PUBLIC SUMMARY

STAGE 2 (FIRST CYCLE)

FOR RSPO P&C CERTIFICATION

SIME DARBY PLANTATION SDN BHD

RSPO MEMBERSHIP NO: 1-0008-04-000-00

SOU 29 GIRAM CERTIFICATION UNIT

Kunak, Sabah, Malaysia

Certificate Number: RSPO 0025

Date of First Certification: January 2009

Audit Date : 9 - 11 December 2014

Prepared by:

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6 July 2015

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EXECUTIVE SUMMARY

This public certification summary provides the general information on the SOU 29 Giram Certification Unit (SOU 29 Giram CU) of the Sime Darby Plantation Sdn Bhd, the auditprocess, the findings of the surveillance, Non-Conformity Reports (NCRs), decision on the certification of the CU against the requirements of the Malaysian National Interpretation (MYNI) RSPO Principles & Criteria for Sustainable Palm Oil Production :2010 standard.

This audit on the SOU 29 Giram CU was conducted on 9 - 11 December 2014. SIRIM QAS International Sdn. Bhd. (SIRIM QAS International) was contracted by SDPSB to conduct this assessment. SIRIM QAS International is the leading testing, inspection and certification body (CB) in Malaysia having provided its services to all sectors of the business and industry for over 30 years. SIRIM QAS International, as an accredited CB by the United Kingdom Accreditation Service (UKAS) and STANDARDS MALAYSIA provides a comprehensive range of management system certification services on quality, environment, and health and safety.

SIRIM QAS International has wide experience in conducting assessments on palm oil mills and oil palm estates for certification of management system against the requirements of the ISO 14001 and OHSAS 18001. SIRIM QAS International was approved as a CB by RSPO on 21 March 2008. Since then, it has conducted many assessments on RSPO sustainable production of palm oil in Malaysia.

The 6 Major Nonconformities (NCRs) raised during this Stage 2 audit has been adequately addressed and therefore closed out. The corrective action plans sent to address the 5 Minor NCRs has been accepted. Verification and monitoring on the effectiveness of the corrective actions taken against the minor NCRs will be made during the next audit.

Based on the findings of this Stage 2, it could be concluded that the SOU 29 Giram CU has continued to comply with the requirements of the MYNI RSPO P&C : 2010 standard.

1.0 Scope of Audit

1.1 National Interpretation Used

The operations of the SOU 29 Giram Palm Oil Mill (Giram POM) and its supply bases of oil palm fresh fruit bunches (FFBs) were audited against the requirements of the MYNI RSPO P&C : 2010.

1.2 Certification Scope

The scope of certification is the sustainable production of crude palm oil and palm kernel using the (SG) model.

1.3 Location (map and GPS), mill and or hectarage statement

SOU 29 Giram is situated in Kunak, Sabah, Malaysia. The locations map of the CU is shown in **Attachment 1** .

Table 1: Office Location and addresses of mill and estates

Certification Unit	Estate/Mill	GPS Location		Location Address	Hectarage
		Latitude	Longitude		
SOU 29 Giram	Giram POM	4º 35' N	118º 12' E	91207 Kunak, Sabah, Malaysia	-
	Giram Estate	4º 35´ N	118º 12' E	91207 Kunak, Sabah, Sabah, Malaysia	3,904.92
	Mostyn Estate	4º 39´ N	118º 07' E	91207 Kunak, Sabah, Sabah, Malaysia	3,697.21

1.4 Description of supply base (fruit sources)

The FFB were sourced from own estates, as Giram and Mostyn estate only.

1.5 Date of plantings and cycle

The planting cycle of estates in Giram SOU is stated as below:

Table 2: Percentage of planted area in Giram Estate by age and planting cycle

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1993	3rd	Mature	824.63	21.12
1995	3rd	Mature	1,276.55	32.69
1996	3rd	Mature	612.76	15.69
1999	3rd	Mature	319.81	8.19
2009	3rd	mature	175.89	4.50
2011	3rd	Immature	354.23	9.07
2012	3rd	Immature	158.94	4.07
2013	3rd	Immature	182.11	4.66
Total			**3,904.92**	**100.00**

Table 3: Percentage of planted area in Mostyn Estate by age and planting cycle

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1957	1st	Mature	1.76	0.05
1980	2nd	Mature	143.74	3.89
1981	2nd	Mature	128.09	3.46
1982	2nd	Mature	62.05	1.68
1983	2nd	Mature	103.77	2.81
1984	2nd	Mature	41.60	1.13
1988	2nd	Mature	23.50	0.64
1990	2nd	Mature	105.19	2.85
1991	2nd	Mature	38.24	1.03
1992	2nd	Mature	81.60	2.21
1993	2nd	Mature	56.00	1.51
1994	2nd	Mature	104.27	2.82
1995	2nd	Mature	80.05	2.17
1996	2nd	Mature	501.22	13.56
1997	2nd	Mature	1,003.37	27.14
2002	2nd	Mature	338.93	9.17
2003	2nd	Mature	165.49	4.48
2005	2nd	Mature	70.09	1.90
2007	2nd	Mature	6.00	0.16
2009	2nd	Immature	200.96	5.44
2010	2nd	Immature	236.03	6.38
2011	2nd	Immature	205.26	5.55
Total			**3,697.21**	**100.00**

1.6 Other certification held (ISO etc)

The CU also holds ISCC and HACCP certification.

1.7 Organisational information / contact person

Name : Mohd Yusri bin Muhammad
Designation : Mill Manager
Address : KKS GIRAM P.O. Box 19, 91207 Kunak, Sabah.
Phone : 089-855 277
Fax : 089-855 010
e-mail : mohd.yusri.muhammad@simedarby.com

1.8 Tonnage certified

Table 4: Actual CPO and PK tonnage since date of last reporting period (Jan–Dec 2013 and Jan–Dec 2014)

	FFB Processed (mt)	CPO Production (mt)	PK Production (mt)	Certified CPO (mt)	Certified PK (mt)
Jan-Dec 2013	167,891.24	37,271.63	7,529.97	37,271.63	7,529.97
Jan-Dec 2014	177,136.25	39,751.13	8,478.34	39,751.13	8,478.34

Table 5: Estimated CPO and PK tonnage for next reporting period (Jan-Dec 2015)

	FFB Processed (mt)	CPO Production (mt)	PK Production (mt)	Certified CPO (mt)	Certified PK (mt)
Jan – Dec 2015	179,140.46	40,403.17	9,044.82	40,403.17	9,044.82

1.9 Time Bound Plan

The Sime Darby Plantation Group has been a member of RSPO since 8 Sep 2004 and is committed to full compliance with the RSPO P&C and full certification in all aspects of its operations. Sime Darby Plantation Sdn Bhd (SDPSB) owns and operates 62 palm oil mills (Strategic Operating Unit – SOU) and 202 estates (as per update on 31 Mar 2012), throughout Malaysia and Indonesia which has completed its RSPO certification assessments in year 2011.

Based on the due diligence conducted on SDPSB there were no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labour disputes that are not being resolved through an agreed process, no evidence of non-compliance with law in any of the non-certified holdings. Sime Darby has complied with the RSPO requirement for partial certification and has justified the revision to TBP. In conclusion:

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan was justified and found to be adequate.

2.0 AUDIT PROCESS

2.1 Audit Methodology and Programme

The planning for this Stage 2 auditwas guided according to the RSPO AuditDocument. The Stage 2 auditwas guided by the sampling formula of 0.8 √y. However after studying the document of previous assessment, it was decided that the sampling formula of 0.8√y to determine the number of supply bases to be audited would not be used as each supplying base selected has its own issues related to the requirements of the RSPO MYNI. Each of site were assessed, namely SOU 29 Giram oil mill, SOU 29 Giram estate and Mostyn estate.

The auditteam carried out field and office assessments for conformance against the RSPO-MY principles and criteria. The visit has covered mill operation, estate agriculture practise, HCV habitats, labour lines, chemical storage areas and other workplaces.

Common systems were identified and specific evidences were recorded for individual estates as well as smallholders. Interviews, particularly those with employees, local communities and suppliers were conducted formally as well as informally, without the presence of company management personnel. In addition to that, related records and documentation were inspected.

Detail of area coverage during this auditis highlighted in the Stage 2 auditprogramme refer **Attachment 2**.

2.2 Date of Next Surveillance Visit

The next surveillance audit should be conducted within twelve months but not sooner than nine months from the approval date.

2.3 Qualification of Lead Assessor and Audit Team

The audit team consisted of four assessors. The details of the assessors and their qualification are detailed below:

Audit Team	Role/Area of RSPO Requirement	Qualification and Experience
Khairul Najwan Ahmad Jahari	Overall Team Leader Assessor / ecology and environmental issues/ HCV / Forestry	• Collected more than 70 auditor days in auditing Forest Management Certification (FMC – MC&I 2002 and MC&I Natural Forest) • Collected more than 42 auditor days in auditing RSPO • 14 years working experience related to forest management, inventory, surveying, HCVF and logging operation. • Successfully completed accredited Lead Assessor training for ISO 14001: 2004, ISO 9001:2008 and OHS 18001:2000 • Successfully completed RSPO Lead Assessor

		Course – 2011. • B. Sc of Forestry (Forest Management)
Valence Shem	Good Agricultural Practice and Supply Chain	• B.Tech. (Hons) Industrial Technology, Universiti Sains Malaysia • Nine years' experience in Oil Palm Plantation management • Successfully completed and passed IEMA accredited Lead Assessor Course for ISO 14001: 2004 and IRCA accredited Lead Assessor Course for ISO 9001: 2008 • Successfully completed and passed the RSPO P&C Lead Assessor Course in 2011 • Successfully completed and passed the RSPO SCCS Lead Assessor Course in 2012 • Collected more than 500 auditor days in auditing various schemes i.e. ISO 14001, RSPO P&C and RSPO Supply Chain
Mohamed Hidhir Zainal Abidin	Assessor / Occupational health & safety and environmental and mill best practice	• 4 years' experience in palm oil milling • Collected more than 500 auditor days in auditing various schemes i.e. RSPO P&C, OHSAS 18001, ISO14001 and ISO 9001 • Successfully completed IRCA/RABQSA accredited Lead Assessor training for ISO 9001, ISO14001 & OHSAS 18001 in 2012 • Successfully completed RSPO Lead Assessor Course in 2013 • B.Sc. (Hons) Chemical Engineering, Universiti Kebangsaan Malaysia (UKM)

2.4 Certification Body

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

SIRIM QAS International has vast experience in conducting assessments 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 assessments for sustainable production of palm oil products against the requirements of the MYNI RSPO P&C. SIRIM QAS International was approved as a RSPO certification body on 21st March 2008.

2.5 Stakeholder Consultation and List of Stakeholders Contacted

A stakeholder consultation was conducted in 10 October 2014 for a period of one month. Letters were sent to relevant stakeholders including government agencies and NGOs. The announcement was also made in the RSPO website and Sirim QAS International. However there are only two comments received from the stakeholders.

There were various stakeholders interviewed during this auditcomprising of workers, surrounding villagers and contractors. Generally, all of the stakeholders had given positive feedback towards SOU 29 Giram CU.

Government Agencies & Statutory Bodies

1. Balai Bomba & Penyelamat, Tawau
2. Balai Bomba Kunak – En Jaafar Salleh
3. Balai Polis Kunak - En DSP M Radzali Bin Mahmud
4. Balai Polis Tawau
5. Bukit Tawau National Park, Tawau
6. Environment Protection Department, Sabah
7. Hospital Daerah Kunak - En Dr Hj Hasbullah
8. Hospital Daerah Tawau
9. Hospital Lahad Datu
10. Ibu Pejabat Polis Daerah Kunak
11. Jabatan Air Daerah Kunak
12. Jabatan Alam Sekitar Negeri Sabah, Kota Kinabalu
13. Jabatan Alam Sekitar Negeri Sabah, Sandakan
14. Jabatan Alam Sekitar, Tawau
15. Jabatan Bomba dan Penyelamat, Tawau
16. Jabatan Hidupan Liar, Lahad Datu
17. Jabatan Imigresen, Tawau
18. Jabatan Kerja Raya, Kunak
19. Jabatan Keselamatan Dan Kesihatan Pekerjaan (JKKP) W.P. Labuan
20. Jabatan Keselamatan Dan Kesihatan Pekerjaan, Kota Kinabalu
21. Jabatan kesihatan Daerah Kunak
22. Jabatan Kesihatan Daerah Tawau
23. Jabatan Pendaftaran Malaysia Daerah Kunak
24. Jabatan Pengangkutan Jalan Cawangan Tawau
25. Jabatan Perhutanan Daerah Kunak
26. Jabatan Perkhidmatan Haiwan dan Perusahaan Ternak, Kunak
27. Jabatan Pertahanan Awam, Tawau
28. Jabatan Pertanian Daerah Kunak
29. Jabatan Pertanian Daerah Tawau
30. Jabatan Tenaga Kerja Daerah Kunak

31. Jabatan Tenaga Kerja Daerah Tawau
32. JKKP Sabah, Kota Kinabalu
33. Klinik Kesihatan Ibu Dan Anak
34. Klinik Kesihatan Merotai Besar, Tawau
35. Kumpulan Wang Simpanan Pekerja (KWSP) Daerah Lahad Datu
36. Kumpulan Wang Simpanan Pekerja (KWSP) Daerah Tawau
37. Pejabat Daerah Kunak
38. Pejabat Pelajaran Daerah Kunak
39. Pejabat Perdagangan Dalam Negeri, Koperasi Dan Kepenggunaan Cawangan Lahad Datu
40. Pejabat Pos Malaysia Daerah Kunak
41. Pejabat Pos Malaysia Daerh Tawau
42. Social Security Organization (SOCSO), Tawau
43. MPOB Daerah Lahad Datu
44. MPOB Wilayah Sabah, Kota Kinabalu

Non-Governmental Stakeholder

1. Telekom Malaysia Bhd Daerah Kunak
2. Agensi Pekerjaan Emcojuta, Tawau
3. Agensi Pekerjaan JND Alliance Sdn Bhd, Lahad Datu
4. Agensi Pekerjaan MNK Sdn Bhd, Sandakan
5. Borneo Conservation Trust, Kota Kinabalu
6. Embassy Filiphine
7. Embassy Indonesia
8. Environmental Protection Society Malaysia (ESPM) Petaling Jaya Selangor
9. Klinik S.K.Lo Sdn Bhd
10. Sabah Environmental Protection Association (SEPA), Kota Kinabalu
11. Sahabat Alam Malaysia, Pulau Pinang
12. Wetlands International (Malaysia) Petaling Jaya, Selangor
13. Women's Aid Organization, Kuala Lumpur
14. World Wide Fund for Nature Malaysian, Petaling Jaya Selangor
15. Borneo Child Aid- Humana Child Aid Society Sabah, Lahad Datu
16. Ikatan Relawan Rakyat (RELA)
17. Persatuan Perancang Keluarga Tawau
18. Pertubuhan Keselamatan Sosial, Tawau
19. Sabah Plantation Industry Employees Union (SPIEU), Tawau
20. Sinoh Environmental Sdn Bhd
21. SPIEU Cawangan Giram

Local Communities & Other Interested Parties

1. PJKKK Kg Sri Bahagia Kunak
2. Kg Sri Bahagia
3. Kg Sri Bahagia
4. Kg Kadazan
5. Kg Cenderawasih
6. Skim Cocos
7. Kg Selamat
8. Kg Airport Kunak
9. Imam Estate
10. Kebun Rimau
11. Ladang Giram
12. Ladang Giram Masjid
13. Ladang Mostyn
14. Ladang Tiger
15. Merotai Estate
16. Muis Melewar Plantations
17. SK Abaka
18. SK Ladang Binuang
19. SK Ladang Giram
20. SK Ladang Tiger
21. Syarikat Majullah

3.0 AUDIT FINDINGS

3.1 Summary of Findings

The 6 Major NCR raised during this Stage 2 auditthas been adequately addressed and therefore closed out. 5 corrective actions plan for Minor NCR has been monitored and the effectiveness of corrective action taken will be verified during next audit.

Details of the audit findings (evidences) has been accordingly addressed in full detailed report. The summary of it, with corrective action verification details for NCR are as follows:

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making	1.1.1	Records of requests and responses must be maintained. *Major*.	Yes	Giram CU continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records inspected were correspondences with the authorities, local communities and employees. The records for all communication were identified and maintained in CSR Record. Each record stated the date of communication received, response and remarks whether requests have been addressed. Among the records inspected were correspondences with the authorities, communities and employees. Minutes of meeting "Sesi Dialog bersama Stakeholder (SIA) dated 6 September 2014" was verified.
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. This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to:-	1.2.1	Land titles / user rights (C 2.2)	Yes	The right to use the land at Giram CU can be demonstrated and the assessor sighted that there were clear land ownership documents
	1.2.2	Safety and health plan (C 4.7)	Yes	Safety and health plan was made available at all operating unit. Refer C 4.7
	1.2.3	Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	Yes	Sime Darby Plantations Sdn Bhd had continued to monitor the environmental impact based on the significant aspect identified for all operation. Environmental Aspect Impact Identification and Evaluation were documented and established at all operating units. Cross refer to Criterion 5.1
	1.2.4	Pollution prevention plans (C 5.6)	Yes	Pollution prevention plan for FY14/15 was made available during the assessment. Refer to C 5.6
	1.2.5	Details of complaints and grievances (C 6.3)	Yes	The system was open to all aggrieved parties and there is evidence that estate community as well neighbouring community's use of the complaints book. The complaints and their outcomes

				were recorded and filed.
	1.2.6	Negotiation procedures (C 6.4)	Yes	The Giram CU has been using the procedures for handling boundary issues developed by Sime Darby Plantation to deal with customary rights and compensation for loss of legal rights (Appendix 3, Plantation Quality Management System). The procedure starts with confirmation of conflict, negotiation with affected parties and, if not resolved, arbitration process will take place.
	1.2.7	Continuous improvement plan (C 8.1)	Yes	Giram CU has committed to utilize the already established system to regularly monitor and review their key activities at the mill and estates, and initiated where relevant action plans for continuous improvement in its key areas of operations.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations	2.1.1	Evidence of compliance with legal requirements. *Major*	No	Giram CU continued to comply with most of the applicable local, national and ratified international laws and regulations. Relevant licences and permits such as MPOB license, Trading Licence, Energy Commission and Domestic Trade Ministry for diesel and fertilizer storage were valid. To cite some in the Mostyn Estate, the MPOB licence No. 504126302000 is valid till 28/02/2015, Storage Permit No. S004198 for 2,000 mt/month of Fertiliser, 20,000 litres/month of Diesel and 2,000 litres/week of petrol is valid till 23/06/2015. Giram mill for instance, still continued to comply most of the applicable laws and regulations with regards to : **Factory and Machinery Act 1967** i) ***Person In Charge Regulation 1970*** Based on current amendment for Factory & Machinery Act 1967, Person In Charge Regulations 1970 (amendment 2014), it was found all required regulations were fulfilled by Giram POM. The requirement has been

				downgraded where the available person in charge is sufficient to monitor and manning the operation of boilers and gensets. ii) ***Steam Boiler and Unfired Pressure Vessel 1970*** Essential fittings – all 13 essential fittings was found in good condition and operational. Boiler gauge glass can be clearly seen from flaring position. Name plate affixed at tank – Boiler name plate PMD 10604, PMD 10439 and manufacture name plate was found affixed to the boiler. Boiler register, indicating the date of commission, cleaning, inspection and maintenance particulars are in place. iii) ***First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977*** Based on the 'Kebenaran Bertulis' by DOE, the Quarterly Return Form, is being generated and forwarded to DOE in a timely manner. iii) ***Notification, Certificate of Fitness and Inspection, Regulations 1970*** Machine requiring CF – Steam boiler and unfired pressure vessel are scheduled for inspection on annual basis. Annual mill inspection was carried out on 17th November 2014. Period of validity (max 15 mth) – New CF was found valid until 18 June 2015. iv) ***Noise Exposure Regulations 1989*** Areas with noise level exceeding equivalent continuous sound level of 90 dB (A) are positively identified and appropriate ear protection have been prescribed (mill are included in this monitoring). Positive Noise Exposure Monitoring - Report Ref no : DOSH / Noise / SDK / (77) d/d : 13/05/2010. Recommendations provided were acted upon. Boundary Noise Monitoring Report –- verified and found to be sufficient. Record of baseline audiogram for respective worker stored as hardcopy and kept in proper filing, retrieval by authorized personnel, retention as per procedure and will be disposed after the

				retention period accordingly. Last audiometric testing was carried out on 21 November 2014 with total of 85 employees under Klinik S.K Lo Sdn Bhd. 3 workers who have been identified as hearing impaired and OHD had recommended to following up with ENT doctor. Letter dated 24/4/14 to ENT Department Hospital Tawau was sigthed for the hearing impared workers. 1 worker has to be referred to Outpatiet Department for further treatment and the other workers had to continue annual audiometric as per requirement. Both has submit respective documents to SOCSO for compensation accordingly. v) ***Use and Standards of Exposure of Chemicals Hazardous to Health (USECHH Regulations 2000)*** **Chemical Health Risk Audit(CHRA) –** Latest revisited CHRA by Nalco on 7th July 2014. Verified IHT I registration number – JKKP IHT/127/171-2(75). Among work unit assessed were : i) Water treatment – Recommendation for medical surveillance. ii) Lab – continue medical surveillance - retrofitting the LEV system **<u>Major NCR #: MH1</u>** **i) No evidence of 5 years inspection records available during the auditat Giram Mill.** • **Currently Giram Mill had engaged competent person as required in subregulation Electrical Regulations 1994, Regulation 110(3). The inspection was carried out by monthly basis instead of every 5 years** • **Monthly report i.e 21 Dec 2014 was verified. Inspection was conducted by a competent person from CT Engineering Services was verified.** • **Permit to store diesel and petrol [ref.: B.PGK.SAB.LDU 01/81 (SK)] at Giram Estate had expired since 27/12/2011.** • **Estate management already apply for diesel permit renewal and**

				pending for approval. All correspondence will be place at KPDNKK file for easy monitoring on permit renewal • **A letter from Giram Estate to KPDNKP Lahad Datu dated 13.1.2015 regarding "Permohonan Penyambungan Surat Kuasa No:B.PGK.SAB.LDU 01/81 (S/K)" was verified. A letter from KPDNKK to BOMBA dated 7.4.2015 to inspect Giram Estate was verified.** **Status: Closed** **<u>Health Surveillance Programme</u>** The medical surveillance programme has been carried out on 30/6/14 for those exposed to chemical in their routine job as per CHRA recommendation. Refer to medical surveillance report by Dr Lo Soo Khim. There is one isolated case related to lab operator under exposure to N-hexane. N-Hexane metabolit level in his urine was exceeded the permissible limit. OHD has advised to conduct retest for the identified workers immediately. Based on the urine result parameter of 2,5-Hexadione, it was found that the BEI (Biological Exposure Indices) was reduced below than the permissible limit. No medical removal protection was initiated based on the latest result of monitoring. The other workers were found to be healthy, no detrimental of health occurred because of their routine jobs. **Electric Supply Act 1990** i) ***Electrical Regulations 1994***, Competent person A4 and A0 was registered with Suruhanjaya Tenaga Frequency of visit by EE (monthly) – Consultant, CT Engineering Services under competent person Ir. Fung Kian Fui, P.Eng. No. 9447, JK-T-2-B-0002-2005 has carried out the inspection. Latest visit on 20 November 2014 was verified in the logbook. EC license validity – electicity generation for the total of 3264kW (validity period – 22/5/15)

				However under Electricity Regulation 1994, Regulation 110(3) for 5 years electrical installation inspection has not been fulfilled, thus Major NCR MH1 was issued. ii) ***EQ (Prescribed Premise) Crude Palm Oil Regulations 1977*** Requirement in *"Jadual Pematuhan"* License number and validity period – 001872, (1/7/14 – 30/6/15) Discharge method – Water ways (land irrigation and composting) **Air monitoring** **a) Black smoke** – Permissible emission limit is Ringellman 2 @ 40% opacity for 15 minutes in 1 hour and 15 minute (aggregation) in 24 hours. Occasional of black smoke emission was recorded with some justifiable conditions during start-up, uncontrolled burning and loading). Smoke density recorder was found operational and alarm is laudable enough to alert the operators. Report to DOE is via CEMS-DIS and was found off-line during the assessment. Giram Mill has notified DOE regarding the CEMS malfunction. Letter dated 10/12/14 was sighted and mill has appointed ST Tech Engineering Sdn Bhd to rectifiy the problem. **b) Particulate** – < 0.4 g/Nm^3 (Std C), stack sampling (quarterly) For the 2nd half of 2014, PO was issued to the consultant on the 26/11/14 (4300261236) and yet to be carried out. According to the mill management, stack sampling will be carried out early January 2015. Results of monitoring will be verified in the next audit. Environmental Impact Auditvisit by Chemsain Consultant in September 2014 for replanting. Project title: EIA for Oil Palm Replanting Projects at Tawau and Kunak Estates, Sabah. The EIA is done to replace the Proposal for Mitigating Measure. As at this assessment, still in the middle of obtaining EPD's approval.
	2.1.2	A documented system, which includes written information on legal requirements.	Yes	Giram CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to operation. Each office of

		Minor		the mill and estates has its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance by Assistant Engineer (AE) and reviewed by Mill Manager (MM) List of applicable legal and other requirements was made available during the auditand compiled in the QSHE/04/5.2.4 folder. Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008
	2.1.3	A mechanism for ensuring that they are implemented. *Minor*	Yes	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units under Giram CU. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008].
	2.1.4	A system for tracking any changes in the law. *Minor*	No	**<u>Minor NCR #: MH2</u>** **No changes and updates incorporated in the legal register at all operating units;** **Legal register file was not updated with regards to;** **i) Environment Quality Act 1974, 49A on competence person (amendment 2012)** **ii) Industrial Code of Practice Confined Space 2010** **iii) CLASS (Classification, Labelling and Safety Data Sheet) Regulation 2013** **iv) Medical Assistant (Registration) Act 1977** **v) FMA1967, Person in Charge Regulations (Amendment) 2014** **vi) Labour Ordinance Cap67** **vii) Child Care Centre Act, 1984**

				viii) Immigration Act, 1975 **ix) Industrial Relation Act, 1956** **x) Electricity Regulations 1994** **PSQM already updated new regulation into Legal of Register (LORR). However, few regulation miss out to be plug into LORR** **Status: Corrective Action taken was accepted. The effectiveness of the action taken will be verified during the next assessment.**
C 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2.2.1	Evidence of legal ownership of the land including history of land tenure. *Major*	Yes	Giram CU has the evidence of legal ownership of its land. Copies of land titles for the estates were sighted at Mostyn Estate. The original ownership documents are kept at SDPSB's headquarters. The legal ownership and the map to indicate the boundary stone had been sighted for Mostyn Estate. The estate had 18 separate land titles with one title having a lease hold of 60 years, three titles with lease holds or 999 years and the rest with 99 years.
	2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2] *Major*	Yes	The ownership e.g. Country Lease # 245331355 dated 14 August 1939 for with terms and conditions for oil palm plantation was clearly stated. The map of the areas, including the boundary stones were made available. Based on document review, it was confirmed the terms of the land title for the estate has been continuously complied with at Mostyn Estate.
	2.2.3.1	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained. *Minor*	Yes	During the site visit at Mostyn Estate, it was noted that the estate had managed to locate some of the boundary stones adjacent with the local communities. The boundary stones were along the perimeter adjacent to state land and other reserves had been sighted during the site visit.
	2.2.3.2	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross	No	**<u>Minor NCR #: KN1</u>** **There is one disputes logged by Mr George Jomol bin Loguman from Kg Kadazan by letter dated 16 April 2013. The Sime Darby management had replied on 3rd May 2013. A second reminder by complainant dated 30th October 2014 was verified. The Mostyn management has sent an email to Land Management Department Sime Darby Plantation on**

		ref. to 2.3.3, 6.4.1 and 6.4.2. *Minor*		**3rd November 2014 regarding the issues. Surveyor from Juru Ukur Sabah had surveyed the area on 30th April 2013. However, until at the time of audit, there is no any further action conducted. It was found proof of resolution or progress towards resolution by conflict resolution processes with Mr George Jomol bin Loguman (Kg Kadazan) at Mostyn Estate was not available.** **Mostyn Estate will meet Mr George Jomol to resolve the issue. Matters to be discussed;** **1. To agree on the common boundary** **2. Estate to remove roads and electricity poles with overhead and underground cable from Mr George Jomol's Land** **3. Oil palm trees planted by estate in the disputed area granted to mr George Jomol as a sign of good faith** **Status: Corrective Action taken was accepted. The effectiveness of the action taken will be verified during the next assessment.**
C 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights. *Major*	No	**<u>Major NCR #: KN2</u>** **Evidences of ownership (cross refer to section 2.2) are available and were sighted. It was also noted from records sighted, as well as through interviews with stakeholders, that there were no disputes on land rights in the area. However one person from Kg Kadazan has been claim some portion of his land at Mostyn Estate. It was found there is no clear participatory mapping conducted to construct maps that show the extent of these rights.** **Evidences received on 3.4.2015 were referred.** **Minutes of meeting between mr George Jomol and Mostyn Estate representative was verified. Clear participatory mapping was conducted to construct map that show the extent of his right was sighted attached with the minutes of meeting.** **Status: Closed**
	2.3.2	Map of appropriate	No	**<u>Major NCR #: KN3</u>**

		scale showing extent of claims under dispute. *Major*		**Map of appropriate scale showing extent of claims under dispute with Mr George Jomol bin Loguman (Kg Kadazan) at Mostyn Estate was not clearly defined.** **Estate's management has appointed Jurukur Sabah as the surveyor to carry out the surveyand to prepare a proper map. A certified copy of the surveyed map with appropriate scale that shows the extent of the area was handed to Mr George Jomol on 12 Jan 2015** **Map with appropriate scale showing of claims by Mr George Jomol was verified** **Status: Closed**
	2.3.3	Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6). *Minor*	No	**Minor NCR #: KN4** **Copies of negotiated agreements detailing process of consent with Mr George Jomol bin Loguman (Kg Kadazan) at Mostyn Estate was not available. Therefore Minor NCR KN-4 was issued** **A meeting would be arranged with Mr. George Jomol. An agreement would be based on points of discussion stated in NCR KN-1** **Status: Corrective Action taken was accepted. The effectiveness of the action taken will be verified during the next assessment.**

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	Annual budget with a minimum 2 years of projection *Major*	Yes	At Giram Estate, it was noted that the estate continued to be committed to long-term economic and financial viability. The annual budgets for two years projection are available for verification. The annual budgets are prepared on an annual basis at the middle of every financial year ccontinued to the commitment on long-term economic and financial viability had gazetted annual budgets for the financial year 2015/2016. The annual budgets are prepared on an annual basis before the end of financial year and projected until 2020.

				The operating expenditure included expenditure for Replanting, Mature and Immature Oil Palm upkeep, Administration cost, Housing and Machinery upkeep, allocation for sustainability implementation (environmental, social, occupational safety and health), infra-structure development (roads, etc.), and training, etc. Among the mechanism to monitor the expenses will not overrun the budget are by having expenditure records in the "Cost Book" (daily basis) and "Business Intelligent report" (monthly basis in a computer system). In the BI report, justification will be stated if there is any significant variance between actual and budgeted cost. Giram Mill has identified budgets on (OPEX and CAPEX) for compliance, safety, oil losses and efficiency, welfare and process improvement. On plant and machinery budgets with total of RM1,738,050.00. To cite some, new 500kW genset was budgeted as well as new fume hood for oil extraction analysis. Total of RM 6,965,000.00 was allocated for CAPEX in FY15/16.
	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. *Minor*	Yes	The replanting programme for the next five years had been prepared as sighted in the 'Replanting programme 2011 to 2021. This programme is reviewed once a year and is incorporated in their annual financial budget. The programme was being implemented as scheduled. Replanting program – 5 years projection

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.	4.1.1	Documented Standard Operating Procedures (SOP) for estates and mills. *Major*	Yes	Giram CU continued to adopt a comprehensive SOP for all its estate and mill practices. Operation activities in the estates and the mills include from seedlings in nursery to planting of young palms and plantation upkeep to mill despatch of CPO, PK and PKO that are guided by the standard operating procedures (SOP). They are established as part of the Estate/Mill Quality

				Management System documents. For the estates, on top of the Estate Quality Management System, technical guidelines as listed in the Agricultural Reference Manual are also used. Contents of the Manual were disseminated to the workers through morning roll call and trainings (to all worker including operator at high noise area e.g boiler etc). The Manual is also kept in the administration office where everyone can refer to. For activities related to environmental requirements, SOPs in the Sime Darby Plantation-Sustainable Plantation Management System are referred to. Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011 addressed adequate safe working practices and application of pesticides by sprayer. The SOP has among others, the Permit to Work System for hazardous task, such as confined spaces, hot work, electrical repairs and work at height has been covered in details. Safety induction training to sprayer has been hold sufficiently and pre-job discussion and competence evaluation was conducted upon issuing this permit Safety and Health Manual

				– 2nd Rev, 12/12/ 2011 - Chap 7 – Handling Agriculture Chemical – Standard and Safe Operating procedure. – described. SOP for safe agrochemicals usage have been established, the safety aspects and the precaution that needs to be practiced are incorporated in the respective SOPs Safe working SOPs for the mill floor are in place Based on the HIRARC carried out the PPE types for the various station are identified using the ' PPE usage form' 'Personnel Protective Equipment Matrix' used to identify the applicable PPE required for a particular station. List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective station. Based on the HIRARC carried out the PPE types for the various station are identified using the ' PPE Distribution Records' Permit to Work at the Mill and the estates are being used. The use of Permit to Work in Confined space (PTW CS) to inform external Contractors of the Safe practices and precautions to be adhered has been verified and found to be adequate. The Mill uses a Seggregation System – Module E As such it does not differentiate between the processing and storage methods used for FFB

				from its internal or External sources. The processing of FFB is done in a manner as guided by its SOP [Mill Quality Management System, version 1, Issue 1, dated 1/11/2008] which covers the entire operation from receiving of FFB until dispatch of CPO & PK. Briefing on the SOPs and related documents were conducted and workers are frequently reminded about it during the morning muster. Interviews with employees revealed that they understand the requirements of the SOP. It was also noted that relevant SOP were displayed at various work station for easy reference, for example, at estate office notice board and mill workstation notice board. Monitoring of the SOP implementation was closely done by person-in-charge and their records were verified. Among the records were work programmes for major activities at the estates such as fertilizer application, herbicide spraying and replanting. Other records sighted were the issuance of Personal Protective Equipment, agrochemicals and fertilizer through the stock books, store requisition and issue sheets.
	4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months. *Minor*	Yes	Monitoring of the SOP implementation was closely done by person-in-charge and their records were verified. Among the records were work programmes for major activities at the estates such as fertilizer application, herbicide spraying and replanting.

				Other records sighted were the issuance of Personal Protective Equipment, agrochemicals and fertilizer through the stock books, store requisition and issue sheets. Mill operational records for instance were properly kept for reference. Daily and monthly production reports were sighted during audit. Verified the MPOB reports via MPOB (EL) MF4 and PX4-MF for mill efficiency and product quality reporting as well as internal reporting in the SAP system was maintained on monthly basis. The other monitoring records such as effluent analysis results, production log sheets for sterilizer, press and kernel plant operation were also was available during audit.
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	Monitoring of fertilizer inputs through annual fertilizer recommendations. *Minor*	Yes	Fertilizer application is recommended by an agronomist (Mr. Shaiful Afandi Musa) from Sime Darby Research Sdn. Bhd., Carey Island. Latest recommendation was in January 2014 for February to October 2014 manuring programme. Fertiliser application rate per palm (dosage) varies from field to field. Average recommended dosage for mature palm is between 8 to 10 kg/palm using straight fertiliser (AS, MOP, RP & Borate). As at November 2014, Giram Estate has completed 90% progress for mature area and 80% for immature area. It was behind schedule due to late delivery from the fertilizer supplier (PK Fertiliser) and unfavourable weather. The actual progress of fertilizer

				application is recorded in the estate's manuring cost book.
	4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. *Minor*	Yes	Annual fertiliser recommendation was done by the Agronomist with reference to soil and foliar sampling. The foliar sampling is done annually for all fields. The latest foliar sampling report was prepared on 9/1/2014 and available at the estate office for verification. Whereas the last soil analysis was done on 6/6/2014 [report # S7/2014] by Sr. Chemist (Kursiah Hj. Arase) from Sime Darby's R&D Centre, Tawau.
	4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. *Minor*	Yes	There is no specific programme for EFB mulching at the estate. EFB application is only based on wherever possible area to be applied. The total tonnage taken from the mill is based on the amount of FFB sent. Application of bio-compost is also recommended by the Agronomist. The bio-compost is mainly acquired from Giram POM (one of Sime Darby subsidiaries) and recommended to be applied at 100 kg/palm. Due to limited supply from the mill, the progress of compost application at Giram Estate is not sufficient and the need to verified the application at 100kg/palm are challenging
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps). *Minor*	Yes	It was observed that practices to minimise and control erosion and degradation of soils were advocated through proper stacking of fronds, EFB application, construction of terraces in hilly terrains, avoidance of blanket

				spraying and maintenance of soft vegetation in interlines.
	4.3.2	Avoid or minimize bare or exposed soil within estates. *Minor*	Yes	No exposed or bare soil observed at Giram Estate during the field visit.
	4.3.3	Presence of road maintenance programme. *Minor*	Yes	Road maintenance programme was available for year 2014/15. Among the activities included in the programme were road grading & compacting, patching and roadside pruning.
	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme. *Minor*	Yes	No peat soil at Giram Estate according to agronomist report which made reference to ARM, Section 8, Year 2013, Clause 1.1.2 [describing about soil series and soil type]. Soil type mainly consists of Mostyn/Lucia Series and Sipit Series and others. Both series are of 35-60% Clay.
	4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils). *Minor*	Yes	No fragile soil.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate. *Major*	Yes	Giram CU had continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. During the site review at Giram Estate (Sipit Division), it was noted that the assigned buffer zone along Kalumpang River was left untouched. The width of the buffer zone is 20 meters for both sides of the bank. This is in accordance to the Drainage and Irrigation Department (DID) requirements. Giram Estate is also in progressively maintaining the identity marking for the

				buffer zone.
	4.4.2	No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate. *Major*	Yes	There was no observation of bunds, weirs or dams across any water ways and rivers in any of the visited estates of Giram CU.
	4.4.3	Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts (Cross reference to C 5.1 and 8.1). *Major*	Yes	Outgoing water of Kalumpang River is tested once in every three months by a consultant through Environmental Compliance Report exercise. Last tested for water quality was done on 20/8/2014 [ref.: ECR F2/2014 for 158.94 Ha]. Report showed that the results were within the limit of Class IIB of NWQS for Malaysia. Among the parameters tested were pH, BOD, COD, TSS, OG, AN and E.Coli. Mill records on outgoing water monitoring for DOE submission in the *'Borang Penyata Suku Tahunan'*. 1st quarter report until 3rd quarter of 2014 report was available for viewing. Giram Mill DOE licence is for waterways and composting and the stipulated BOD 3 days, 30°C to be less than 20 mg/l. The latest quarter report from (July 2104 – September 2014) was sampled. The BOD results was way below than the stipulated limit of 20 mg/l. BOD result of 1st week of the quarter was 17 mg/l, 5th week of the quarter 12 mg/l and the 9th week was 13 mg/l. Latest test report for September 2014 was verified and the result showed compliance with the stipulated limit. Refer to EP355/2014 dated 3/9/2014.
	4.4.4	Monitoring rainfall data for proper water management. *Minor*	Yes	Rainfall records based on rain gauge reading are available on site. Average rainfall per year is 2,400

				mm over 150 rain-days for the past ten years (2003-12). Driest month is June and highest is in March to May.
	4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed). *Minor*	Yes	Giram CU had monitored the amount of water consumed by mill for its operation and activities. It was observed that the records of the mill water consumption (m^3 of water per ton of FFB) were being kept.
	4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. *Minor*	Yes	No drainage to protected area was observed at the visited operating unit.
	4.4.7	Evidence of water management plans. *Minor*	Yes	Among the water management plan established by Giram CU are: i) Reduce usage of fresh water and recycling the sterilizer condensate liquor for oil dilution. ii) Rain water harvesting.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	4.5.1	Documented IPM system. *Minor*	Yes	Guided by Sime Darby Agricultural Reference Manual, dated 1/7/2011, Version 3 – Section 15 Plant Protection.
	4.5.2	Monitoring extent of IPM implementation for major pests. *Minor*	Yes	*Ganoderma* infection and bagworm population is monitored through census. IPM used for bagworm is mainly by establishing beneficial plants such as *Antigonon, tunera* and *cassia sp*. The beneficial plants were mainly planted at the road side to host the predators for the leaf-eating caterpillars. Census of bagworm was not necessary due to no observation of leaf-eating pest. For *Ganoderma* – treatment is done by soil

				mounding at the oil palm. Based on ARM, threshold level is 20% infected. From the census done latest by October 2014, the result was only around 2% infection.
	4.5.3	Recording areas where pesticides have been used. *Minor*	Yes	Recording areas where pesticides have been used can be seen in the "Store Issue Note" and "Bin Card".
	4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/ tonne of oil. *Minor*	Yes	Monitoring of pesticides used were done and recorded on monthly basis. For the time being, only *warfarin* and *cypermethrin* have been used at Giram Estate. The quantity used would then be plotted in a graph for trending analysis. Policy on pesticide usage was set to minimise cypermethrin usage at estate as the insecticide is likely to cause detrimental effect on the non-target organisms particularly predators, parasitoids and pollinators. Based on pesticides schedule record it was found out that priorities has been given to use warfarin and cypermethrin usage has been reduce from time to time
C 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. *Major*	Yes	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011.
	4.6.2	Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH	Yes	It was confirmed at all site stores visited that pesticide used for field operation were those registered under the Pesticide Act 1974.

Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.		Regulations (2000). *Major*		Records of spraying are held on files. Among the pesticide used were: Behn Mayer Glyphosate (Glyphosate Isopropylamine 40%), Ally 20DF (Metsulfuron Methyl), Kenlon (Triclopyr Butoxyl Ethyl Ester), Wet & Stick (Surfactant) and Sodium Chlorate.
	4.6.3	Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. *Major*	Yes	Site visit to chemical stores noted pesticides had been stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. Chemical Safety Data sheets (CSDS) were available at the point of use. Record of the purchase, storage and use had been properly maintained. The stores were pad locked, ventilated, proper PPE requirement signage posted at entrance to store and spill containment tray placed underneath each product.
	4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level. *Major*	Yes	Giram CU continued to use the Agriculture Reference Manual (ARM), SOPs and Safety Pictorial procedure. These documentations included a chemical register which indicates the purpose of chemical usage (intended target), hazards signage, trade and generic names in English and/or Malay language as well as the CSDS of the chemicals. Where information was available only in English explanation of the same translated to local language were made by staff for the benefit of workers understanding. The Safety Pictorial procedures were used as a means of communication to the

				employees during training and briefing session. Interviews with sprayers confirmed that they are understood the need for proper handling of the chemicals, the safety and health hazards posed by these chemicals and thus the necessity to wear appropriate PPE.
	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. *Major*	Yes	The latest revisited CHRA for Giram Estate was conducted in 6th September 2013 by Klinik Mansor Sdn Bhd. Refer to report DOSH2013090601 (JKKP HIE 127/171-2(289). Medical surveillance is recommended for workers who handled pesticides and manure Store keeper, chemical mixer, sprayer and manurer are among the operators to be sent for medical surveillance. From the latest medical surveillance dated 26/3/14 by Klinik S.K Lo Sdn Bhd, there were 2 workers from spraying and manuring unit found to be unfit. Medical removal protection has been initiated and those workers were relocated as general workers. Letter from HA to the management was verified dated 5/5/14 to relocate those affected workers to other suitable jobs. these cases been reported to SOCSO/ Labour Department and action taken verified to be proper and adequate. The annual Medical Surveillance for Pesticides Sprayers includes Cholinesterase level. Which is an inverse indicator for harmful cholinesterase inhibitors present in • Organophosphate pesticides

				• Carbamate pesticides Local workers affected by occupational diseases like sprayers and mill workers in high noise levels are covered by the Social Security Organisation (SOCSO) insurance scheme to ascertain the occupational disease and for possible compensation. Foreign workers are covered with the compensation insurance scheme by RHB Insurance Berhad.
	4.6.6	No work with pesticides for confirmed pregnant and breast-feeding women. *Major*	Yes	Based on the medical records, there was no evidence of pregnant and breast feed women being used as pesticides operator in Giram CU.
	4.6.7	Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM. *Minor*	Yes	No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium.
	4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. *Major*	Yes	There was no evidence of any Aerial spraying found at Giram CU.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. *Minor*	Yes	There was no evidence of chemical residues in CPO testing, as requested and conducted by the buyers
	4.6.10	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5	Yes	Records of agrochemicals use including active ingredients used, area treated, amount applied per ha and number of applications are

		years or starting November 2007. *Minor*		maintained and kept up-to date. During the Site visit (Audit) there was no treatment of highly toxic pesticide and no balance of used Pesticides, however necessary provisions for the safe keeping balance pesticides were in place
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act139). *Major* <u>The safety and health (OSH) plan shall cover the following</u>		
	a)	A safety and health policy, which is communicated and implemented	Yes	Giram CU continued to adopt the SDPSB's Occupational Safety and Health (OSH) policy. The policy had been communicated to all levels of the organization through briefings and they were also being displayed prominently in Bahasa Malaysia and English on notice boards at mill, estate office and Muster Ground. Random interviews with employees showed that they were aware of the policy requirements, i.e. to work safely, comply with legal requirements and follow established procedures and instructions from management. Occupational Safety and Health (OSH) management plan for each operating unit had been established. The ESH management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training programme, accident and

				emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings and etc.
	b)	All operations have been risk assessed and documented.	Yes	Latest revisited CHRA by Nalco on 7th July 2014. Verified IHT I registration number – JKKP IHT/127/171-2(75). Among work unit assessed were : i) Water treatment – Recommendation for medical surveillance. ii) Lab – continue medical surveillance - retrofitting the LEV system **Major NCR #: MH3** **Based on the latest revisited CHRA (Chemical Hazard Risk Assessment) dated 7th July 2014, the work units in the mill compound were not adequately assessed. For example work unit such as workshop and process area (kernel plant) were not included in the assessment.** **The hygiene technician / certified assessor has been informed and they agree to review the report** **A letter dated 13 January 2015 from Nalco Industrial Services Malaysia to Giram Oil Mill regarding CHRA Proposed date on 30 January 2015 to specific area for main store, chemical store, workshop and kernel plant was verified.** **CHRA Report dated 7 July 2014 and 30 Jan 2015 was verified. Risk situation at Production Plant and workshop was conducted.**

				Status: Closed At the estates, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. Full review for the HIRARC was conducted among the ESH committee on 29/9/14 with regards to mechanization of FFB harvesting and collection. Not much changes observed in term of hierarchy of control to determine appropriate control measures. Most of the control applied is on the administrative measures. For Giram POM, all key activities identified and risk assessed with respect to FFB grading and sorting, FFB sterilization, kernel and oil extraction, oil clarification, maintenance activities at the workshop, working in confined space, working at height and hot work activities. HIRARC review was done in August and November 2014 after accident occurrences. Appropriate administrative control measure (training and awareness) has been determined and revised in the HIRARC register.
	c)	An awareness and training programme which includes the following specifics for pesticides: i. to ensure all workers involved have been adequately trained in a safe working practices (See also C 4.8) ii. all precautions attached to products should be properly observed and applied to the workers.	Yes	OSH awareness and various OSH training courses had been identified for each category of workers. This to ensure all workers involved have been adequately trained in safe working practices. Field inspection and observation of spraying tasks confirmed chemicals being applied were in accordance with the product safety precautions

				and workers of its risks. MSDS were made available at point of use – for example, at mill's water treatment plant, boiler chemical dosing area and chemical mixing area and at the chemical store of each estates
	d)	The appropriate personal protective equipment (PPE) are used for each risk assessed operation. i. Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and if used, burning.	Yes	Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor's recommendation. Signage was to remind workers to wear PPE was posted at the suitable location in the mill compound. Sample of workers interviewed found that they were understood the reasons and importance why they were required to wear the PPE. There is compliance to the Factories and Machinery (Noise Exposure) Regulations 1989. List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective station. i) Sterilizer and boiler/power station – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff. ii) Lab – Respirator (double Cartridge) 3M 6003, Nitrile Glove (chemical penetration), safety boots, Ear plug (NRR = 24 dB). iii) Field workers (sprayer, manurer & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. iv) Areas with noise level exceeding equivalent

				continuous sound level of 90 dB (A) e.g. the Boiler Station and Sterilization are positively identified and placed at each respective entrance and clearly indicate that these areas is high noise area and appropriate ear protection (ear muff) have been prescribed. There is compliance to the Factories and Machinery (Noise Exposure) Regulations 1989. Areas with noise level exceeding equivalent continuous sound level of 90 dB (A) are positively identified and appropriate ear protection have been prescribed
	e)	The responsible person (s) should be identified.	Yes	Latest FY 2014/2015 Safety and Health Committee organization chart available with workers and management representative at Giram Mill; Mr Mohd Yusri Mohd – Mill Manager as Safety Health and Committee Chairman January 2014, and Mr Ahmad Husaini Harun – Ast Manager as Safety Health and Committee Secretary effective January 2014. Latest FY 2013/2014 Safety and Health Committee organization chart available with workers and management representative. Ms Andi Rosnita Kandi appointed as Safety Health Committee Secretary effective 1/10/13 at Tingkayu Estate.
	f)	There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and	Yes	Quarterly Safety & Health Committee meeting held at the respective unit in the CU chaired by manager (mill or estate).

		safety are discussed.		Improvement was noted on the comprehensive meeting minutes compared to the previous assessment. Safety and Health Committee meeting has been conducted accordingly and minute and finding found to be adequate
	g)	Accident and emergency procedures should exist and instructions should be clearly understood by all workers.	Yes	Emergency Response Plan (ERP) has been established and defined in procedure, Level 2, Standard Operation Manual, Sub Section 5.5, Management Responsibility, Appendix 5.5.3.3 Emergency Preparedness and Response Procedure, version:1, issue :1 dated 1/11/2008. Emergency response activities were also included in the ESH plan FY 14/15. The following were Emergency Response Plan was addressed: Fire Outbreak, Accident and incident occurrence, Oil Spillage and etc. Information to response potential emergencies had been disseminated. This included emergency contact number, site plan showing evacuation route to assembly point and location of firefighting equipment and action to be taken during emergency by staff and contractors. Instructions to respond to accident and emergency situation were tested and it was found to be clearly understood by all workers interviewed both at the mill and field. The latest fire drill was carried out on 2 September 2014 for Giram POM.
	h)	Workers trained in First Aid	Yes	Trained first aider was

		should be present in both field and mill operations.		available at all work area both in the estate and mill. Cross checked with training records found that most of the estate mandore and department head has been trained on first aid.
	i)	First Aid equipment should be available at worksites	Yes	First Aid Kit was made available and maintained based on site review in the estate and mill. Each work area for example spraying, manuring and harvesting has been supplied with the first aid kit. Trained first aider will take charge on monitoring of the usage and will be replenished on monthly basis by MA
	4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals. *Major*	Yes	Accident statistics are being maintained and periodically reviewed during safety and health committee meeting. Internal reporting for accident will go through ESH/PSQM and DOSH will be notified if there is an accident with more than 4 days of MC using JKKP 6 form and annual accident statistic using JKKP 8 form. *LTA : lost time accident Accident investigation has been carried out to all accident cases for internal reporting as well as 3rd party reporting to DOSH. Records of accident investigation including meeting minute, accident chronology, sketch of accident area, personal information including training records, corrective action were properly kept for future reference.
	4.7.3	Workers should be covered by accident insurance. *Major*	Yes	Giram CU continued to ensure all workers working in the premise (both mill and estate) covered by insurance. All local workers were covered by SOCSO as required under Employee's Social

				Security Act 1969. Refer to the latest "Jadual Caruman/Borang 8A" for November 2014. Foreign workers for instance, were covered by insurance as per Workmen Compensation Act 1952.
C 4.8 All staff, workers, smallholders and contractors are appropriately trained.	4.8.1	A training programme (appropriate to the scale of the organization) that includes regular auditof training needs and documentation, including records of training for employees are kept. *Major*	No	Appropriate Training programme and records was verified as below: • For SW training at Giram CU including the POM and estates, last conducted on 19/11/2014 – by Lagenda Bumimas entitled "Schedule Waste Handling and ECN Training", attended by staff involved with SW handling. • Sprayers – 27/10/2014 – attended by 19 workers of Sipit Division • Fertilizer application – 27/11/2014 – attended by 28 workers of Main Division • Harvesting – 11/10/2014 – attended by 27 harvester of Main Division **<u>Major NCR #: MH4</u>** **There was no evidence of training conducted at Giram Mill FY13/14 & FY14/15 related to :** **i) LOTO system training** **ii) Confined space training** **iii) Working at height** **iv) Safe electrical handling** **All related training records (attendance list and training pictures) was verified;** **i) LOTO – conducted on 5.1.2015 (with 10**

				PIC attended) **ii) Confined space - conducted 15.1.2015 (with 12 PIC attended)** **iii) Working at height - conducted on 30.1.15 (with 15 PIC attended)** **iv) Safe electrical handling – conducted on 14.1.2015 (with 5 PIC attended)** **Status: Closed**

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	5.1.1	Documented aspects and impacts risk auditthat is periodically reviewed and updated. *Major*	Yes	Giram CU continued to conduct the environmental aspects and impacts risk auditfor activities related to their operation. Sample of the activities assessed related to mill operation are cleaning activities in the mill, engine repair/servicing and starting, chemical mixing for raw water treatment, boiler operation and discharge of effluent. Some updates on the Environmental Aspect and Impact register were noted on the composting and polishing plant activities on October 2014. While for estate operation, among the activities identified were road maintenance, Harvesting and Collection, FFB transportation, Field Weeding, Pest and Disease Treatment, diesel consumption, and management of empty chemical containers. Review was carried out in September 2014 for replanting activities at Mostyn Estate
	5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. *Minor*	Yes	Giram CU had prepared its Environmental Management Plan (EMP) for FY 2014/15 that included action plan for current significant impact to the operation. Among the identified EMP were on zero burning prohibition, preventive maintenance of machinery and vehicle repair, prevention of oil spillage, black smoke emission, effluent discharge and composting activities.
C 5.2 The status of rare, threatened or endangered	5.2.1	Identification and auditof HCV habitats and protected areas within landholdings; and	Yes	The status of rare, threatened or endangered species (ERTs) and high conservation value habitats,

species (ERTs) and high conservation value habitats, if any, that exists in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.		attempt assessments of HCV habitats and protected areas surrounding landholdings. *Major*		that exists in the plantation or that could be affected by plantation or mill management, had been identified and their conservation taken into account in management plans and operations. Identification and auditof HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings was conducted on January 2014. A report on HCV Re-Auditfor Strategic Operating Unit (SOU) Sabah Central – South Zone was verified. The audithad covered all the High Conservation Value (HCV) within and adjacent to their estates. The HCV audithad identified on the rare, threatened and endangered species (ERTs) for Giram Estate, Mostyn Estate, and Giram POM. Consultation with Distric Forest Officer, Kunak conform the auditwas conducted with Forestry Department and other stakeholders.
	5.2.2	Management plan for HCV habitats (including ERTs) and their conservation. *Major*	Yes	The management plan and action plan has developed based on the auditfinding and consultation with related stakeholders. The action plan contained of information represented in tabular format with general descriptions of HCV, action steps and monitoring activities. Based on the management plan derived from the assessment, the Giram CU has established the action plan and conducted the monitoring. During the site review, the Giram CU had identified and maintained the significant HVC, e.g. HCV4 which is to control and maintained basic service of natural watershed protection and erosion control for river

				buffer zone and water catchment at Impian Lake and area >25^{o} slope. Site visit found the areas was marked and mapped. In addition, Giram CU had also monitored the Kalumpang FR that adjacent with Mostyn Estate.
	5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts. *Minor*	Yes	Generally, it was found the Giram CU had continued monitor and maintained the significant HCVs areas, including the status of rare, threatened or endangered species (ERTs) and high conservation value habitats. During the site review in Giram and Mostyn Estate it was found the signage's to prohibit illegal hunting of wildlife were clearly displayed within the plantations
C 5.3 Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner.	5.3.1	Documented identification of all waste products and sources of pollution. *Major*	Yes	Documented identification of all waste products and sources of pollution was verified at Giram CU.
	5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. *Minor*	Yes	An operational plan have been developed and implemented, to avoid or reduce pollution. Waste management plan for FY 14/15 was available for verification.
	5.3.3	Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). *Minor*	Yes	Biomass waste (EFB) recycled back to estate for mulching. Refer to C 4.2.
C 5.4 **Efficiency** of energy use and use of renewable energy is maximized.	5.4.1	Monitoring of renewable energy use per tonne of CPO or palm product in the mill. *Minor*	Yes	No renewable energy use at the visited estate. Monitoring of renewable energy use per tonne of CPO or palm product in the mill was verified. Records for FY14/15 (todate Nov 2014); Giram POM: total of fibre & shell used =59,922.12 mt , total CPO produced = 16,499.83, therefore, MT renewable energy /mt CPO = 3.63

				Recorded for FY13/14 ; Giram POM: total of fibre & shell used = 175,876.10 mt , total CPO produced = 39,271.39, therefore, mt renewable energy /mt CPO = 4.48
	5.4.2	Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill). *Minor*	Yes	<u>Diesel Consumption for Giram POM:</u> FY13/14 = 629,337 ltr , CPO produced = 39,271.38 MT Ratio = 16.03 ltr per tonne CPO. FY14/15 = 271,888 ltr , CPO produced = 16,499.83 MT Ratio = 16.48 ltr per tonne CPO.
C 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.	5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003. *Major*	Yes	No evidence of burning waste and control burning under (declared activities) sighted during the assessment
	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ ploughed and mulched. *Minor*	Yes	As spelt out in Sime Darby's Agriculture Reference Manual, previous crop should be felled, chipped and windrowed. Based on the site visit at the replanting area, this was satisfactorily implemented.
	5.5.3	No evidence of burning waste (including domestic waste). *Minor*	Yes	No evidence of burning waste found at the visited operating unit.
C 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	Documented plans to mitigate all polluting activities (Cross ref to C 5.1). *Major*	Yes	Cross refer to C5.1.
	5.6.2	Plans are reviewed annually. *Minor*	Yes	Pollution prevention plan FY 14/15, dated 18/7/14 was presented to the auditor during the assessment. The submission of GHG emission report using the RSPO Palm GHG calculator will only imposed in the new

				standard (MY-NI 2014). This auditwas conducted on December 2014 before the endorsement of new standard. The certification unit found to be aware with the requirement and has bring this to management for discussion on future planning. Thus, the implementation will be verified during next audit
	5.6.3	Monitor and reduce peat subsidence rate through water table management. (Within ranges specified in C 4.3). *Minor*	Yes	No peat soil at Giram Estate according to agronomist report which made reference to ARM, Section 8, Year 2013, Clause 1.1.2 [describing about soil series and soil type]. Soil type mainly consists of Mostyn/Lucia Series and Sipit Series and others. Both series are of 35-60% Clay.

Principle 6: <u>RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS</u>

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	6.1.1	A documented social impact auditincluding records of meetings. *Major*	Yes	The social impact auditreport for Giram CU was prepared internally by Sime Darby's Plantation Sustainable Quality Management (PSQM) on September 2013 covering the two estates, namely Mostyn and Giram, and Giram mill. The background setting of the audithighlighted the social issues and proposed mitigation measures. Each of the estates and the mill had to formulate its own action plan to address the issues raised by the various stakeholders.
	6.1.2	Evidence that the audithas been done with the participation of affected parties. *Major*	Yes	The SIA report was prepared with the participation of various stakeholders, namely, estate workers, local communities, contractors,

				vendors and suppliers. Evidence on participation is shown by the schedules of interviews between the assessors of the report and the stakeholders concerned.
	6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. *Minor*	Yes	A timetable with responsibilities for mitigation and monitoring for Social Action Plan (Financial Year) FY 13/14 at Mostyn Estate was clearly reviewed and updated as necessary
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	Documented consultation and communication procedures. *Major*	Yes	Sime Darby Plantation has documented communication procedures for the estates and mill to follow (Appendix 5.5.3.2 of the Estate Quality Management System). In addition, the company has also prepared standard operating manuals on customer communications.
	6.2.2	A nominated plantation management official at the operating unit responsible for these issues. *Minor*	Yes	A nominated plantation management official at the operating unit responsible for these issues was available. Appointment letter dated 1 July 2014 for both Estates and POM as verified.
	6.2.3	Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders. *Minor*	Yes	Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders was made available.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	6.3.1	Documentation of the process by which a dispute was resolved and the outcome. *Major*	Yes	Sime Darby Plantation has documented communication procedures followed by the SOU to handle disputes arising from social as well as land issues (Appendix 5, Plantation Quality Management System) Complaints on housing and other services are usually entered into record books or request for service forms. The records include the name of the person who

				complained, his address, date, and type of service required. Weekly inspection records was verified during the audit.
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. *Minor*	Yes	Interviews with the estate management and staffs revealed that there have been no social and land dispute with outside parties or workers during the past years. Therefore, no records are available to judge whether or not the system resolved disputes in an effective, timely and appropriate manner.
	6.3.3	The system is open to any affected parties. *Minor*	Yes	The system is open to any affected parties.
C 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. *Major*	Yes	The SOU has been using the procedures for handling boundary issues developed by Sime Darby Plantation to deal with customary rights and compensation for loss of legal rights (Appendix 3, Plantation Quality Management System). The procedure starts with confirmation of conflict, negotiation with affected parties and, if not resolved, arbitration process will take place.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. *Minor*	Yes	Compensation on loss of legal rights will be determined by the land Management Department, Kuala Lumpur.
	6.4.3	The process and outcome of any compensation claims is documented and made publicly available.	No	**Minor NCR #: KN5** **The process and outcome of claims by Mr George Jomol bin Loguman (Kg**

		Minor		**Kadazan) at Mostyn Estate was not documented and made publicly available.** **Once the agreement is achived as in points of discussion, the document would be made public by posting it at Kg Kadazan Community Hall. A copy of each would be given to Mr. George Jomol, Kg Kadazan Headman and Pengerusi JKKK, also Kunak District Land Office** **Status: Corrective Action taken was accepted. The effectiveness of the action taken will be verified during the next assessment.**
C 6.5 Pay and conditions for employees and for employees of contractors 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. *Major*	No	**<u>Major NCR #: KN6</u>** **Pay and conditions for employees and for employees of contractors has meet at least legal or industry minimum standards and are sufficient to provide decent living wages However, documentation of pay and conditions for employees of contractors# 9001019790 (Norsiah binti Charipah) at Mostyn Estate was not clearly evident.** **Pay and conditions of contractor's (No. 9001019790) employees should be specified in contract agreement. The management had compel the contractor to document payment record which will be certified by the estate management. The management also shall include Workmen's Compensation clause and proof of its coverage as evidence** **Verification on "Contract Form" and "Labour Contract Services" for**

				circle spraying activities by contractor# 9001019790 on December 2014 was verified. Documentation of pay for employees of contractor# 9001019790 for month of December 2014 at Mostyn Estate was clearly evident **Status: Closed**
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. *Minor*	No	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. **<u>Minor NCR #: KN7</u>** **However, contracts of employment detailing payments and conditions of employment (e.g. deductions, overtime, sickness, holiday entitlement) not available at Giram POM;** **a) Contract of employment for workers # 0000072188 dated 2 Sept 2011** **b) Contract of employment for workers # 0000074930 dated 11 Nov 2011** **c) Contract of employment for workers # 0000101337 dated 2 May 2014** **Contracts of employment detailing payments and conditions of employment for workers was verified;** **a) Contract of**

				employment for workers # 0000072188 dated 5 January 2015 **b) Contract of employment for workers # 0000074930 dated 5 January 2015** **c) Contract of employment for workers # 0000101337 dated 5 January 2015** **Status: Corrective action accepted. Verification of implementation of corrective actions will be carried out during the next Surveillance audit.**
	6.5.3	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). *Minor*	Yes	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities 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. Line site monitoring was conducted by weekly basis. Water sampling was conducted quarterly basis. Yearly by "Pejabat Kesihatan Daerah Kunak" dated 30 Sept 2013. The water sampling shows high Total Coliform present in the water sampling. Action plan was conducted by Mostyn Estate. Records "Pelan Tindakan Pemulihan Air FY 13/14" was verified. Request letter by Mostyn Estate dated 25 June 2014 to health department was verified.
C 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and	6.6.1	Documented minutes of meetings with main trade unions or workers representatives. *Major*	Yes	The workers in the estates and mill are members of the Sabah Plantation Industry Employees Union (SPIEU) while the administration staffs are members of the All Malaysian Estate Staffs Union (AMESU). In estates as well as in mill, there is a SPIEU representative

collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.				selected among the workers. Gender Committee Meeting dated 5 September 2014 and "Jawatankuasa Keselamatan dan Kesihatan Pekerjaan" (JKKKP) meeting was conducted on 28 June 2014 was verified during the audit
	6.6.2	A published statement in local languages recognizing freedom of association. *Minor*	Yes	A published statement on freedom of association is displayed in the estate and mill.
C 6.7 Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.	6.7.1	Documented evidence that minimum age requirement is met. *Major*	Yes	Sime Darby adheres very strict to the child labour policy. As revealed in the latest Employee Master Listing 2014 no person below 18 years old was recruited to work either in Giram estate or Giram mill.
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. *Major*	Yes	A policy on non-discrimination is incorporated in the statement of Social Policy of Sime Darby and posted on notice boards in all estates/mills.
	6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against. *Minor*	Yes	There is no evidence of discrimination based on race, gender or national origin or any other factors. As shown in the employment letter, there are no differences in the terms of employment between foreign and local workers or between male and female workers. These workers live in the same housing complex and enjoy similar benefits. However, due to government policies, education opportunities differ between local and foreign children. Interviews also revealed that there is no discrimination on any bases in the estates/mill.

C 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	6.9.1	A policy on sexual harassment and violence and records of implementation. *Major*	Yes	Sime Darby Plantation has explicit policy statements on sexual harassment which guide the activities carried out in the estates. In addition, a Manual on the Implementation of Gender Policy has also been documented which incorporates, among others, the grievance procedures. Giram estate and Giram mill have established Gender Committees which organise programs and activities for their members. Examples of activities carried out by the committee at Giram estate are breast feeding campaigns, briefings on ovary cancer and sexual harassment.
	6.9.2	A specific grievance mechanism is established. *Major*	Yes	The grievance procedure is incorporated in the Manual on sexual harassment.
C 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.	6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented. *Major*	Yes	A brief Interview was made with contractors at Giram estate to understand the business relationships between them and the estate/mill. The contractor has been serving the estate transporting FFB and gravel for more than 30 years and his work is bound by a long term agreement. The contract specifies the terms of the services, like job specifications, pricing and payment systems. The contract is written in the English language.
	6.10.2	Current and past prices paid for FFB shall be publicly available. *Minor*	Yes	The current and past prices paid for FFB was not publicly available due this criterion does not apply to the Giram mill as it does not buy outside crops.
	6.10.3	Evidence that all parties understand the contractual agreements they enter	Yes	Contractors and supplier understand the contractual agreements they enter into,

		into, and that contracts are fair, legal and transparent. *Minor*		and that contracts are fair, legal and transparent.
	6.10.4	Agreed payments shall be made in a timely manner. *Minor*	Yes	The FFB and gravel contractor interviewed mentioned that he understand the contract because he has been servicing the estate and mill for quite a long time (about 30 years). The contractor mentioned that he usually received his payments in the form of cheques the following month after the job was done. He has no complaint on the timeliness of the payment.
C 6.11 Growers and millers contribute to local sustainable development wherever appropriate.	6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities. *Minor*	Yes	Two important contributions of the estate and mill are employment opportunities and use of roads to the local communities. The estate and mill are not empowered to contribute financial support because it is against the policy of Sime Darby.

Principle 7: <u>RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS</u>

Giram CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable.

Principle 8: <u>COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY</u>

Clause	**Indicators**		**Comply Yes/No**	**Findings**
C 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	8.1.1	Minimise use of certain pesticides (C4.6). *Major*	Yes	Paraquat was totally replaced by Glufosinate ammonia which is known as a broad spectrum contact herbicide
	8.1.2	Environmental impacts (C5.1). *Major*	Yes	Identification of environmental aspect and impact for the whole operation has been consistently carried out by all operating unit. It was also noted the engagement with 3rd party consultant registered with Environmental Protection Department (EPD) to carry out

MY NIWG commits to demonstrate progressive improvement to the following but not limited to:				Environmental Impacts Auditfor replanting program evident.
	8.1.3	Maximizing recycling and minimizing waste or by-products generation. *Major*	Yes	Programs implemented to meet requirements of Indicator 8.1.3 include commitment to zero waste, use of by-products such as EFB and POME in the fields and also increasing the awareness of workers on 3R's initiatives. Waste generated form the mill operation has been fully utilized and recycled back to the system. Fibre and shell was used as main source of solid fuel for biomass boiler which requires high calorific value of fuel. POME generated treated in the ETP and polishing plant while some percentage of POME were pumped to the composting plant as to accelerate anaerobic digestion process of composting. Sighted placement of 3R container as to promote and educated people on 3R and segregation of waste material.
	8.1.4	Pollution prevention plans (C5.6). *Major*	Yes	Pollution prevention plan was available and had been reviewed annually for the mill and estates. Based on the pollution prevention plan established, Giram CU has identified and developed plan to mitigate the significant environmental impact from their operation. The plan consists of the action plan and specific time frame for each identified activities. Biogas emission (methane) has yet to be identified as one of the GHG source and plan to mitigate in long run has yet to be initiated.
	8.1.5	Social impacts (C6.1). *Major*	Yes	The CU continued to highlight the expenditure in social aspects in its annual and five year budget program. A timetable with responsibilities for mitigation and monitoring for Social Action Plan (Financial Year) FY 13/14 at Mostyn Estate was clearly reviewed and updated as necessary
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. *Minor*	Yes	The CU continued to highlight the expenditure in social and environmental aspects in its annual and five year budget program.

RSPO SUPPLY CHAIN: AUDIT REPORT

Module D -CPO Mills: Segregation

Item No	Requirements	Finding(s)
D.1 D.1.1	**Documented procedures** The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of	D.1.1 • BKI shares the same Standard Operating Procedure for Supply Chain Certification System and Traceability (SOP) with GPOM. The SOP, Appendix 15, of the Sime Darby Plantation Quality Management System was issued in March 2013 has included the procedures for implementation at KBI to fulfill the requirements of the RSPO supply chain certification standard for the segregation (SG) module. • BKI has appointed Mr. Mohd Shafiq Zawawi as the person having overall responsibility and authority on the implementation of the RSPO supply chain system. There was an appointment letter dated 2 October 2014 signed by Mr. Tony Mekulis. Apart from the RSPO supply chain system, Mr. Mohd Syafiq was also responsible for the environmental and quality management systems at KBI. He reported directly to Mr. Tony Mekulis, AVP 1, Logistic Operations of Sime Darby Global Trading and Marketing (GTM) Department at the Headquarters Office in Kuala Lumpur as KBI had been placed under the direct control of GTM. However, in term of the day-to-day administration of KBI such as on matters related to general supplies and human resources, Mr. Mohd Shafiq still reported to the Mill Manager of GPOM. D.1.2 • The SOP has prescribed the procedures for receiving and storing of RSPO certified CPO at KBI. It was observed that these procedures have been implemented effectively.

D.1.2	the facilities procedures for the implementation of this standard. The facility shall have documented procedures for receiving and processing certified and noncertified FFBs.	
D.2 D.2.1   <

D.3.2
 	
D.3.3
 	
D.3.4
	Retention times for all records and reports shall be at least five (5) years.
	
	The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.
	
	The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.
		• Training.
		
		D.3.2
		• Retention time for record keeping shall be at least for 5 years.
		
		D.3.3
		• KBI kept a real time record 'KBI Daily CPO Stock- Stored, Received and Output' on the daily stock, in-coming and dispatch of RSPO certified CPO. A monthly record was then computed.
		
		D.3.4
		• Documents on in-coming RSPO CPO such as weighbridge and dispatch ticket issued by the supplying POMs had indicated the product name i.e. CPO and the supply chain model i.e. SG. The following dispatch tickets were verified and found to be in good order:
		  • 007450 issued by GPOM;
		  • 007451 issued by GPOM;
		  • 007452 issued by GPOM;
		  • 007454 issued by GPOM;
		  • 007455 issued by GPOM;
		  • 008517 issued by GPOM;
		  • 008518 issued by GPOM;
		  • 008519 issued by GPOM;
		  • 008520 issued by GPOM;
		  • 008521 issued by GPOM; and
		  • 008522 issued by GPOM
		
		All records related to the RSPO supply chain systems were found up-to-date and made accessible during the audit.

D.4 D.4.1	**<u>Sales and good out</u>** The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: a) The name and address of the buyer; b) The date on which the	• Neither GPOM nor BKI had been directly involved in the sale of the RSPO CPO. GPOM and BKI had only involved in the production and storage respectively of the RSPO CPO prior to it being uploaded into the ocean vessel for delivery to the buyer. All sales of RSPO certified were done by Sime Darby GTM Department in Kuala Lumpur. • The total quantity of RSPO SG CPO being dispatched by KBI during the period of January- November 2014 totaled 51,654.91 MT.

	invoice was issued; c) A description of the product, including the applicable supply chain model (Segregated) d) The quantity of the products delivered; e) Reference to related transport documentation.	
D.5	**Processing**	
D.5.1	The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material[9]; up to 5 % contamination is allowed.	GTM Sandakan office informed KBI by e-mail on the dispatch of RSPO certified CPO from the supplying POMs (Binuang and Giram). The dispatch of the RSPO certified CPO to KBI by the supplying POMs was made based on a specific contract The receiving pit, pipelines and tanks in KBI were thoroughly cleaned, swept and flushed before RSPO certified CPO was pumped in to avoid contamination. For traceability of a specific batch of RSPO certified CPO back to the supplying POM, KBI kept the relevant documents such as the weighbridge and dispatch tickets issued by the POMs.
D.5.2	The facility shall provide documented proof that the RSPO certified palm oil can	

	be traced back to only certified segregated material.	
D.5.3	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that: • The crush operator conforms to these requirements for segregation • The crush is covered through a signed and enforceable agreement	
D.6 D.6.1	**Training** The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	A training session on 'RSPO Supply Chain Certification System (SSCS) was conducted on 22 December 2014 at KBI. The training was given by Ms. Sheun Su Sin from the RSPO and Certification Unit, Plantation Sustainability and Quality Management (PSQM) Department, Sime Darby Plantation Sdn Bhd, Kuala Lumpur. A training attendance was made available. The training was attended by 4 of the key personnel involved in the implementation of the supply chain system at KBI. In addition, Mr. Mohd Shafiq, had also given on-the-job briefings to the other 11 personnel of KBI.
D.7 D.7.1	**Claims** The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.	KBI has yet to make claims on the RSPO certified CPO it stored prior to dispatching as it was not involved in the sale of the product.

3.2 Identified Non-conformance and Noteworthy Positive Components

The 6 Major NCR and 5 Minor NCR raised during this Stage 2 audit has been adequately addressed and therefore closed out. The level of awareness among the workers on the RSPO implementation was found to be improving. They are able to explain not only the operating procedure related to their work but also the impact of its deviation, the consequence for not following them and the importance in achieving conformity to the RSPO requirements.

4.0 ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off Audit Findings

I, the undersigned, on behalf of SIRIM QAS International Sdn. Bhd. Acknowledge and confirm the contents of the auditreport and findings of the assessment.

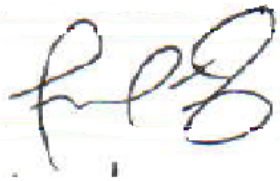


Khairul Najwan Ahmad Jahari

Lead Assessor

Date: 6 July 2015

I, the undersigned, on behalf of SIRIM QAS International Sdn. Bhd. Acknowledge and confirm the contents of the auditreport and findings of the assessment.

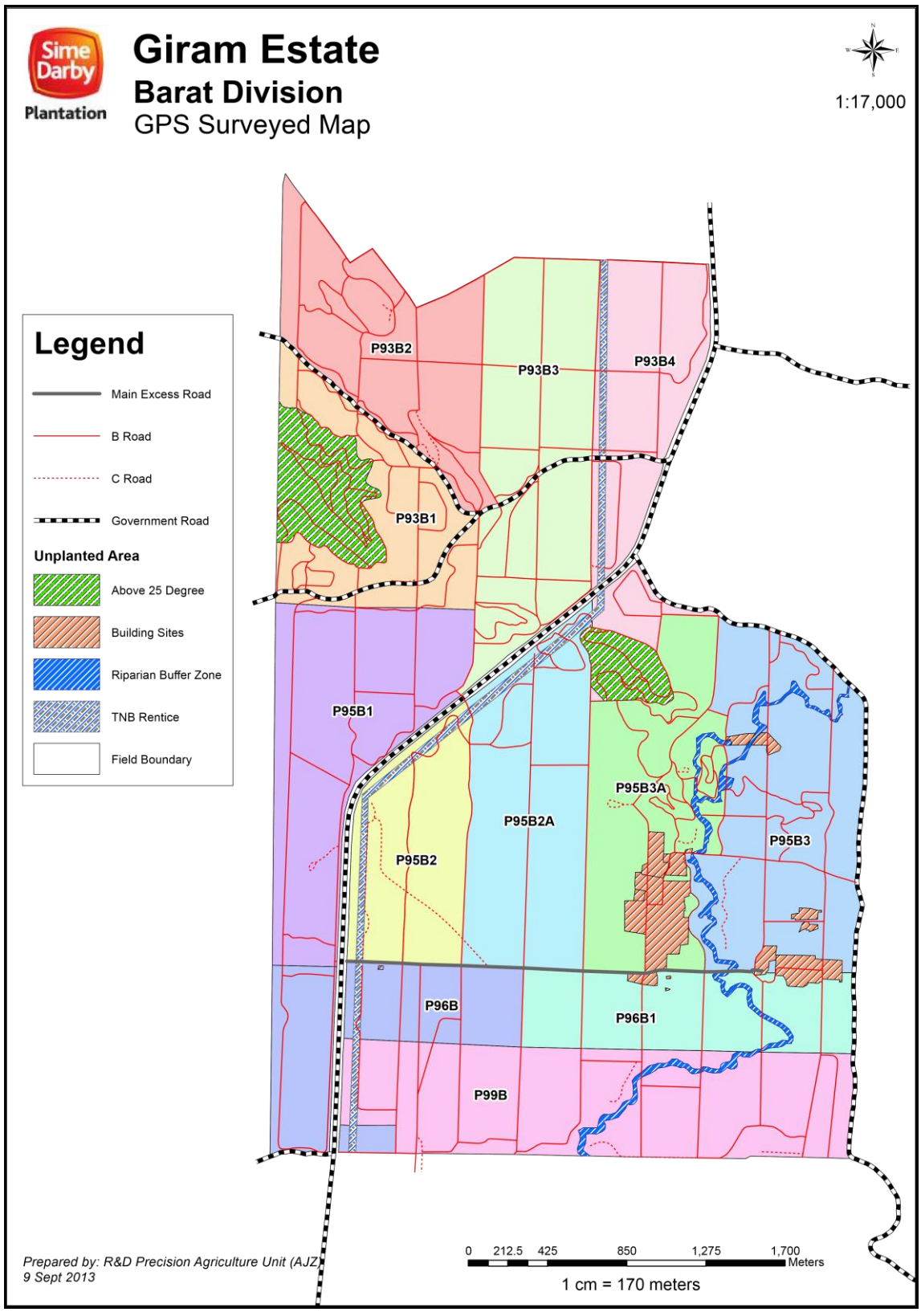


Mohd Fadzil Hasbullah

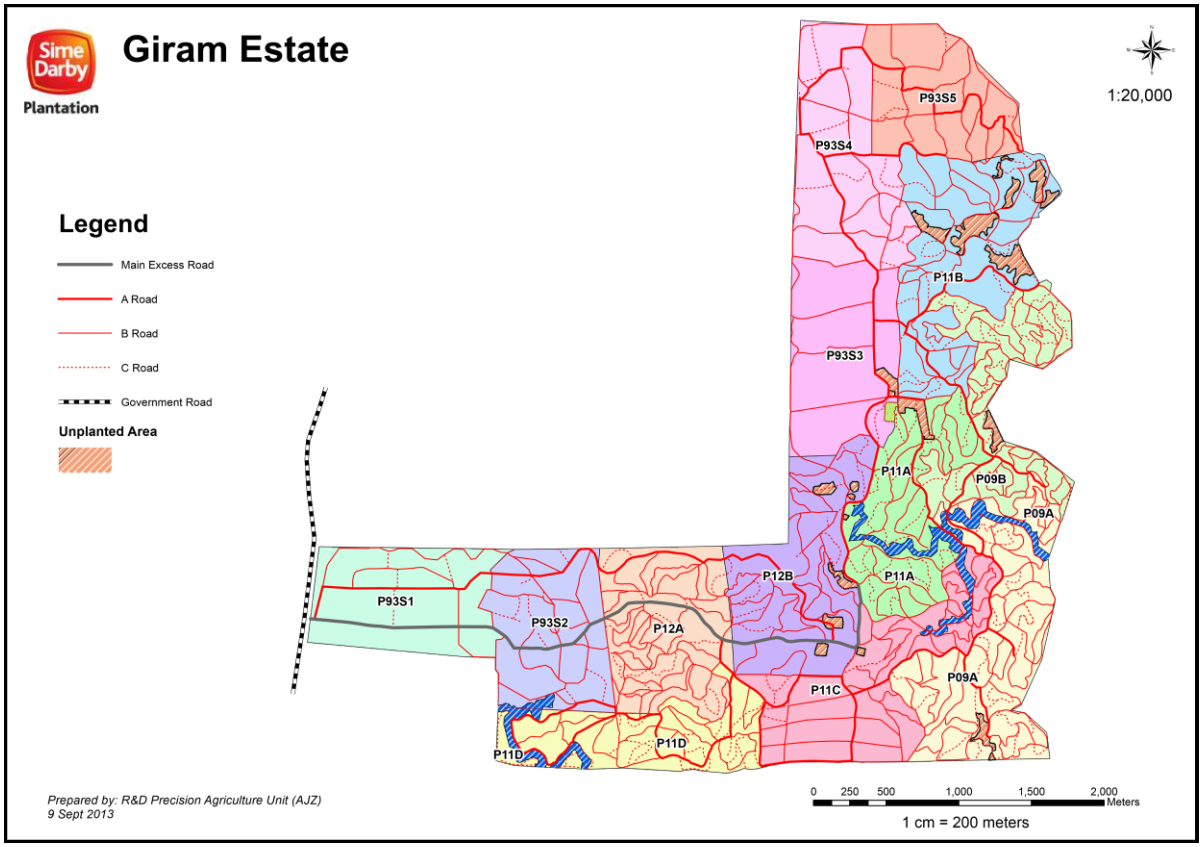
Date: 6 July 2015

Attachment 1 Location Map of SOU 29 Giram Certification Unit, Kunak, Sabah, Malaysia

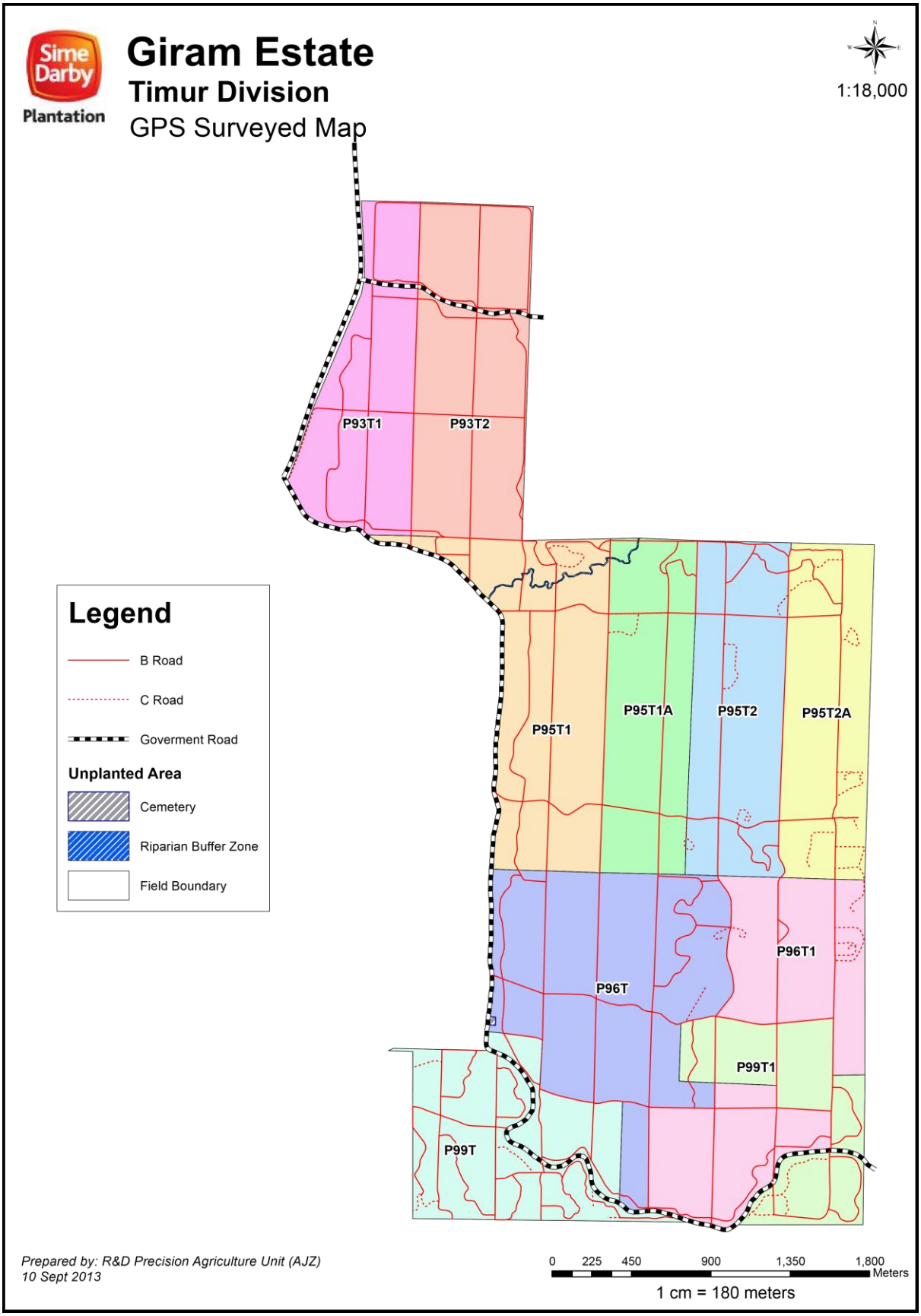
Giram estate (Barat Division)



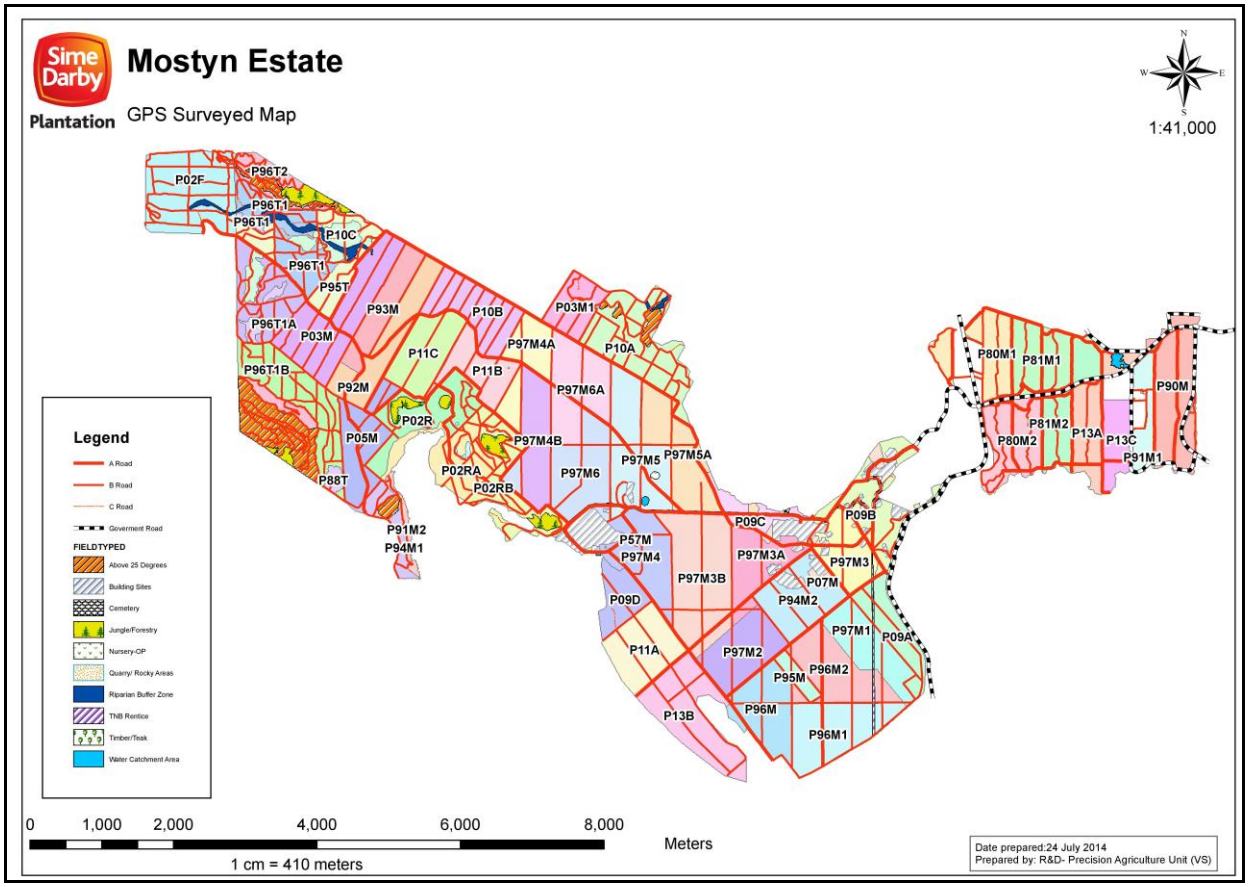
Giram estate (Central)



Giram estate (Timur Division)



Mostyn estate



Attachment 2 AuditProgramme

Day 1: 9 December 2014

Time	Activities / areas to be visited			Auditee
8.00 a.m. - 8.30 a.m.	Opening Meeting – Audit team introduction and briefing on auditobjectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader.			
8.30 a.m. – 9.20 a.m.	Briefing on the organization background and implementation of RSPO at CU (including actions taken to address previous auditfindings) by company Management Representative. Logistics discussion to the sites to be visited.			Management Representative
	Najwan	**Valence**	**Hidhir**	
9.20 a.m. - 10.00 a.m.	Travel to Supply base			Auditee
10.00 a.m. – 1.00 p.m.	Documentation and records review at CU (including verification on action taken to address Previous audit findings).			Guide(s) for each assessor
	Mostyn Estate Coverage of assessment: P1, P2,(C2.1), P3, P4 (C4.1, C4.7, C4.8), P8 Discussion with relevant management (CSR, community affairs) and view documentation such as EIA, SIA, auditand management plans. • Follow up from previous auditfindings. • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Safety & Health practice – witness activities at site • Interview with workers	**Giram Estate** Coverage of assessment: P2 (C2.2.2), P3, P4 (C4.1 -C4.6, C4.8), P5 (C5.1), ,P7 (C7.2, C7.4, C7.7), P8 • Follow up from previous auditfindings. • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any)	**Giram POM** Coverage of assessment: P1, P2,(C2.1), P3, P4 (C4.1, C4.7, C4.8), P5 (C5.1, C5.3- C5.6), P6 (C6.11), P7(C7.1, C7.7), P8 • Follow up from previous audit findings. • Commitments to transparency • Laws and regulations • Waste management including disposal site • Aspects/impacts of plantation management • Commitment to long-term economic and	Guide(s) for each assessor

	, safety committee and contractors • Facilities at workplace (water treatment plant, clinic & etc) • Training and skill development programs • Land titles user rights • Local communities and stakeholders • Interview with Union representatives • Workers Issues • Local sustainable development • Continuous improvement • Line site	• Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • Riparian zone • River system and Water bodies • Management and disposal of waste including pesticides containers • New planting • Continuous improvement Other area identified during the assessment	financial viability • Safety & Health practice – witness activities at site • Hazard identification and Risk Management • Chemical management • Chemical/ fertilizer store, workshop • Interview with workers , safety committee and contractors • Facilities at workplace (water treatment plant, clinic & etc) • Training and skill development programmes	
1.00 p.m.	**LUNCH BREAK and SHOLAT**			All
2.00p.m. -5.30 p.m.	Continue assessment			Guide(s) for each assessor
5.30 p.m.- 7.00 p.m.	End of Auditof Day 1			All
8.00 p.m.– 9.00 p.m.	**DINNER**			
9.00 p.m. 10.00 p.m.	Auditteam discussion and verification on any outstanding issues. Note: Assessor to inform auditee on the required document / records.			All Auditors

Day 2: 10 December 2014

Time	Activities / areas to be visited			Auditee
	Najwan	**Valence**	**Hidhir**	
8.00 a.m. – 9.00 a.m.	Overview of current activities at Supply base sites			Respective Scheme Manager
9.00 a.m. – 12.45 p.m.	Documentation and records review at supply base sites (including verification on action taken to address previous auditfindings).			Guide(s) for each assessor
	<u>Mostyn Estate & Giram POM</u> Coverage of assessment: P1(C1.2), P2(C2.1-C2.3), P3, P6 (C6.1 – C6.11), P7 (C7.1, C7.4, C7.5, C7.6), P8 <u>HCV issues</u> • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply • New planting • Continuous improvement Other area identified <u>Social issues</u> Discussion with	**<u>Giram Estate</u>** Coverage of assessment: P2 (C2.1, I2.2.3, C2.2.2), P3, P4 (C4.1 - C4.3, C4.4, C4.6, C4.8), P5 (C5.1,C5.2), ,P7 (C7.2, C7.4, C7.7), P8 • Follow up from previous audit findings. • Laws and regulations • Commitment to long-term economic and financial viability • Replanting on sloping land must be in compliance with MSGAP Part 2: OP (4.4.2.2) • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • Riparian zone • River system and Water bodies	**<u>Giram POM & Mostyn Estate</u>** Coverage of assessment: P1, P2,(C2.1), P3, P4 (C4.1, C4.7, C4.8), P5 (C5.1, C5.3- C5.6), P6 (C6.11), P7(C7.1, C7.7), P8 • Follow up from previous audit findings. • Commitments to transparency • Laws and regulations • Waste management including disposal site • Aspects/impacts of plantation management • Commitment to long-term economic and financial viability • Safety & Health practice – witness activities at site • Hazard identification and Risk Management • Chemical	Guide(s) for each assessor

	relevant management (CSR, community affairs) and view documentation such as EIA, SIA, auditand management plans. • Laws and regulations • Land titles user rights • Local communities and stakeholders • Interview with Union representatives • Workers Issues • Facilities at workplace (rest area, etc) • Line site • Facilities provided at line site (i.e. mosque, surau, community center, GPW, Tadika, provision shop & etc) • Continuous improvement Other area identified during the assessment	• Management and disposal of waste including pesticides containers • New planting (if any) • Continuous improvement Other area identified during the assessment	management • Chemical/ fertilizer store, workshop • Interview with workers , safety committee and contractors • Facilities at workplace (water treatment plant, clinic & etc) • Training and skill development programmes	
12.45 p.m.	**LUNCH BREAK and SHOLAT**			All
1.45-2.15 p.m	Overview of current activities at CU			CU
2.15pm -5.30 pm	Documentation and records review at CU (including verification on action taken to address Previous audit findings).			Guide(s) for each assessor
5.30 p.m. 7.00 p.m.	End of Auditin Day 2			All
8.00 p.m.–9.00 p.m.	**DINNER**			

9.00 p.m. 10.00 p.m.	Auditteam discussion and verification on any outstanding issues. Note: Assessor to inform auditee on the required document / records.	All Auditors

Day 3: 11 December 2014

Time	**Activities / areas to be visited**		Auditee	
	Najwan	**Valence**	**Hidhir**	
8.00 a.m. – 9.00 a.m.	Overview of current activities of CU by audit team		Mill Manager	
9.00 a.m. – 1.00 p.m.	Documentation and records review at CU by each assessor in the audit team (including verification on action taken to address Previous audit findings).		Site Manager Guide(s) for each assessor	
	<u>Giram POM</u> Discussion with relevant management (CSR, community affairs) and view documentation such as EIA, SIA, auditand management plans. • Laws and regulations • Land titles user rights • Local communities and stakeholders • Interview with Union representatives • Workers Issues • Facilities at workplace (rest area, etc) • Line site • Facilities provided at line site (i.e. mosque, surau, community center, GPW, Tadika, provision shop & etc)	**<u>Giram POM</u>** Coverage of assessment: • Follow up from previous audit findings. • <u>Supply Chain</u> Implementation including the model used	**<u>Mostyn Estate</u>** Coverage of assessment: • Follow up from previous audit findings. • Follow up from previous audit findings. • Commitments to transparency • Laws and regulations • Waste management including disposal site • Aspects/impacts of plantation management • Commitment to long-term economic and financial viability • Safety & Health practice – witness activities at site • Hazard identification and Risk Management • Chemical management • Chemical/ fertilizer store, workshop • Interview with workers , safety committee and	Guide(s) for each assessor

	• New planting • Continuous improvement Other area identified during the assessment		contractors • Facilities at workplace (water treatment plant, clinic & etc) • Training and skill development programmes	
1.00 p.m.	**LUNCH BREAK and SHOLAT**		All	
2.00 p.m. – 4.00 p.m.	Verification on outstanding issues for CU Assessor to inform auditee on the required document / records Continue Audit Team discussion and preparation of auditfindings.		All Auditors	
4.00 p.m. – 4.30 p.m.	Discussion and acceptance on auditfindings with Management Representative and visited site Plantation / Scheme Manager		Auditors, Mill and Plantation / Scheme Managers	
4.30 pm – 5.00 pm	Closing meeting at CU		All	
5.00 pm	End of RSPO Stage 2 assessment		All	