JCR No. 97765-V)
KILANG MELAPAS MFT TENNAMARAM

Signature : *[Signature]*

Date : 29/05/17
HAZAN BIN MOHD TAHIR
PENURUS KILANG

RSPO PUBLIC SUMMARY REPORT

SUMMARY OF AUDITS

Stage 2 audit / Recertification audit				
On-site audit date	:	11 – 15 January 2016	No. of auditor days	: 15
Audit team	:	Ruzita Abd Gani, Mohd Razman Salim & Selvasinggam T. Kandiah		
No. of major NCR	:	1	Indicator: 2.1.1	Closing date : 11/3/2016
No. of minor NCR	:	2	Indicator : 4.1.2 & 6.10.4	
Indicate the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		/		/
		Contract workers	NGOs	Govt. agency
		/		
		Indigenous people	Contractor	Others (Please specify)
		/		
Supply base sampled	:	Sungai Buloh Estate and Bukit Talang Estate		

Annual Surveillance Audit 1				
On-site audit date	:	20-23/12/16	No. of auditor days	: 14
Audit team	:	Hazani Othman, Mohd. Zulfakar Kamaruzaman, Rozaimiee Ab. Rahman, Selvasinggam T. Kandiah		
No. of major NCR	:	4	Indicator : 4.4.2, 4.6.11, 4.7.3, 6.9.1	Closing date : 6/2/2017
No. of minor NCR	:	3	Indicator : 2.2.2, 4.1.2, 4.7.5	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		√	NA	√
		Contract workers	NGOs	Govt. agency
				Independent growers
		Indigenous people	Contractor	Others (Please specify)
		NA		Union, Headmaster
Supply base sampled	:	Tennamaram (+ Elmina) Estate, Sungai Buloh Estate		
Changes since the last audit	:	Elmina Estate has been amalgamated into Tennamaram Estate as one of the division known as the Elmina Division.		

Annual Surveillance Audit 2				
On-site audit date	:		No. of auditor days	:
Audit team	:			
No. of major NCR	:			Closing date :
No. of minor NCR	:		Indicator:	
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	:			
Changes since the last audit	:			

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
		Contract workers	NGOs	Govt. agency
				Independent growers
		Indigenous people	Contractor	Others (Please specify)
Supply base sampled	:			
Changes since the last audit	:			

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

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SUMMARY OF INFORMATION

TYPE OF AUDIT	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period		Dec 2016 – Nov 2017			
Certified Area (Ha)		12,002.52			
Production Area(Ha)		9,594.84			
HCV Area (Ha)		3.26			
Certified FFB Processed (MT)		234,649.32			
Production of Certified CPO (MT)		45,417.42			
Production of Certified PK (MT)		11,486.44			
REMARKS		-			

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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
Hazani Othman	Audit Team Leader Social	Holds a Bachelor of Forestry Science and Diploma in Forestry. He is a lead auditor for ISO 14001, FSC & MTCC FMC and CoC and RSPO P&C.
Mohd. Zulfakar Kamaruzaman	Auditor Occupational, health, safety, environment (Mill), Supply Chain and HCV	Holds a B.Sc. Forestry. He had several years of working experience in the oil palm operation. He is a qualified RSPO Lead Auditor.
Rozaimée Ab. Rahman	Auditor Environment and occupational health and safety (Estate)	Holds a B. Sc. Of Agriculture. He had several years of working experience in the oil palm operation. He is a qualified auditor for RSPO P&C
Selvasingam T. Kandiah	Auditor Good Agricultural Practices	Holds a B. Sc. (Hons) in Agriculture. He had worked as a planter with Kumpulan Guthrie Berhad before retiring including in Liberia. He is a qualified auditor for RSPO P&C & MSPO.

1.3 Audit methodology

The audit covered the Tennamaram palm oil mill, Tennamaram and Sungai Buloh Estates of the CU supply bases. The sampling of the number of the supply base was using the formula of $0.8\sqrt{y}$. The audit included an on-site audit to the estates, mill, linesites, amenities and facilities 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

There were no comments received from stakeholders prior to this annual surveillance audit.

1.5 Audit plan : Refer to Attachment 2

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

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Tennamaram certification unit (CU) is one of the Sime Darby Plantation Sdn Bhd's (SDPSB's) Strategic Operating Unit (SOU). The CU is also known as SOU 6 and was certified to the RSPO P&C by SIRIM QAS International Sdn Bhd in 2015. In 2016, the CU was certified with one mill and 4 estates. For 2017, the number of unit of supply base of SOU 6 had been reduced to 3, i.e. Tennamaram Estate, Bukit Talang Estate and Sungai Buloh Estate. Previously Elmina Estate had been amalgamated into Tennamaram Estate, which now known as Elmina Division (i.e. as a new sub-unit of Tennamaram Estate).

The palm oil mill maintained its capacity of 60 mt FFB / hour.

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

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

Table 1: Actual FFB production by the supply base for the last reporting period
(December 2015 to November 2016)

Estates	FFB Production	Certifying CB
	Tonnes	
Tennamaram (<i>inclusive of Elmina</i>)	57,871.49.49	SIRIM
Bukit Talang	58,668.02	SIRIM
Sungai Buloh	85,729.05	SIRIM
Bukit. Kerayong	11,584.24	BSI
Total	227,872.32	

Table 2 : Projected FFB production by the supply base for the next reporting period
(December 2016 to November 2017)

Estates	FFB Production	Certifying CB
	Tonnes	
Tennamaram (<i>inclusive of Elmina</i>)	55,902.66	SIRIM
Bukit Talang	71,557.05	SIRIM
Sungai Buloh	98,736.86	SIRIM
*Bt.Cherakah	20,578.84	BSI
*Bt.Kerayong	14,164.22	BSI
Total	260,939.63	

*planned diversion.

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Table 3: Actual FFB received and CPO & PK dispatched by the Mill for last reporting period

	Actual FFB production(MT)
	Dec 2015 – Nov 2016
FFB Received	232,021.96
FFB Processed	225,914.51
CPO Production	46,759.61
PK Production	11,557.81
CPO delivered as Identity Preserved	38,616.33
CPO delivered as non-RSPO certified	5,779.61
PK delivered as Identity Preserved	11,030.84
PK delivered as non-RSPO certified	0

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period

	Estimated production (MT) Dec 2016 – Nov 2017
FFB Received	234,649.32
FFB Processed	234,649.32
CPO Production	45,417.42
PK Production	11,486.44
CPO delivered as Identity Preserved	45,417.42
CPO delivered as non-RSPO certified	0
PK delivered as Identity Preserved	11,486.44
PK delivered as non-RSPO certified	0

Table 5 Planted and certified area of Tennamaram CU

Estate	Planted (ha)	Certified (ha)
Tennamaram (<i>inclusive of Elmina</i>)	2,918.27	3,213.33
Sungei Buloh	4,823.22	5,154.08
Bukit Talang	3,541.16	3,635.11
Total	11,282.65	12,002.52

Table 6: Planting profile for Tennamaram CU

Estate	Year established	Planting Cycle	Mature (Ha)	Immature (Ha)	Planted area	% of planted area mature	% of planted area immature
Tennamaram	1917	4	2,735.57	182.70	2,918.27	93.74	6.26
Sungei Buloh	1952	3	3,726.04	1,097.18	4,823.22	77.25	22.75
Bukit Talang	1936	3	3,133.23	407.93	3,541.16	88.48	11.52
Total			9,594.84	1,687.81	11,282.65	85.04	14.96

Planting cycle for estate;

Tennamaram Estate (*inclusive of Elmina*)

Year of Planting	Planting Cycle	Mature/Immature	Planted Area.
1987-1999	3 rd	Mature	817.58
2002-2011	2 nd	Mature	876.55
2013-2014	4 th	Immature	219.17
1986-2010	1 st	Mature	1,004.97
Total			2,918.27

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Sungei Buloh Estate

Year of Planting	Planting Cycle	Mature/Immature	Planted Area.
1990, 1994	1st Generation	Mature	99.90
1992- 2006	2nd Generation	Mature	2,690.44
2007 – 2011	3rd Generation	Mature	935.70
2013 – 2016	3rd Generation	Immature	1,097.18
Total			4,823.22

Bukit Talang Estate

Year of Planting	Planting Cycle	Mature/Immature	Planted Area.
1990-1997	2nd Generation	Mature	1,301.78
1998-2011	3rd Generation	Mature	1,831.45
2013-2015	3rd Generation	Immature	407.93
Total			3,541.16

2.3 Organizational Information/Contact Person(s)

The correspondence address and contact persons are as detailed below:

Contact person (of the CU):

Name : ZALIZAN MOHD TAHIR
 Designation : Mill Manager
 Address : 45600 Bestari Jaya
 Selangor Darul Ehsan

Designation : 03-32719701/32719062
 e-mail : kks.tennamaram@simedarby.com

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

3.0 AUDIT FINDINGS

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

Observed no significant changes to certified products in accordance to the production of the previous year.

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

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

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

Sime Darby Plantation Sdn Bhd (SDPSB) had established a time bound plan to certify all of its SOUs. To date 59 SOUs (in Malaysia and Indonesia) had been certified. There is 1 SOU in Indonesia which have yet to be certified due to pending social issue. Details on RSPO certification progress against time-bound plan is shown in Attachment 7.

3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification. NA Yes NA No

If no, please state reasons Not applicable. No scheme smallholders included in the CU.

3.5 Any new acquisition which has replaced primary forests or HCV areas Yes No

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

No significant changes were observed.

3.7 Status of previous non-conformities *

Closed Not closed

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

3.8. Complaint received from stakeholder (if any)

No complaint received within the covered audit period. There were only requests from employees to increase financial support for payment of transportation to hospital and to school for their children, and allocation for repair of their house. Meeting with MAPA and NUPW was held on 1/12/16 to finalize agreement.

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 4.4.2, 4.6.11, 4.7.3, 6.9.1

Total no. of major NCR(s) (details refer to Attachment 4) List : 3 2.2.2, 4.1.2, 4.7.5

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

Total no. of minor NCR(s) (details refer to Attachment 5) List : 0

Total no. of major NCR(s) (details refer to Attachment 5) List : 0

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5.0 AUDIT CONCLUSION

The audit team concludes that generally the CU continue to implement and maintain its management practices in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements. However further improvements are required concerning non-conformities raised during this audit.

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 :

Hazani Othman

Hazani Othman

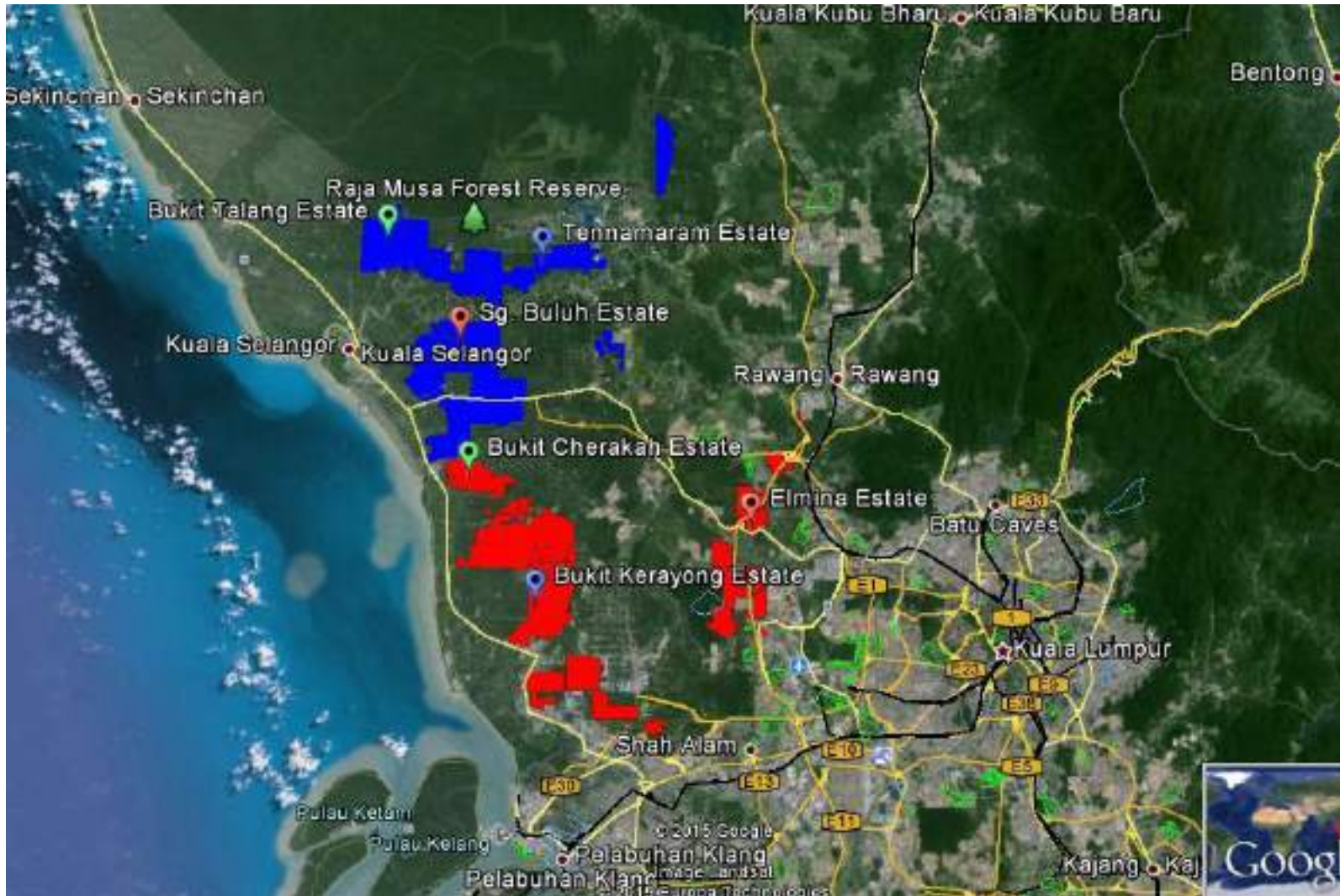
6/02/17

(Name)

(Signature)

(Date)

Map of Tennamaram CU



RSPO Surveillance Audit Plan

1. Objectives

The objectives of the audit are as follows:

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

2. **Date of audit** : 20th - 23rd December 2016

3. **Site of audit** : Sime Darby Plantation Sdn. Bhd.
SOU 6 - Tennamaram
45600 Batang Berjuntai
Selangor Darul Ehsan

4. Reference Standard:

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

5. Audit Team

- a) Lead Auditor : Hazani Othman
- b) Auditor : Selvasingam T. Kandiah
: Rozaimée Ab. Rahman
: Mohd. Zulfakar Kamaruzaman
- c) Trainee Auditor : Aernida Abdul Kadir
- d) Observer : Faizatul Haniza Mohd Anuar

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

6. Audit Method

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

7. Audit Findings

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

8. Confidentiality Requirements

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

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

10. **Reporting**

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

11. **Facilities Required**

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

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

Day 1: 20 December 2016 (Tuesday)

Time	Agenda				Client
0900am-0930am	Opening Meeting: At Tennamaram Mill. Audit team introduction and briefing on audit objectives, scope, methodology, criteria and programmes by audit team leader				Top management & Committee Members
0930am-1000am	Briefing on the organization implementation of RSPO (including action taken to address previous audit findings) and update on time bound plan progress				Management Representative
1000am-1300pm	Hazani & Aernida Tennamaram Mill Social	Selva Tennamaram Estate GAP and Use right	Rozaimie Sungai Buloh Estate Safety, Health & Environment	Zulfakar & Faizatul Tennamaram Mill Safety, Health, Environment & Supply Chain	Auditee
	Audit of management, stakeholders, housing, related welfare amenities and documentation of relevant Indicators of P1, P2, P6, P7 and P8, including follow up of previous issue, if any.	Audit of management, employees, fields and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7 and P8, including follow up of previous issue, nursery, new planting / replanting, if any.	Audit of management, employees, operational infrastructure and facilities, and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7 and P8, including follow up of previous issue, if any.	Audit of management, employees, operational infrastructure and facilities, and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7, P8 and Supply Chain, including follow up of previous issue, if any.	Guide/PIC
1300pm-1400pm	Lunch Break				
1400pm-1700pm	Continue audit at Tennamaram Mill	Continue audit at Tennamaram Estate	Continue audit at Sungai Buloh Estate	Continue audit at Tennamaram Mill	Guide/PIC

Day 2: 21 December 2015 (Wednesday)

Time	Hazani Sungai Buloh Estate Social	Selva Tennamaram Estate (Continue) GAP and Use right	Rozaimée & Faizatul Sungai Buloh Estate (Continue) Safety, Health & Environment	Zulfakar & Aernida Tennamaram Mill (Continue) Safety, Health, Environment & Supply Chain	Auditee
0900am- 1300pm	Audit of management, stakeholders, housing, related welfare amenities and documentation of relevant Indicators of P1, P2, P6, P7 and P8, including follow up of previous issue, if any.	Audit of management, employees, fields and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7 and P8, including follow up of previous issue, <u>nursery, new planting / replanting, if any.</u>	Continue audit at Sungai Buloh Estate	Audit of management, employees, operational infrastructure and facilities, and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7, P8 and Supply Chain, including follow up of previous issue, if any.	Guide/PIC
1300pm- 1400pm	Lunch Break				
1400pm- 1700pm	Hazani Sungai Buloh Estate Social	Selva Sungai Buloh Estate GAP and Use right	Rozaimée & Faizatul Tennamaram Estate Safety, Health & Environment	Zulfakar & Aernida Tennamaram Estate HCV	Guide/PIC
	Continue audit at Sungai Buloh Estate	Audit of management, employees, fields and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7 and P8, including follow up of previous issue, nursery, new planting / replanting, if any.	Audit of management, employees, operational infrastructure and facilities, and documentation of relevant Indicators of P1, P2, P3, P4, P5, P7 and P8, including follow up of previous issue, if any.	Audit of management, employees, fields, documentation, applicable stakeholders, if any, of relevant Indicators of P4, P5 and P7, including follow up of previous issue, if any.	

Day 3: 22 December 2016 (Thursday)

Time	Hazani & Faizatul Tennamaram Estate Social	Selva Sungai Buloh Estate (Continue) GAP and Use right	Rozaimée & Aernida Tennamaram Estate (Continue) Safety, Health & Environment	Zulfakar Sungai Buloh Estate HCV	Auditee
0900am- 1300pm	Audit of management, stakeholders, housing, related welfare amenities and documentation of relevant Indicators of P1, P2, P6, P7 and P8, including follow up of previous issue, if any.	Continue audit at Sungai Buloh Estate	Continue audit at Tennamaram Estate	Audit of management, employees, fields, documentation, applicable stakeholders, if any, of relevant Indicators of P4, P5 and P7, including follow up of previous issue, if any.	Guide/PIC
1300pm- 1400pm	Lunch Break				

1400pm-1700pm	Continue audit at Tenamaram Estate	Continue audit at Sungai Buloh Estate	Continue audit at Tenamaram Estate	Continue with unfinished unit, if any	Guide/PIC
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Day 4: 23 December 2016 (Friday)

Time	Hazani	Selva	Rozaimée	Zulfakar & Aernida	Auditee
0900am-1015am	Continue with unfinished unit, if any	Continue with unfinished unit, if any	Continue with unfinished unit, if any	Continue with unfinished unit, if any	Guide/PIC
1015am-1115am	Audit Team discussion, preparation on audit findings and issuance of NCR (if any)				None
1115am-1230pm	Closing Meeting: At Tenamaram Estate.				Top management & Committee Member

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

RSPO P&C Audit Checklist

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	SOU Tennamaram continued to implement the communication procedure and maintain records on requests for information. The procedure for responding to any communication is as outlined in sub-section 5.5 of appendix 5.5.3.2 of Standard Operation Manual of Estate Quality Management System documents. The communication flow charts were available on the notice boards in the Estate and Mill offices and Muster Grounds. Both Estates and Mill continued to maintain the stakeholders list which included the contractors, vendors/suppliers, government agencies, schools, local communities, etc. SDPSB continued to use the internet to disseminate public information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances. The SDPSB website address is http://plantation.simedarby.com .
	1.1.2 Records of requests for information and responses shall be maintained. Major Compliancev	Yes	The CU had identified personnel responsible for handling of complaints. Records of communication were identified and maintained in different files, internal & external communication, depending on the stakeholder. Among the records inspected were correspondences with the authorities, local communities and employees.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1 Land titles/user rights (Criterion 2.2);	Yes	Copy of legal ownership of the land for all the estates within the CU were available. All original titles are kept by SDPSB headquarters and the estates only maintained the copies.
	Occupational health and safety plans (Criterion 4.7);	Yes	Both estates and the mill have established the Safety and Health plan.
	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Social and environmental impact assessments and its relevant plans continued made available.
	HCV documentation summary (Criteria 5.2 and 7.3);	Yes	HCV documentation summary was made available at Sungei Buloh Estate and Tennamaram Estate.
	Pollution prevention and reduction plans (Criterion 5.6);	Yes	The Environmental Management Plan 2016 / 2017 has been established and reviewed in June 2016. The plan also includes elements of Pollution Prevention Plan. The status of the action taken were being monitored.
	Details of complaints and grievances (Criterion 6.3);	Yes	Details of grievances and complaints and actions taken to solve them, if any, maintained documented in the Complaints Book.
	Negotiation procedures (Criterion 6.4);	Yes	The CU maintained its documented negotiation procedures, which covered by Procedures for Handling Boundaries Dispute and the Flowchart Procedures for Handling Squatters Dispute and Procedures for Handling Social Disputes. Nevertheless, there was no claim by any party observed.
Continual improvement plans	Yes	The CU maintained publicly available its continuous improvement plan.	

		Public summary of certification assessment report;	Yes	The audit public summary is available at SIRIM QAS International's website; http://www.sirim-qas.com.my/sirim/core-files/uploads/2017/02/09-Sime-Darby-Plantation-Sdn-Bhd---Tennamaram-Palm-Oil-Mill-Recertification-2016.pdf
		Human Rights Policy	Yes	The CU maintained publicly available its Human Right Policy.
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	A documented code of ethical conduct and integrity in all operations and transactions has been established as observed in a "Code of Business Conduct" booklet, which available in the website: http://www.simedarby.com/about-us/governance/ , and had been communicated to employees.

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	<p>The CU maintains its compliance with relevant legal requirements. Among evident observed were:</p> <ul style="list-style-type: none"> • wages and deductions continued to meet legal requirement and Collective Agreement. • EPF and SOCSO monthly contribution. "Borang A" and "Borang 8A" of monthly contribution for EPF and SOCSO respectively were available. • valid work permit, passport and compensation insurance policies. • amenities provided meet legal requirements. • Relevant machinery and equipment licenses and permits were also verified in Tennamaram & Sungai Buloh Estate and Tennamaram POM as follow: <ol style="list-style-type: none"> 1. MPOB Licenses 2. Air compressors permits 3. Diesel Permits 4. License from Suruhanjaya Tenaga, Fire certificate, <i>Lesen Perniagaan</i> from Majlis Daerah Kuala Selangor and <i>Lesen Abstraksi Sumber Air</i>. • Factory and Machinery Act 1967 <ul style="list-style-type: none"> ○ <i>Person In Charge Regulation 1970</i> ○ <i>Steam Boiler and Unfired Pressure Vessel 1970</i> ○ <i>The Factories and Machinery (Notification, Certificate of Fitness and Inspection), Regulations, 1970 Regulation 10(2)</i> ○ <i>Noise Exposure Regulations 1989</i> • Environmental Quality Act 1974 <ul style="list-style-type: none"> ○ Section 49A of the EQA 1974 amendment 2014. ○ EQ (Prescribed Premise) Crude Palm Oil Regulations 1977 ○ EQ (Clean Air) Regulations 2014 - Air monitoring, Black smoke, Stack sampling ○ EQ (Scheduled Wastes) Regulations 2005 • OSHA 1994, Use and Standards Of Exposure of Chemicals Hazardous to Health Regulations 2000 • Electricity Supply Act 2015

	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	Yes	The CU had identified, documented and maintained their legal register with written information on legal requirements which related to their operation in legal register. The PSQM Department is responsible to track changes and the information was disseminated to all its estates and mills.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	The CU had a documented system for identifying and updating the changes of legal requirements and to monitor the status of legal compliance. This was as documented in Estate & Mill Quality Management System under Standard Operation Manual. PSQM Department and respective operating units have undertaken the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. The compliance to legal requirements was evaluated on an annual basis. These were carried out via Internal & External Audits, PA and MA visits, RSPO Audits and periodic reporting from operating units to headquarters.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	The PSQM Department of HQ is responsible to track changes and the information was disseminated to all its estates and mills This mechanism was outlined in its Procedure for Legal and Other Requirements.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognized NCR land) and the actual legal use of the land shall be available. Major Compliance	Yes	Copies of legal ownership of the estate land were available. The audit team had verified the land title for Tennamaram Estate and Sungai Buloh Estate. All original titles are kept by SDPSB headquarters and the estates only maintained the copies. There was no NCR land in both Estates and Land use was as per the titles.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	No	Auditor has verified the boundary stone and pegs at Tennamaram and Sungei Buloh Estate. The boundary stone and pegs were visible along the boundary adjacent to another plantation area. During the audit, the audited had visited the boundaries of several fields in Tennamaram & Sg. Buloh Estate. It has been sighted that physical markers along the legal boundaries between Tennamaram Estate (Hopeful Division) and Janda Forest Reserve was not available and maintained. Therefore, NCR MZK 01 2016 was raised.
	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 FPIC. Minor Compliance	Yes	There was no land encumbered by customary rights or dispute from any stakeholder at Tennamaram CU.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by	Yes	During this surveillance audit, there was no land conflict observed.

		the parties involved. Major Compliance		
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties. Minor Compliance	Yes	During this surveillance audit, there was no land conflict observed.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	Yes	The CU observed to maintain peace. No case of instigated violence and land conflict, as affirmed with interviewed of local communities and employees.
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 shall be developed through participatory mapping involving affected parties. Major Compliance	NA	Not applicable for Tennamaram CU since there was no land encumbered by customary rights or disputed from any stakeholder.
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and	NA	Not applicable for Tennamaram CU since there was no land encumbered by customary rights or disputed from any stakeholder.

		social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	NA	Not applicable for Tennamaram CU since there was no land encumbered by customary rights or disputed from any stakeholder.
	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	NA	Not applicable for Tennamaram CU since there was no land encumbered by customary rights or disputed from any stakeholder.

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 CU continued to make commitment to long-term economic and financial viability. The annual budgets for 2016/17 to 2019/2020 which included Capital and Operating Expenditures in addition to FFB yield/Ha, OER and CPO were sighted. The budget provisions cover activities for machinery and plant upkeep, expenditure for mature and immature oil palm upkeep, harvesting and evacuation, welfare, capital expenditure, RSPO compliance etc.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	Yes	The long-range replanting programme until 2031/2032 were sighted for both Estates. This programme is reviewed once a year and is incorporated in the CU annual financial budget.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	Yes	The CU continued to use documents established by the Sime Darby Plantation Sdn Bhd. Among the documents were Plantations / Mill Quality Management System (PQMS / MQMS). Manual, PQMS / MQMS Standard Operating Manual and Procedures (SOP) and Sustainable Plantation Management System (SPMS) Manual, RSPO Supply Chain Manual, ESH Management System Manual, Occupational Safety and Health Manual, Pictorial Safety Standards, Laboratory Process Control Manual and Security Guidelines. Besides that, technical guidelines as listed in the Agricultural Reference Manual were also used.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	No	Tennamaram CU continued to implement the mechanism to ensure consistent implementation of activities / operation as per SOPs. However, at time of visit, the following were found: <ul style="list-style-type: none"> the practice of reusing all water from washing of agrochemical containers, PPE and spraying equipment, spillage during chemical mixing and emergency showers was not reused. at Sungai Buloh Estate, water from washing of agrochemical containers, PPE and spraying equipment, spillage during chemical mixing and emergency shower was directed into a field drain instead of a sump for reuse. at Tennamaram Estate Water from emergency shower was directed into a field drain instead of a sump for reuse. Thus, the Minor NCR STK 01 2016 was issued.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Yes	Records of monitoring and the actions taken by the CU continued to be maintained. This is to ensure that the established procedures were consistently implemented. Among the monitoring records sighted were the Harvesting Interval record, FFB quality, Progress report of application of fertilizers and action taken on internal Non-conformances issued by the CU.
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	NA	Fresh Fruit Bunches are supplied from SDPSB owned estates which are certified to RSPO. There is no third-party FFB sent to the mil, therefore this indicator is not applicable.
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	Both Estates practiced the maintenance of long-term soil fertility by annual application of fertilizers based on periodic foliar and soil analysis, biomass retention and some EFB and compost application, POME application (only in Tennamaram Estate), water management and by maintaining soft weeds within interlines. The SOP for manuring was in the Agricultural Reference Manual and the EQMS. Fertilizer application, which was of paramount importance for maintenance of soil fertility, was carried based on the recommendation made by the agronomist from the internal research centre. Annual fertilizer recommendations were made based on annual foliar sampling and 5 yearly soil sampling. Fertilizer application program was monitored using the program sheets, bin cards, field cost book, etc.
	4.2.2	Records of fertilizer inputs shall be maintained. Minor Compliance	Yes	Fertilizer application program was monitored using the program sheets, bin cards, field cost book, etc. Records of programs and applications of fertilizers were made available to auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling	Yes	From the Agronomist reports it was confirmed that both estates carried out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling for the nutrients N, P, K,

		to monitor changes in nutrient status. Minor Compliance		Mg,Ca & B had been carried out and the results formed the basis for the fertilizer recommendations to maintain and to improve soil fertility. The latest foliar sampling in October 2016 on Tennamaram Estate and in September 2016 for Sungai Buloh Estate, which formed the basis for formulation of the fertilizer recommendation for 2017. Soil maps were made available and reviewed by the auditors. The sampling on Tennamaram Estate was carried out in November 2015 while on Sungai Buloh Estate in September 2014.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance	Yes	Both estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and by EFB application. For EFB application on both estates, priority was given for application in young mature areas and replants. POME was also applied in Tennamaram estate. No compost was applied in both estates.
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	Soil maps were available on both Tennamaram Estate and Sungai Buloh Estate. There were minimal fragile soils in both estates. Tennamaram had 6% of peat soils while Sungai Buloh only 0.3%.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Yes	SDPSB had a management strategy in place for planting on slopes and to minimise and control erosion and degradation of soils. The strategy in place for plantings on slopes between 9 and 25 degrees was in Slope & River Protection Policy – Buffer Zone & 25 degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual. Both Estates had complied with this strategy.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	During the field visit, it was noted that road conditions were well maintained in both Tennamaram Estate and Sungai Buloh Estate. Accessibility were made possible by regular maintenance guided by its road maintenance programmes. The program had been supported by adequate provisions in the budgets. Surface run off water from roads were well directed into fields and drains with well cambered roads, road sided drains and silt pits.
	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	In accordance with its established procedure and programme, the management continues to carry out its best practices in maintaining the water table of these areas. The network of drainage system was adequate and water table was monitored and maintained at 60 cm from the ground surface at all times by using piezometers, water level markers, sand bag stop bunds and water gates. In addition, both estates had mobile and static water pumps to pump out and pump in as and when the need arises. The inlet and outlet of water through these areas were controlled by water gates.
	4.3.5	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	NA	The peat area being very small and no replanting had been scheduled, drain-ability assessment is not applicable.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	NA	From the soils maps provided there were no other fragile and problem soils in both Estates visited.
C 4.4 Practices maintain	4.4.1	An implemented water management plan shall be in	Yes	Both estates had in place and implemented water management plans. Plans for 2016/2017 were sighted. The water management plans were more towards soil water conservation, pollution

the quality and availability of surface and ground water.		place. Minor Compliance		prevention and domestic use. The management plan covered dry spell/shortage and in case of water pollution. Workers were advised to conserve water. Records of rainfall data to assist in the water management plans were sighted from 1999. The water management plans for Mill more towards how to reduce rain water collection Improve of user awareness and domestic use. The mill also have Contingency Plan covered dry spell/shortage and in case of water pollution. Workers were advised to conserve water.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	No	Tennamaram CU has continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways. In accordance with the Sime Darby's policy to maintain the buffer by restricting agrochemicals application and will be left undeveloped during replanting. Monitoring of river water was required as per the Item 4.3 - Frequency of water sampling, Appendix 7 SOP for taking water from stream/rivers in SPMS. However, at Sungai Buloh Estate frequency of river water sampling was not carry out in accordance with the above requirements. Thus, Major NCR STK-2.2016 was issued.
	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 PIC revealed that the treatment plant had been carried out in accordance with the established SOP. No sight of effluent over flow and flow meter reading was recorded daily. The results of the monitoring were compiled in the DOE 'Borang Penyata Suku Tahunan'. Discharges were within stipulated limit.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	Yes	Processing of water obtained from Sungai Selangor, monitoring of water usage in mills being monitored accordingly.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Yes	As for all SDPSB estates, both Tennamaram Estate and Sungai Buloh Estate had in place documented integrated pest management (IPM) systems. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. The IPM technique for rats includes rearing barn owls (<i>tyto alba</i>), bagworm control includes the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subrata</i> and for rhino beetles is by using pheromone trap. During the audit, it was observed a number of beneficial plants had been planted and both estates had plants in polybags, ready for planting in the Nursery. Records showed that beneficial plants were continuously planted in by both estates visited. Rat baiting was by calendar baiting at 2 campaigns per year.
	4.5.2	Training of those involved in IPM shall be demonstrated. Minor Compliance	Yes	In Sungai Buloh Estate, records of training were sighted for Bagworm control (Aug 2016), Barn Owl Box (Dec 2015), Nephrolepis planting (Jan 2016), etc. At Tennamaram Estate – Training on the planting of beneficial plants was carried in Dec 2016.
C 4.6 Pesticides are used in ways that do not endanger health or the environment	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	Yes	Written justification in Standard Operating Procedure (SOP) of all agrochemical was available in Section 15 and 16 of the Agricultural Reference Manual issue:1 version:3 dated 1/7/2011, and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. The use of selective products that are specific to the target pest, weed or disease were demonstrated in the Agricultural Reference Manual.
	4.6.2	Records of pesticides use	Yes	Both visited Estates had records to show the types of pesticides used with active ingredients and

	(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		their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used were recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. Both estates had documented programs for spraying pesticides and for rat baiting
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	Yes	As part of the IPM plans, management of both estates had established nectariferous beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera sublata</i>) nurseries for continuous planting in order to attract natural predators and thus to reduce use of insecticides. As mentioned in 4.5.1, during the visit it was observed a number of beneficial plants had been planted and both estates had plants ready for planting in the nurseries. In order to reduce the use of rat baits to control rats, Barn Owls was encouraged as indicated by Barn Owl census records. Until to-date Barn Owl boxes were sighted in the fields. In replants area prophylactic spraying using diluted cypermethrim for immature palms in zero burning of oil palm to oil palm replanting was carried out against Rhinoceros beetles as per SOP.
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Reg. 2000. Minor Compliance	Yes	Both estates only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. From the review of the chemical register, it was noted that all pesticides used are of class III & class IV. From records and interviews with workers, staff and estate assistants, found that they were trained, all precautions taken and all legal requirements met. Signboards indicated 'AWAS Dilarang Masuk', block, dates of operation, type of operation and chemical were used.
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	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS of the pesticide. The staffs and workers such as the storekeepers, sprayers, 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. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. Training on pesticide handling was carried out by external provider. It was done in Jan & Oct 2016 for Sungai Buloh Estate and in Apr & Oct 2016 for Tennamaram Estate. The training included the safety aspects and usage of PPE when handling with pesticides. Records of training were available for verification. All workers involved in pesticide application were provided with

	observed, applied, and understood by workers. Major Compliance		appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the auditors.
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	Yes	The chemical stores in both estates were observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. Records of the purchase, storage and use had been properly maintained. All of the stores were equipped with exhaust fans and secured. Only authorized personnel are allowed to handle the chemicals. All the chemicals were stored and segregated accordingly. The class 1b chemical, Methamidophos, in Sungai Buloh was not in used anymore. SDPSB had changed it to Acephate, which is class III chemical. Empty pesticides containers had been triple rinsed, holes punched in them and stored separately in the scheduled waste store.
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Yes	Pesticide applications were guided by SDPSB's ARM, Pictorial Guide, CHRA and by MSDS supplied by the manufacturer. The CHRA on both Estates was conducted by NIOSH Malaysia. It was prepared by registered assessor of NIOSH itself and the report was presented for both estates in Jan 2016.
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	Yes	Aerial spraying was not practiced by both Tennamaram Estate and Sungai Buloh Estate. There was no evidence to show that any had been carried out.
4.6.9	Evidence of training to enhance knowledge and skills of employees and associated s/holders on pesticide handling shall be demonstrated or made available. Minor Compliance	Yes	The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. Records showed that training had been carried out. Among the training sighted were Trunk Injection (Dec 2015), Spraying (Jan 2016), Chemical Handling (Oct 2016) and Fertilizer handling (Aug 2016).
4.6.10	Proper disposal of waste material, according to proc. that are fully understood by workers and managers shall be demonstrated. Minor Compliance	Yes	Waste Management Plan for 2016 / 2017 has been established where type of waste has been identified. Among the scheduled wastes identified included the spent lubricants, spent hydraulic oil, used batteries, used filters, contaminated rags, empty lubricant, grease and hydraulic oil empty containers.
4.6.11	Specific annual medical surveillance for pesticide	No	All sprayers, storekeepers and workers handing pesticides in both estates were sent for annual medical surveillance (to registered OHD) and the records presented to the auditors.

		operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance		However, at Sungai Buloh Estate medical surveillance for exposure to manganese for foreman was not performed. This was found not in accordance with the regulation 26(2) of USECHH, hence #Major NCR RR01 was raised.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	Both Estates had Internal Memos “No Work with Pesticides for Confirmed Pregnant and Breast-Feeding Women” signed by the respective managers. List of sprayers were maintained by Medical Assistant (MA). In Sungai Buloh Estate there were no female sprayers. All sprayers were male. In Tennamaram Estate identification of pregnancy and breastfeeding was done by the MAs and HAS based on interview with women workers on the last period date and examination of lactation. This interview is done during the monthly medical check-up conducted, including for breastfeeding. Doubtful cases were sent to the Visiting Medical Officer (VMO) for pregnancy test. There was no evidence that work with pesticides was undertaken by pregnant or breastfeeding women. Medical Assistants and workers confirmed this during interviews.
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 CU continued to adopt SDPSB Occupational Safety and Health Policy dated April 2011. The policy had been communicated to all employees through briefings and being displayed on the estates and mill notice boards. It was also communicated to all workers during roll call and by the workers’ representative in OSH committee. A safety and health plan for Tennamaram CU has been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. The implementation of OSH plan was monitored by internal audits conducted by OSH officers from PSQM department.
	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 HIRARC had been carried out covering activities in the estates and mill. Updated HIRARC registers were presented to the audit team during the audit. At Tennamaram POM, the record was updated in Feb 2016 by the mill engineer and approved by mill manager. Among the risk assessed included high noise level and dusty environment at kernel crushing plant. It was observed, the operator has used the dust mask and ear plug. HIRARC has been reviewed based on incident of Hearing Impairment, where existing control has been revised – PPE ear muff has been introduced. At Sungai Tennamaram Estate, the record was updated in Dec 2016 by Team Leader PQSM unit and approved by Head of Department. While at Sungai Buloh Estate the record was reviewed in Dec 2016 by the MA and approved by the Senior Manager. The review was done after the accident to a harvester in Nov 2016. Relevant reports were submitted to DOSH accordingly. Refresher training was conducted to all harvester (pruning) on the safe operating procedure.
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practice. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous	No	Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training to employees are conducted from time to time based on needs through various method such as the on job training, briefings at muster ground and field, meetings, etc. The staff and workers such as the storekeepers, 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. Training records reviewed, maintained at the office. However, at Sungai Buloh Estate the recommendation for use of goggles made in the CHRA

		operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance		(2015) for sprayers was not complied with. Workers carrying out circle and P&D spraying certain fields were seeing not using goggles. Thus, Major NCR STK -3.2016 was issued.
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	Yes	The OSH Committee organizational chart for 2016/2017 at Sungai Buloh Estate and Tennamaram Estate were presented to auditor. The established committee comprised of the Chairman (Senior Manager), Secretary (Hospital Assistant) and management and workers' representatives. Quarterly meeting was held and records of meeting held were verified. Among the agenda discussed are related to finding from work place inspection, unsafe condition during field maintenance, incident case and area for improvement. In the mill, the Mill Manager is appointed as the Chairman of the Health and Safety committee. Safety and Health Committee has been established, verified the OSH safety committee organization chart for 2016. Periodic meeting related to Health and Safety were carried out. Relevant records related to meeting were maintained.
	4.7.5	Accident and emergency proc. shall exist and instructions shall be clearly understood by all workers. Accident proc. shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other op., and first aid eq. shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	No	Tennamaram CU had adhered to the SDPSB policy on 'Crisis Management & Emergency Response' plan, OSH manual and "Accident and Reporting and Investigation Procedure" in the same manual. Each estates and mill had procedures for handling of fire, flood, chemical spillage, strikes and emergency and accident Response in both English and Bahasa. The procedures were displayed in office, Muster Ground, Workshop and Dispensary. It has been noted during the visit that at Sungai Buloh Estate, first aid box was not maintain. There was no record of usage and the full list of the medicine was not available. Thus Minor NCR RR 02 was raised.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	Sungai Buluh and Tennamaram Estates continued the clinics operations by qualified medical assistants to provide daily basic and emergency care. The clinic in Tennamaram Estate also provides support to the Tennamaram mill's workers. For serious cases, the patients are referred to Hospital Sungai Buloh, which is about 50 Km from the sites. Tennamaram CU also continued to provide a group insurance for all workers as required under the Workmen Compensation Act 1992. Sighting of records and cross checked with workers showed that they were covered with valid insurance policy. The local workers are covered by SOCSO as required under Employee's Social Security Act 1969.
	4.7.7	Occupational injuries shall be recorded using LTA metrics. Minor Compliance	Yes	Both estates and Tennamaram POM had monitored the occupational injuries using LTA metrics. Filled JKPP 8 forms were available for all the audited sites during the assessment and were verified by the auditor.
C 4.8 All staff, workers, smallholders and contract workers are	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes	Yes	Formal training programmes for 2016/2017 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were available for all the audited sites. Training Plan was for each sites were established. A training need identification matrix has been established with target dates for the training identified. The training program includes:

appropriately trained.		regular assessments of training needs and documentation of the programme. Major Compliance		<ul style="list-style-type: none"> • ESH Legal & Other requirements • Safe handling of electrical equipment • Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000 • Accident Investigation Techniques • Emergency Respond Plan Training & First Aid Training • Scheduled waste management • Safe Work Procedure for All Stations.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Tennamaram CU had continued to train its staff and workers. 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. Records of training were verified.

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	5.1.1	An EIA shall be documented. Major Compliance	Yes	The CU continued to maintain its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) records covers estate and mill activities / operation. Among the significant environmental aspects related to the estate operation including the activities from harvesting, pest and disease, upkeep programme until delivery to mill. Meanwhile, among significant environmental aspect for mill are the boiler stack emission, black smoke, palm oil mill effluent (POME) discharge and land contamination, which related to managing of the scheduled wastes and general waste.
	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. Minor Compliance	Yes	For FY 2016/2017, Sungai Buloh Estate and Tennamaram estate have decided to minimize chemical usage from herbicide spraying in estate line site area, minimizing chemical usage in harvesting path and inter palm rows and minimizing chemical usage in palm circle. Among the environmental management plan established was to continue use of CDA for circle spraying, to monitor circle raking done accordingly to avoid growth of VOPs and other soft grasses. Briefing on good agriculture practice on chemical spraying during muster ground was also conducted. For the mill, the environmental aspect and impact register was reviewed in August 2016. Environmental Management Plan FY 2016 / 2017 Comprising of Pollution Prevention Plan has been established dated in June 2016. Pollution prevention Plan being implemented and monitored.
	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 2 years to reflect the results of monitoring and where there are operational changes that may have positive and neg. env. impacts. Minor Compliance	Yes	In the mill, "Pollution Identification Environmental Improvement Action Plan" established to monitor the effectiveness of the mitigation measures taken. The following among being monitored Fuel and Lubricant leakage discharged to the land, Chemical Spillage discharged to the land and Waste water discharge At Tennamaram and Sungai Buloh Estates, mitigation measure is defined and controlled in the plan named Waste Management Plan, water management plan, and environment action plan.

<p>C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>	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	The CU has conducted assessment on HCV in June 2014. The report titled 'HCV Re-Assessment For Selangor Central Zone: Strategic Operating Unit SOU 6 Tennamaram and SOU 7 Bukit Kerayong' dated in December 2015. Based on the report, the HCV4 areas identified in the Tennamaram CU were water catchment areas at Tennamaram Estate, and Bukit Talang Estate, and pond at Sg. Buloh Estate.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	Yes	No RTE species found in the Tennamaram SOU. The HCV areas within Tennamaram SOU were as explained in Indicator 5.2.1.
	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. If found any activities to capture, harm, collect or kill RTE species, the estates will make a report to the Wildlife Department immediately.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. Minor Compliance	Yes	Progress of implementation of the action plans 'Biodiversity Action Plan 2016/2017 – for Sungai Buloh and Tennamaram Estate' were reviewed and verified on the ground. The CU has conducted an on-going monitoring of their HCV4. 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 erection of signage at strategically locations.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and	NA	Local communities that lived nearby to the CU did not depend on the HCV area for their living needs. Therefore, this indicator was not applicable to this Certification Unit.

		these rights. Minor Compliance		
C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	Yes	Tennamaram SOU has documented identification of all waste product and sources of pollution. The environmental management plans were then established to mitigate applicable identified waste product and source of pollution. Among the significant environmental receptors for the estates and mill operations were: <ul style="list-style-type: none"> • Air emissions – from boiler stack (smoke and particulate), vehicle and generator (smoke and gases), GHG emission from anaerobic processes (ETP, EFB dumping). • Water discharges – Cleaning water / run-off / process station waters and boiler quenching water and blowdown. • Land – Scheduled waste, domestic waste and industrial / process waste. • Clinical wastes – generated from clinics.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	Empty chemical containers, used lubricant oil and contaminated glove were disposed as scheduled wastes. The wastes are collected by the DOE licensed contractor.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	Yes	For the identified waste and pollutants, there were procedures and guideline established to guide the waste disposal activities and to reduce pollution. Industrial / mill process wastes had been disposed as follows; EFB were sent for mulching in the field, while crop residue / biomass i.e. fiber and shell were used as fuel in the boiler. Effluent quality monitoring was done on monthly basis. Sample taken at final discharge point was sent for analysis. Effluent Analysis quarterly reports for final discharge were submitted in timely manner to DOE. Result of analysis found satisfactorily and below the regulatory limit. On the scheduled wastes management, it has been handled as per established procedures – “Handling of Scheduled Waste”. Scheduled wastes were disposed through licensed contractors. Domestic wastes from offices and line sites were collected by the local authority.
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 efficient use of fossil fuels is incorporated into the Environmental Aspect and Impact documents. Tennamaram POM has continued to use fibre and shell as boiler fuel. Boiler maintenance were carried out as per schedule as to ensure no interruption of milling operation. As to-date the diesel-type genset has not been in operation. The power supply is sourced from TNB. Vehicle maintenance also found periodically performed to ensure operation efficiency.
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ‘Guidelines for the Implementation of the ASEAN Policy on Zero Burning’ 2003. Major Compliance	Yes	SDPSB has a policy of no open burning. As advocated, both estates practiced Zero burning. In the 2013, 2015 and 2016 replants visited during the audit in both estates, it was evident that all palms were felled, shredded, windrowed and left to decompose
	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 ‘Guidelines for the Implementation of the ASEAN	Yes	There was no evidence fire has been used for preparing land for replanting in both estates. The estates had adhered to the Zero Burning Policy of SDPSD.

		<i>Policy on Zero Burning' 2003.</i> Minor Compliance		
<p>C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that it is not always feasible or practical to reduce or minimise these emissions. 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, imp. and monitored.</p>	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent.	Yes	<p>An assessment of all polluting activities has been conducted and monitored. This include the gaseous emissions, particulate / soot emissions and effluent. The CU has continued to maintain its environmental aspects/impacts register associated with their activities. EAI which covers estate 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. Tennamaram POM has conducted boiler stack sampling for each of the boiler stack. The monitoring was carried out by external patry and results were within stipulated limits. The POM is also equipped with a CEMS. The audit team has verified the condition of the CEMS and it was found to be in good condition. Data from the stack is connected online to DOE's office. Boiler smoke emission data found within the DOE limit. As to-date no complaint notice received from DOE related to black smoke emission. Effluent discharge was monitored monthly and submitted to DOE on quarterly basis. No sight of effluent overflow and flow meter reading was recorded daily. Mill monitoring records on water quality monitoring for DOE submission in the 'Borang Penyata Suku Tahunan'. Monitoring results were within limit.</p>
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	The CU has continued to maintain its documented plans to mitigate environmental pollution associated with its activities. At Tennamaram POM, methane gas from the effluent treatment plant will be channeled to a biogas plant. However, the plant is still in the commissioning stage and expected to be in operation by December 2017.
	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	GHG Emission calculation and monitoring is available at SOU Tennamaram, using RSPO Palm GHG Calculator. The SOU has yet to submit calculation on its GHG emission for year 2016 to RSPO due to calculation still in draft.

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

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	A SIA and records of meetings maintained by the CU. The assessment was conducted in June 2014. In addition, an Addendum Social Impact Assessment (SIA) for Elmina Division (of Tennamaram Estate), which formerly under SOU 7 (Bukit Kerayong), was conducted in Dec 2015. All data has been gathered with the participation of external and internal stakeholders. The assessment has reported sampling and data collection procedure, demographic information, issues, complaints, suggestion from workers, interview with stakeholders and summary analysis. Records of meeting were documented and made available. In relation to amalgamation of Elmina into Tennamaram, there were meeting in March 2016 at higher level and with union (NUPW). The meeting was to address social impact related to the changed. The meeting among other has agreed on termination benefits, Ex-Gratia, Settlement Agreement, etc. Attendance and minute of meeting were provided for verification.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The assessments, including meetings has been done with the participation of affected parties, such as with workers, union, contractors, suppliers, local community, local government and private bodies. Records of meeting were documented and available during the audit.
	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	The CU continued to implement and review its social plan. The plan derived through the SIA and consultations with internal and external stakeholders. Among the plan implemented were: <ul style="list-style-type: none"> • methane capture project, which already completed. The project had resolved complaint from local community concerning unpleasant smell emitted from effluent treatment pond. • briefing to employees to clarify pertaining unclear wage, MC and leave during public holiday. • Tri-parte meeting with MAPA and NUPW to finalize agreement on cost of transportation to hospital and school and house repair.
	6.1.4	The plans shall be reviewed as a minimum once every 2 years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance	Yes	The social management plan for the CU had been revised annually, latest in July 2016.
	6.1.5	Particular attention shall be paid to the impacts of smallholder scheme. Minor Compliance	NA	Not applicable. There was no smallholder schemes included in the CU.

C 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties	6.2.1	Consultation and communication procedures shall be documented. Major Compliance	Yes	External and internal communication procedures developed by SDPSB for the estates and mill maintained to be followed and available at the audited sites. An examination of the records kept in the internal and external communication files found that the estates and mill followed the procedures and manuals developed by the company. In the case of internal communications, records of meetings, briefings and memos were sighted. Notices and posters / pamphlets observed displayed on notice boards at the office and the muster ground were also used as a means of internal communication. Regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees. In the case of external communications, they were mainly in the form of correspondence, which were kept in the External Communication File.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	In each of the estate and mill, a management official has been appointed to handle communication and consultation issues. The letters of appointment were sighted. This responsibility is part and parcel of their duties to handle social issues.
	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	There was no change in the stakeholders list. The list included local communities, contractors, vendors / suppliers, government departments / agencies, estate / mill employees and unions representatives. Based on interview with employees, representatives of unions and local community it was confirmed that the CU had communicated with their stakeholders through various channel including stakeholders meeting. Records of actions taken were found in the Complaints Book, Action Plan and various meetings including stakeholders meeting.
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 procedure for dispute resolution developed by SDPSB is available at the Estate/Mill Quality Management Manual. The system maintained open to all aggrieved parties. Anonymity of complainants and whistleblowers will be maintained. Sime Darby also maintained published guideline pertaining whistle blowing at http://www.simedarby.com/about-us/governance/whistleblowing . Review of the records revealed that there has been no dispute observed within the covered audit period which had and being resolved.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	Yes	There were no complaints / disputes recorded from external stakeholders observed within the covered audit period. Complaints were mainly about request from employees related to house repairs. Request and action taken were recorded in the Complaints Book.
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,	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	Yes	Documented flowchart and Procedures for Handling Boundaries Dispute and the Flowchart Procedures for Handling Squatters Dispute and Procedures for Handling Social Disputes were available at the audited sites. The procedures included identifying legal, customary or user rights, and identifying people entitled to compensation.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a	Yes	The procedure for calculating and distributing fair compensation maintained as incorporated in the Procedures for Handling Boundaries Dispute and the Procedures for Handling Squatters Dispute. According to the procedure the calculation and distribution of compensation would be carried out at the company level not at the estate / mill level. Nevertheless, no case of compensation related to loss of legal or customary rights of indigenous peoples, local communities or external

local communities and other stakeholders to express their views through their own representative institutions.		participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		stakeholders was observed.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	Yes	No case of compensation related to loss of legal or customary rights of indigenous peoples, local communities or external stakeholders was observed.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	Yes	Pay and conditions for workers were documented in the effective Collective Agreement between the Malaysian Agriculture Producers Association and the National Union of Plantation Workers. As for the administrative staff, pay and conditions followed the All Malaysian Estates Staff Union.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	Yes	Review of employee's employment contract and interviewed with workers, including foreign noted that they were provided copy of contract in language that they understand. The contract contain necessary information pertaining pay and conditions. Details of pay and condition of employment contained in the CAs. In addition the CU practice to conduct briefing to provide understanding of pay and condition, particularly for new employees.
	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	The amenities provided by SDPSB to its employees maintained in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). The employees were also provided with potable water, electricity, clinics, Muslim prayer houses, Hindu temples and recreational facilities.

	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	Yes	The CU located nearby urban areas which surrounded with local amenities, including access to adequate, sufficient and affordable food. Further, there is canteen inside the mill that enable workers to buy their meals. The mill management is monitoring the price of meals as the operator need to display and submit the declared selling price.
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 recognizing freedom of association shall be available. Major Compliance	Yes	A statement recognizing Freedom of Association maintained incorporated in the company Social Policy dated Jan 2015 endorsed by Managing Director. This policy was sighted on notice boards at the estates and mill.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	The CU continued to have meeting with unions or workers representatives. Minute of meeting maintained documented. Among the meetings were in March 16 at Elmina, Oct 2016 at the Mill and Dec 2016 at CU level. The significant matters discussed were pertaining termination benefits, Ex-Gratia, Settlement Agreement, agreement on cost of transportation to hospital and school and house repair.
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	An inspection of the employees register, which contained each employee particular, including date of birth and date joining the CU confirmed that no employee below 18 years of age was recruited by the company. This was also affirmed by administration staff and workers interviewed.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	A statement on equal opportunities was embedded in SDPSB's Social Policy statement. This policy was displayed on notice boards in the estates and mill.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	Reviewed of the employment contract noted that no case of discrimination based on race, religion, gender, national origin or any other form of discrimination. The payments, conditions and benefits of employment, for example, either foreign or local, male or female employees, were not decided arbitrarily by the estate / mill management. Interviewed with various employees of different gender, nationality, race, religion affirmed that they were treated equal and not discriminated in any form including related to recruitment, works, promotion, amenities, benefits, etc.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities,	Yes	Recruitment and promotion were conducted based on job requirements. Interviewed with various employees acknowledged no issues pertaining recruitment and promotion.

		qualities, and medical fitness necessary for the jobs available. Minor Compliance		
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	No	The CU maintained its Gender Policy that cover sexual harassment and violence cases related to the prevention of sexual harassment and all other forms of violence against women and protection of their reproductive rights. Interviewed with women employees of Elmina Division of Tennamaram Estate revealed that there were no programmes conducted in these two years to address particular issued faced by women employees. Thus, Major NCR HO-01 is raised.
	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 CU maintained its Gender Policy that cover sexual harassment and violence cases related to the prevention of sexual harassment and all other forms of violence against women and protection of their reproductive rights, for estate / mill female employees. Interviewed with female workers noted they understand the policy and their rights. There were no case of violation of the policy observed.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	Yes	A specific grievance mechanism for handling sexual harassment / violence against women maintained as per documented Gender Committee Handbook.
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 FFB shall be publicly available. Minor Compliance	NA	Not applicable as all the FFB supplied to the Tennamaram mill came from the group estate.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented. Major Compliance	Yes	The CU has continued to receive FFB from the group owned estates. Thus, no pricing mechanism for FFB is applicable. Meanwhile any input / service obtained were based on quotation / tender, prior to select and award.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Yes	The CU maintained to purchase other inputs / services based on quotation / tender, prior to select and award. Reviewed of purchase service noted that there were 3 quotations obtained, and the award was proper, including signed by the awarded service provider.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Reviewed of debtor's statements and invoices noted there were no case of overdue of payments. The MEX payment mechanism noted had been implemented accordingly, which shortened the timeframe of payment process. Thus, the previous NCR MRS 01 2016 is closed.
C 6.11 Growers and millers contribute to local	6.11.1	Contributions to local dev. that are based on the results of consultation with local comm.	Yes	The CU continued to contribute to local communities. Interviewed with local communities representative and Headmaster of nearby school confirmed that the CU continued to provide grass cutting of sports field at neighboring village and had paved access road to respective

Sustainable development where appropriate.		shall be demonstrated. Minor Compliance		school. The CU also has plan to build a bus stop for children at the neighboring village, awaiting for approval from the local authority.
	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	NA	Not applicable. There was no smallholder schemes included in the CU.
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	Review of pay slip which contain detail monthly information pertaining each employees earning, deduction, working days, etc. and work related records, as well as interviewed with foreign workers, there was no evidence of forced or trafficked labour in the CU.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	Review of employment contract and interview with workers noted that there was no contract substitution had occurred.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	Special labour policy for employment of foreign workers is addressed in the Social Policy. The policy mentioned that employees shall be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived for three months.
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	A policy to respect human rights is covered in the Social Policy and has been communicated to all levels of the employees within the CU.
	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	NA	Not applicable. The CU located in Peninsular Malaysia.

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Clause	Indicators	Comply Yes/No	Findings
C 7.1 A comprehensive and participatory	7.1.1 An independent SEIA, undertaken through a participatory methodology	NA	No new planting was observed in Tennamaram CU. Thus, this criteria is not applicable.

independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		including the relevant affected stakeholders, shall be documented. Major Compliance		
	7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. Minor Compliance	NA	Not Applicable
	7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. Minor Compliance	NA	Not Applicable
C 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations	7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. Major Compliance	NA	Not Applicable
	7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. Minor Compliance	NA	Not Applicable
C 7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values	7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more HCVs since Nov 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced. Major Compliance	NA	Not Applicable
	7.3.2	A comprehensive HCV assessment, including	NA	Not Applicable

		stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since Nov 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. Major Compliance		
	7.3.3	Dates of land preparation and commencement shall be recorded. Minor Compliance	NA	Not Applicable
	7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures. Major Compliance	NA	Not Applicable
	7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans. Minor Compliance	NA	Not Applicable
C 7.4 Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.	7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation. Minor Compliance	NA	Not Applicable
	7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be	NA	Not Applicable

		developed and implemented to protect them without incurring adverse impacts. Major Compliance		
C 7.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.	7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed by these local peoples. Major Compliance	NA	Not Applicable
C 7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. Major Compliance	NA	Not Applicable
	7.6.2	A system for identifying people entitled to compensation shall be in place. Major Compliance	NA	Not Applicable
	7.6.3	A system for calculating and distributing fair compensation shall be in place. Major Compliance	NA	Not Applicable
	7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. Minor Compliance	NA	Not Applicable
	7.6.5	The process and outcome of	NA	Not Applicable

		any compensation claims shall be documented and made publicly available. Minor Compliance		
	7.6.6	Evidence shall be available that the company has made adequate efforts to enable affected communities and rights holders to have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. Minor Compliance	NA	Not Applicable
C 7.7 No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	7.7.1	There shall be no land preparation by burning, other than in specific situations, as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003, or comparable guidelines in other regions. Major Compliance	NA	Not Applicable
	7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003, or comparable guidelines in other regions. Minor Compliance	NA	Not Applicable
C 7.8 <i>Preamble</i> New plantation developments are designed to minimize net greenhouse gas emissions.	7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. Major Compliance	NA	Not Applicable
	7.8.2	There shall be a plan to minimise net GHG emissions	NA	Not Applicable

	which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. Minor Compliance		
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Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	Yes	Both estates have introduced a mechanized rotor slashing weeding in all young palms possible areas to reduce the use of chemicals for spraying. The estates continued to manage pests, disease and weeds using appropriate IPM techniques. In order to minimize use of insecticides, the estates had established nurseries for beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . This was to establish continuity in the planting of beneficial plants. In order to reduce the use of rat baits to control rats, Barn Owls was encouraged as indicated by Barn Owl census records. Both estates were committed to reduce using of chemicals and now have implemented and will continue to only spray Circles and noxious weeds. Soft weeds and <i>Nephrolepis bisserata</i> were planted, maintained and encouraged in the inter rows. Where possible, harvester's paths were grass cut.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	The CU maintained to improve continually its environmental management. Environmental action plans were reviewed and implemented according.
	c)	Waste reduction (Criterion 5.3);	Yes	SOU Tennamaram CU continued to practice the 3R on waste management. Waste Management Plan has been established for 2016.
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	'Pollution identification environmental improvement action plan' is used to identify waste products and sources of pollution. The plan has been reviewed accordingly. Potential GHG sources are being identified using data from SDP Estates, Mills & Upstream Applications (SEMUA).
	e)	Social impacts (Criterion 6.1);	Yes	The CU continued meetings with stakeholders to identify social impact and to update its action plan.
	f)	Encourage optimizing the yield of the supply base	Yes	Both estates are committed to implement best agricultural practices.

Details of Non-conformities and Corrective Actions Taken

No.	NCR No. & Indicator	Specification Major/Minor	Non-conformances	Corrective Action	Status & Verification by Assessor
1	HO-01 2016 6.9.1	Major	Interview with women employees of Tennamaram's division (previously Elmina Estate) learnt that there were no programmes conducted to address particular issues faced by women there, if any.	Gender Committee in Tennamaram, Elmina Division had been re-activated and meeting was conducted in Jan 2017.	Verification: Gender Committee in Tennamaram, Elmina Division had been re-activated and minute of meeting conducted viewed. Status: Closed.
2.	MZK-01 2016 2.2.2	Minor	Physical markers along the legal boundaries between Tennamaram Estate and Janda Forest Reserve was not available and maintained.	Tennamaram Estate will ensure the physical marker will be clearly visible and maintained.	Verification: Action plan accepted. Verification will be conducted in the next audit. Status: Accepted.
3	RR-01 2016 4.6.11	Major	At Sungai Buloh Estate medical surveillance for exposure to manganese for foreman was not performed according to regulation 26(2) of USECHH, employee exposed to schedule II chemicals shall repeat at least once in six months as determined by the assessor.	The estate management will ensure the foreman will sent for annual medical surveillance as per recommendation made by CHRA assessor.	Verification: Sighted a quotation and result of medical surveillance has been awarded and conducted at external clinic in Jan 2017 and the results for the foreman was satisfactory. The estate management has also generated a checklist to monitor the recommendation of the CHRA assessor. Status: Closed.
4	RR-02 2016 4.7.5	Minor	At Sungai Buloh Estate: <ul style="list-style-type: none"> • First aid box was not maintained for future emergency use. • No record of usage is available and the full list of the medicine also not available. 	Estate management have conducted a First Aid Box Training for the year 2017. All boxes have been equipped with listed items as per requirement. The checklist and monitoring records also available.	Verification: Action plan accepted. Verification will be conducted in the next audit. Status: Accepted.
5	STK-012016 4.1.2.	Minor	Sungai Buloh Estate - Water from washing of agrochemical containers, PPE and spraying equipment, spillage during chemical mixing and emergency shower was directed into a field. Tennamaram Estate - Water from emergency shower was directed into the field.	Estate management will ensure to reuse the contaminated water and ensure it does not being channel directly to the field. Sump have been built to contain the residues from eye/emergency wash.	Verification: Action plan accepted. Verification will be conducted in the next audit. Status: Accepted.
6	STK-02 2016 4.4.2.	Major	Sungai Buloh Estate In 2016, water was sampled only twice at 1 point (1998S1) and twice at another point (2010D) instead of 4 times at each point.	Reviewed the sampling points and monitoring schedule format will be done according to the requirement. Latest sampling had been carried out in Jan 2017.	Verification: Water sampling done in Jan 2017. Schedule for sampling was also established. Status: Closed.
7	STK-03 2016	Major	Sungai Buloh Estate – Workers carrying out circle spraying in 2014A and P&D spraying in Field 15C	Estate management have already conducted a refresher training to all	Verification: 1. PPE Issue Record for goggles,

	4.7.3		were not using goggles.	sprayers on PPE usage inclusive of goggles during spraying work. PPE records book and PPE daily checklist also have been maintained by estate management.	2. Attendance list for Sprayers (PPE) training. 3. Photographs of training have been provided. Status: Closed.
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RSPO Supply Chain at the palm oil mill - Module D – CPO Mill: Identity Preserved

Item No	Requirement NOV 2014	Findings Standard Nov 2014
D.1 D.1.1	<p>Definition</p> <p>To verify:</p> <p>a) the volume of certified and uncertified FFB entering the mill</p> <p>b) the volume sales of RSPO certified</p> <p>The claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>	<p>Actual (Dec 2015 – Nov 2016)</p> <p style="text-align: right;"><u>MT</u></p> <p>a) FFB Received 232,021.96</p> <p>FFB Processed 232,021.96</p> <p>CPO(IP) Production 46,759.61</p> <p>PK (IP) Production 11,557.81</p> <p>b) Delivery of CPO</p> <p>RSPO(IP) 40,915.63</p> <p>RSPO (MB) 64.37</p> <p>Non-certified 5,779.61</p> <p>c) Delivery of PK</p> <p>RSPO (IP) 11,108.00</p> <p>Non-certified 449.81</p>
D 2 D.2.1	<p>Explanation</p> <p>Estimate total tonnage of CPO and PK potentially produce in a year</p>	<p>Projection (Dec 2016 – Nov 2017)</p> <p style="text-align: right;"><u>MT</u></p> <p>a) FFB Received 234,649.32</p> <p>RSPO 234,649.32</p> <p>FFB Processed 234,649.32</p> <p>RSPO 234,649.32</p> <p>CPO Production 45,417.42</p> <p>PK Production 11,486.44</p>
D 3 D 3.1	<p>Documented procedures</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>a) Tennamaram POM had revised its documented procedure title '<i>Standard operating procedure (SOP) for Sustainable Supply Chain and Traceability</i>', version 2, dated Oct 2016. The procedure described the following:</p> <ul style="list-style-type: none"> • Clause 4.0 ~ the responsibility for the implementation of RSPO SCC i.e. head of operating unit. • Clause 5.0 ~ Control of document & records such as weighbridge tickets, consignment note, training record & contracts. Record retention for 10 years. Define the critical control point (CCP): estate – weighbridge, mill – weighbridge, admin office, ramp, CPO dispatch area, CPO storage tank. Kernel silos. • Clause 6.0 ~ Delivery of FFB from the estate – relevant record involved, flowchart for crop diversion, list of mill and their supply chain model i.e. IP or MB. • Clause 7.0 ~ Receiving FFB at the mill – list of supply base, rules for determining diverted FFB destination, relevant record. • Clause 8.0 ~ process monitoring – for IP model mill need to ensure no mixing of RSPO certified and non-certified. • Clause 9.0 ~ CPO and PK dispatch – [Clause 9.1] all delivery of CPO and PK shall be in accordance with the contract allocated by Global Trading & Marketing (GTM) department. [Clause 9.2] Outgoing document for CPO and PK e.g. contract,

		<p>weighbridge ticket / dispatch note) shall specify the following information, which can be either presented in single document or across a range of document Trade name / RSPO IP, RSPO certificate no.: RSPO 0025.</p> <ul style="list-style-type: none"> • Clause 10.0 ~ Non-conforming material / product – requirement to downgrade the RSPO Product. • Clause 11.0 ~ product claim – shall follow RSPO rules on market communication & claim. • Clause 12.0 ~ Outsourced contractor - the mill has established list of outsourced contractor. Sighted list of transporter for CPO and PK. • Clause 13.0 ~ Training – the mill shall provide training for relevant personnel carrying the task at tech critical control point (CCP). • Clause 14.0 ~ Reclassification of mill's supply chain model - Reclassification of mill's supply chain model may be determined by GTM / PSQM. CB shall be notified. All communicated shall be recorded. • Clause 15.0 ~ Production volume. <p>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.</p> <p>b) The Mill Assistant Manager has been appointed as the person having overall responsibility for and authority over the implementation of the supply chain requirements.</p>
D 3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Tennamaram mill has implemented the procedure for receiving and processing certified and non-certified FFBs. As of to-date, there is no non-certified FFB receive.
D.4 D.4.1	Purchasing and goods in The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Tennamaram POM will only accept the RSPO certified FFB which are from Sime Darby's own estates i.e. Sg Buloh Estate, Tennamaram Estate and Bukit Talang Estate. Monitoring records has recorded the tonnage of certified FFB and its supplying estate. Verified through Tennamaram POM weighing system and random sample of weighbridge ticket from Sg Buloh Estate, Tennamaram Estate and Bukit Talang Estate. There was no non-certified FFB received based on the records.
D 4.2	The site inform the CB immediately if there is a projected overproduction.	There was no overproduction of certified CSPO during the period under review.
D.5 D.5.1	Record keeping The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Tennamaram POM has maintained the three-monthly accounting system to record RSPO certified FFB and deliveries of RSPO certified CPO and PK.
D 6 D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	For the period under review, Tennamaram POM has delivered RSPO certified CPO or PK to refinery through road tanker. It was confirmed through interview and traceability report no non-certified material were delivered.
D.6.2	The objective is for 100 % segregated material to be reached.	100% segregated material achieved as Tennamaram does not accept any non-certified FFB.

Status of Non-conformities Previously Identified

P & C Indicator & NCR No.	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
2.1.1 STK 01 2016	Major	Finding: Clause 9 of the Occupational Safety and Health (USECHH) Regulations 2000 on health surveillance, which requires to conduct health risk assessment. Objective evidence: Sungai Buloh Estate and Bukit Talang Estate: At time of audit the CHRA was expired.	The CHRA was conducted and final CHRA has been presented to Sungai Buloh Estate and Bukit Talang Estate in Feb 2016.	Copy of Sungai Buloh and Bukit Talang estates CHRA has been verified by auditor. The CHRA is valid until 2020. Status: Closed
2.1.1 RA 02 2016	Major	Finding: Scheduled wastes management not in accordance with EQ (SW) Regulations 2005 Objective Evidence: Tennamaram POM - Inaccurate hazard signage for SW306 and SW 410. Sg Buloh Estate - Inventory record for SW409 not available & Inaccurate information in the waste notification.	Review the scheduled wastes management in accordance with the stipulated requirements.	Tennamaram mill <ul style="list-style-type: none"> • Auditor has verified photograph of scheduled waste store with appropriate hazard signage as per EQA (SW) Reg. 2005. • Auditor has verified the updated inventory. • Auditor has verified the waste which was updated in the DOE online system. • Training attendance lists were sighted by the auditor. Status: Closed
4.1.2 STK 02 2016	Minor	Finding: The SOP for pruning palms, Stacking Fronds was not complied with on Bukit Talang Estate. Objective evidence: It was found that palm fronds were not pruned/cut flushed with the trunk and not stacked as required.	Review and implement the pruning practice to be in accordance with the established procedure. Training on pruning has been done.	Photograph of palm fronds that pruned flushed with the trunk and pruned fronds were stacked were sighted by the auditor. Training attendance records were submitted to the auditor. Verification in all fields visited during this audit, the pruning of palms and stacking of pruned fronds were in order and as such the NCR is Closed. Status: Closed
4.1.2 RA 01 2016	Minor	Finding: "Borang Permit Untuk Memasuki Ruang Terkurung" and Permit to work was not consistently implemented in accordance with SOP confined space/OSH manual Permit to work sys. Objective Evidence: Tennamaram POM - "Borang Permit Untuk Memasuki Ruang Terkurung" for Boiler & Permit to work in Dec 2015.	1) Permit to work training for Permit issuer and Permit Approver, expected to be completed in Feb 2016. 2) Provide dedicated place for PTW at all station and Permit Requester must submit back the PWT to the issuer after job complete or postpone, expected completed in Jan 2016.	Auditor has verified Permit To Work and Permit Approver for confined Space at POM and consistent implementation was in place accordance with SOP confined space/OSH manual Permit to work system. Status: Closed.

<p>6.10.4 MRS 01 2016</p>	<p>Minor</p>	<p>Finding: Sime Darby has introduced new online system and declared the trial period of one year before the system to be mature. During this audit, noted there were several payment has not been made in the timely manner due to inadequate information. Objective evidence: At Tennamaram POM, a contractor has not received its payment for Sept 2015.</p>	<p>Due to incomplete information given by the contractor, the payment is delayed. Mill management will proceed with the payment by Feb 2016.</p>	<p>Verified through interview with suppliers and contractors, no recurrence. Status: Closed.</p>
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Time Bound Plan

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, SPO 590800	
3	Elphil	Sg Siput, Perak	18 Jun '11	17 Jun '21	SPO 550180	
4	Flemington	Teluk Intan, Perak	5 Oct '11	4 Oct '21	CU-RSPO-819144, SPO 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	Withdrawn. Ceased Operation.
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	Withdrawn. Ceased Operation.
10	Bukit Puteri	Raub, Pahang	7 Jul '16	6 Jul '21	CU-RSPO-815147, 18502206 001, 854 502 14020	
11	Kerdau	Temerloh, Pahang	7 Jul '16	6 Jul '21	CU-RSPO-819155, 18502207 001, 854 502 14019	
12	Jabor	Kuantan, Pahang	7 Jul '16	6 Jul '21	CU-RSPO-819156, RSPO 928288, 854 502 14049	
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29 Dec '16	CU-RSPO-819163, SGS-RSPO/PM/MY13/01284, 854 502 14039	Recertification of Labu POM is in progress. PalmTrace License is valid till end of March 2017 in the PalmTrace system.
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18 May '20	SPO 541905	

15	Sua Betong	Port Dickson, Negeri Sembilan	18 Feb '14	17 Feb '19	SPO 600305, 824 502 16032	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill.
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '16	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 Jan '14	27 Jan '19	SPO 600305	Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill.
19a	Yong Peng	Yong Peng, Johor	20 Oct '10	19 Oct '15	SPO 550182	Withdrawn. Ceased Operation.
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 '16	10 Apr '21	SGS-RSPO/PM-00722, 824 502 16042	
24	Hadapan	Layang-layang, Johor	29 Mar '11	28 Mar '21	824 502 16040	
25	Segaliud	Sandakan, Sabah	20 May '10	19 May '15	SPO 547123	Withdrawn. Ceased operation.
26	Sandakan Bay	Sandakan, Sabah	1 Oct '08	30 Sep '18	SPO 537872	
27	Melalap	Tenom, Sabah	21 Jan '11	20 Jan '21	SPO 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 May '10	NA	NA	Withdrawn. Ceased operation.
30b	Mostyn	Kunak Sabah	16 Jan '09	NA	NA	Withdrawn. Ceased operation.
31	Lavang	Bintulu, Sarawak	30 Dec '11	29 Dec '21	CU-RSPO-819166, MUTURSPO/053	
32	Rajawali	Bintulu, Sarawak	30 Dec '16	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, MUTURSPO/054	

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/Tanah Putih, Pujud, Rokan Hilir, Riau	16 Jan '12	16 Jan '17	MUTU-RSPO/011	
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6 Jul '11	6 Jul '16	MUTU-RSPO/006b	Mill closed down.
3		MUSTIKA OIL MILL		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	16 Mar '17	MUTU-RSPO/014	
6	PT KRIDATAMA LANCAR	SUKAMANDANG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	2 Sept '16	1 Sept '21	MUTU-RSPO/003	
7	PT BAHARI GEMBIRA RIA	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9 Jul '12	9 Jul '17	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	16-Mar-17	MUTU-RSPO/016	
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	5-Jul-11	5-Jul-16	MUTU-RSPO/005	
11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16 Mar '12	16 Mar '17	MUTU-RSPO/017	
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30 Dec '11	30 Dec '16	MUTU-RSPO/009	Recertification of Rantau POM is in progress. PalmTrace License is valid till end of Feb 2017 in the PalmTrace system.
13		BETUNG OIL MILL		1 Apr '14	1 Apr '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	
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11 Sep '12	11 Sep '17	MUTU-RSPO/020	
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9 Sept '16	8 Sept '21	MUTU-RSPO/004	
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg.Guntung, Indragiri Ilir, Riau	1 Dec '16	30 Nov '21	MUTU-RSPO/008	
19		MANDAH OIL MILL		1 Apr '14	1 Apr '19	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	10 Jul '17	MUTU-RSPO/018	
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		Pending certification by RSPO EB.