

**Roundtable on Sustainable Palm Oil Certification
R S P O**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management :
 Organisation : **SIME DARBY Plantation Sdn Bhd**
 Plantation Name : **SOU 31 – Lavang POM and Lavang Estate; Rasan Estate, Kelida Estate, Belian Estate & Lavang Special Estate.**
 Location : **Village of Lavang, District of Bintulu, Sarawak - Malaysia.**
 Certificate Code : **MUTU-RSPO/053**
 Date of Certificate Issue : **9 March 2015** Date of License Issue : **9 March 2015**
 Date of Certificate Expiry : **29 December 2016** Date of License Expiry : **8 March 2016**

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|--------------------------|--|--------------------|----------------|
| ASA-04 | 28 ,29, 30 October, 2015 | Oktovianus Rusmin (Lead Auditor), Aman Samsurey, Yap Chin Hung, Mohd. Nizam, Mohd. Hairimi, Khairul Anuar, Ebnu Holdoon Shawal | Tony Arifiarachman | Taufik Margani |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA-04 | 1 December 2015 |

TABLE OF CONTENT

FIGURE

| | |
|--|---|
| Figure 1. Location Map of SOU 31- Lavang POM | 1 |
| Figure 2. Operational Map of Lavang Estate | 2 |
| Figure 3. Operational Map of Rasan Estate | 3 |
| Figure 4. Operational Map of Kelida Estate | 4 |
| Figure 5. Operational Map of Belian estate | 5 |
| Figure 6. Operational Map of Lavang Special Estate | 6 |
| Abbreviations Used | 7 |

1.0 SCOPE of the CERTIFICATION ASSESSMENT

| | |
|---|----|
| 1.1 Assessment Standard Used | 8 |
| 1.2 Organisation Information | 8 |
| 1.3 Type of Assessment | 8 |
| 1.4 Location of Mill and Plantations | 8 |
| 1.5 Description of Area Statement | 9 |
| 1.6 Planting Year and Cycles | 9 |
| 1.7 Description of Mill and Supply Base | 10 |
| 1.8 Estimate Tonnage of Certified Product | 10 |
| 1.9 Other Certifications | 11 |
| 1.10 Time-Bound Plan | 11 |

2.0 ASSESSMENT PROCESS

| | |
|--|----|
| 2.1 Assessment Team | 14 |
| 2.2 Assessment Methodology, Assessment Process and Locations of Assessment | 15 |
| 2.3 Stakeholder Consultation and Stakeholders Contacted | 17 |
| 2.4 Determining Next Assessment | 17 |

3.0 ASSESSMENT FINDINGS

| | |
|--|----|
| 3.1 Summary of Assessment Report of the RSPO Certification | 18 |
| 3.2 Summary of Assessment Report of Supply Chain Requirement | 31 |
| 3.3 Conformity Checklist of Certificate and Logo Use | 36 |
| 3.4 Summary of RSPO Partial Certification | 37 |
| 3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components | 39 |
| 3.6 Summary of Arising Issues from Public, Management and Auditor Responses | 41 |

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

| | |
|---|----|
| 4.1 Formal Signing of Assessment Findings | 43 |
|---|----|

APPENDICES

| | |
|--|----|
| 1. List of Stakeholders Contacted in the RSPO Certification Process | 44 |
| 2. Assessment Program | 45 |
| 3. RSPO Certification Panel Committee | |
| 4. Checklist of RSPO Assessment for ST-1, ST-2, ASA-1, ASA-2, ASA-3, ASA-4 and Recertification | |
| 5. Checklist of Supply Chain Assessment for ST-1, ST-2, ASA-1, ASA-2, ASA-3, ASA-4 and Recertification | |

Figure 1. Location Map of SOU 31- Lavang POM

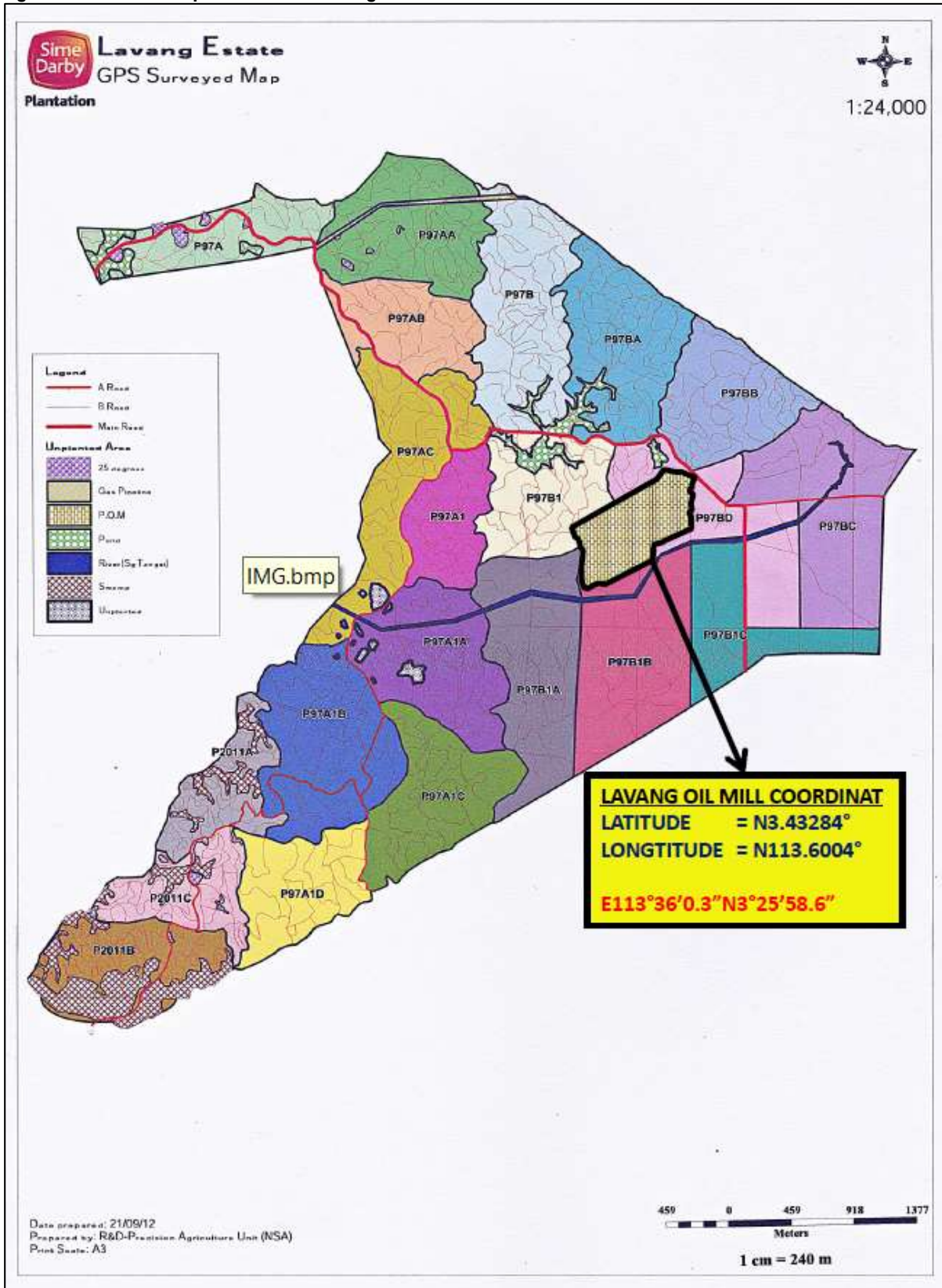


Figure 2. Operational Map of Lavang Estate

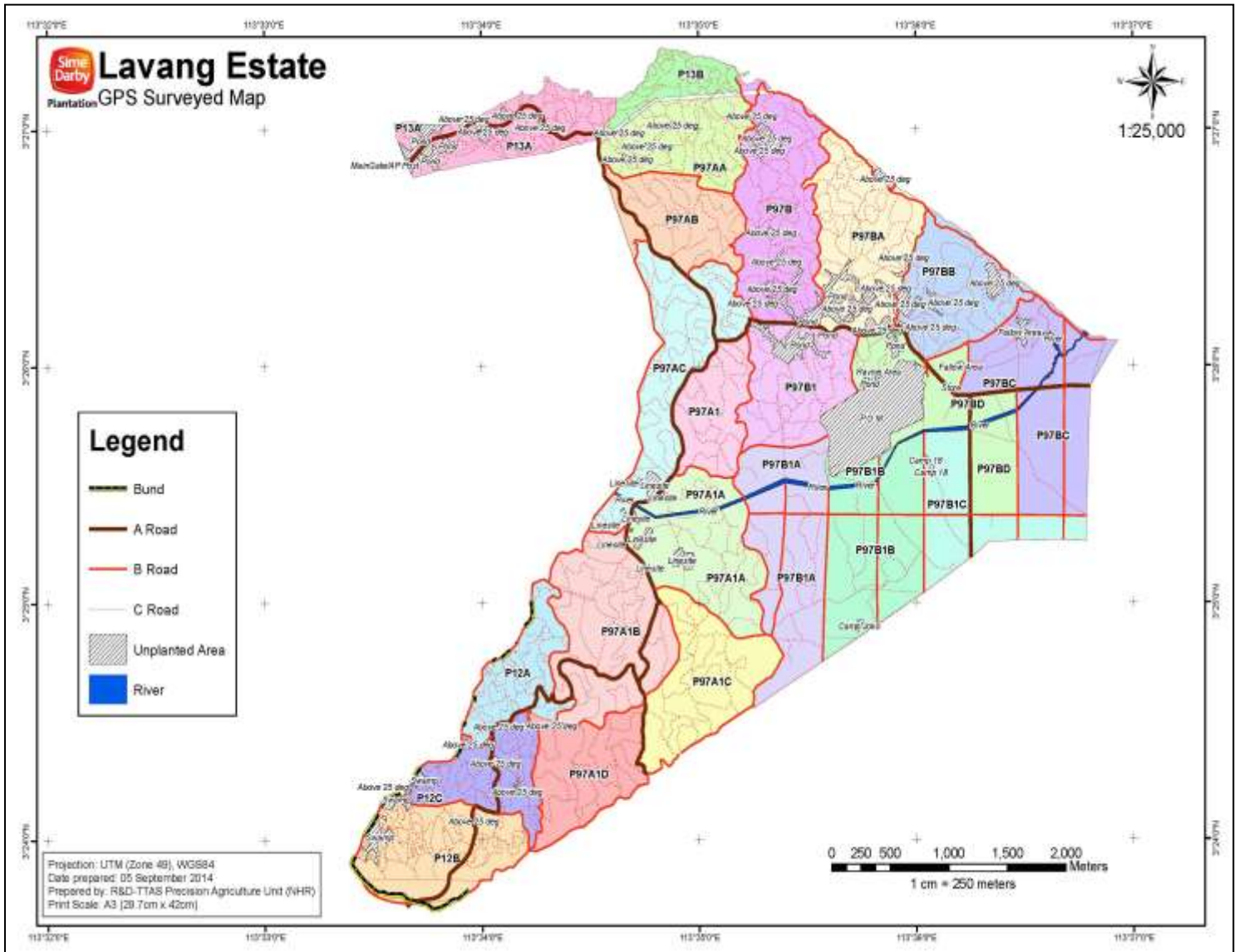


Figure 3. Operational Map of Rasan Estate

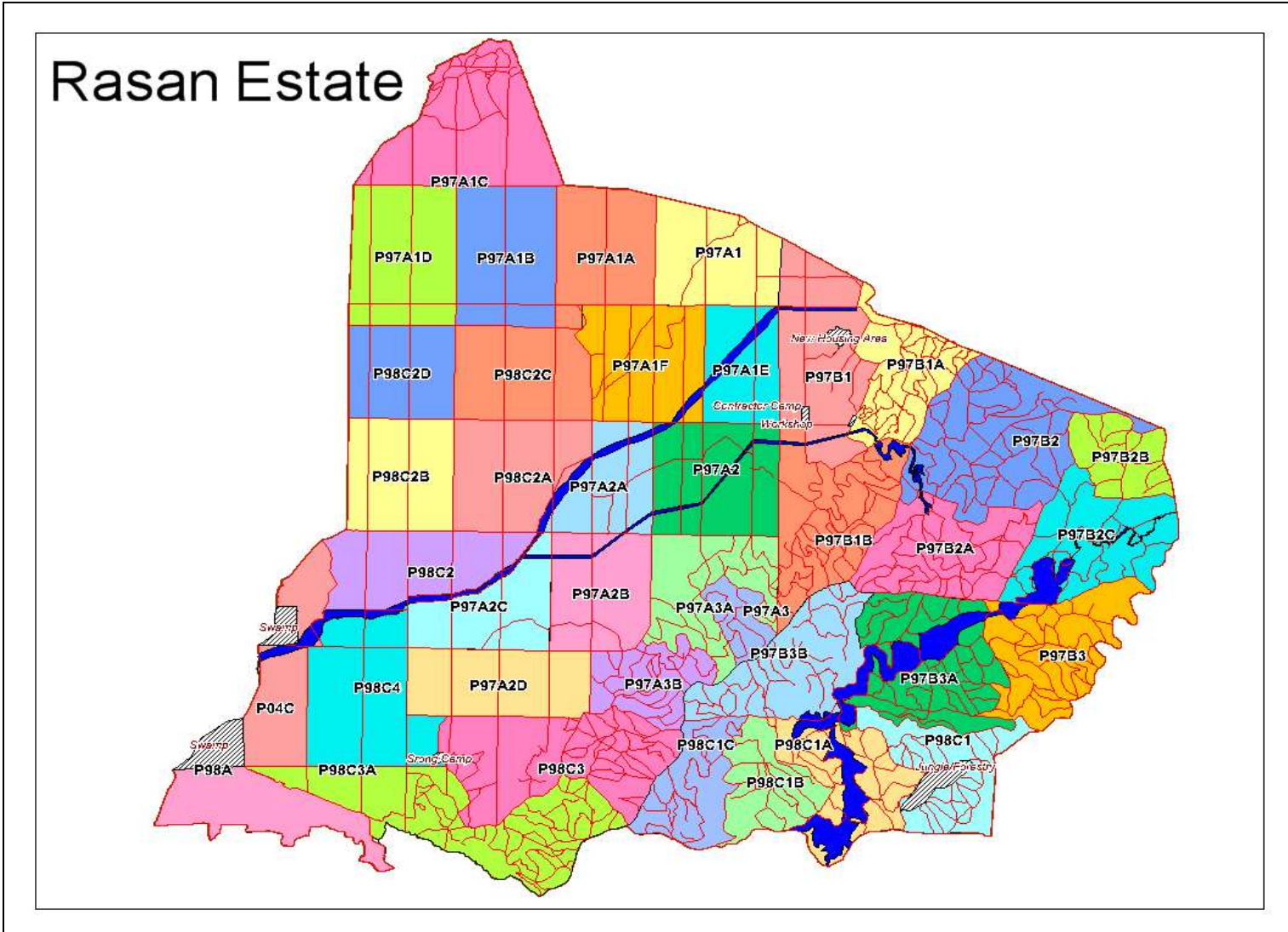
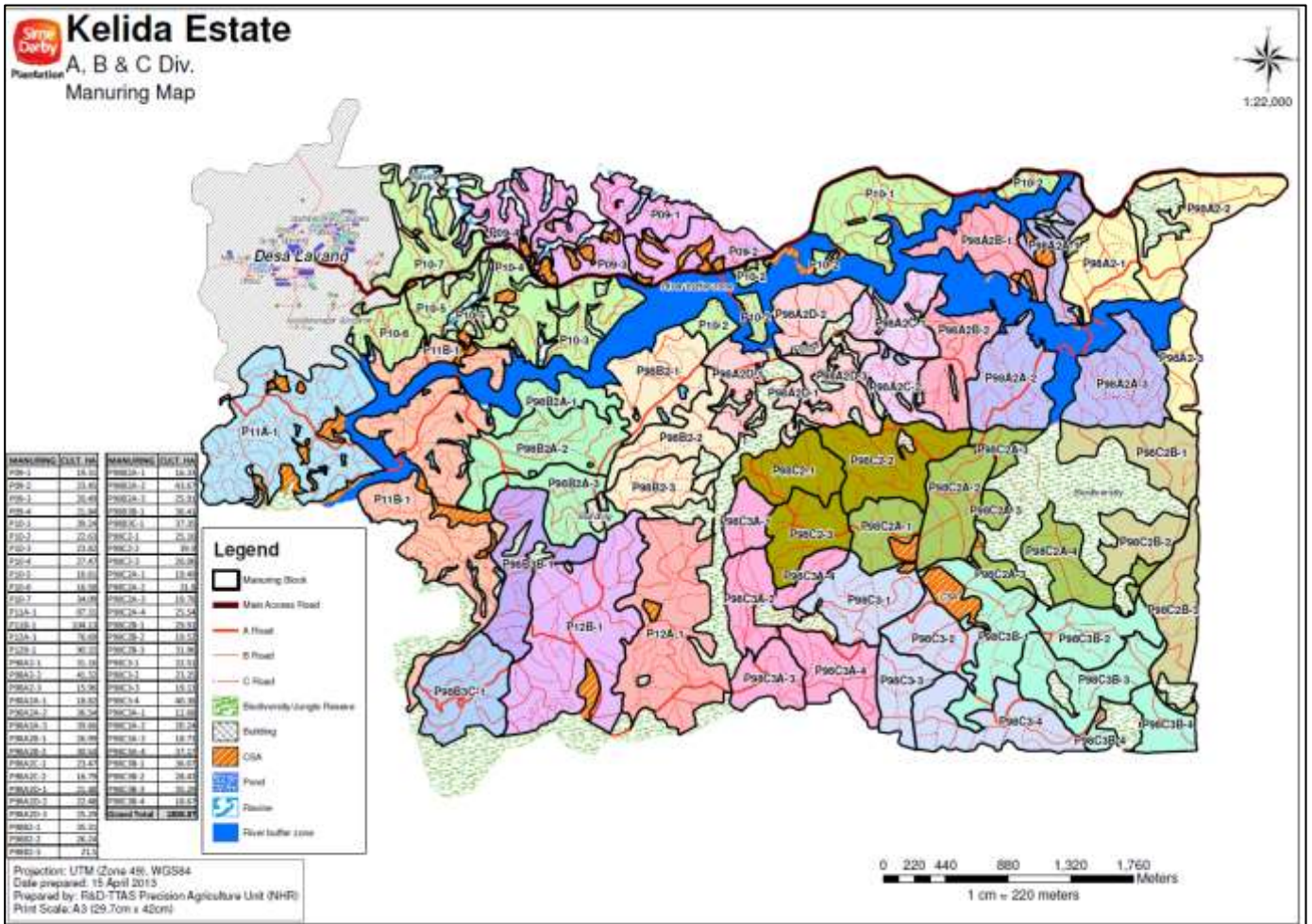


Figure 4. Operational Map of Kelida Estate



Estate Figure 5. Operational Map of Belian Estate

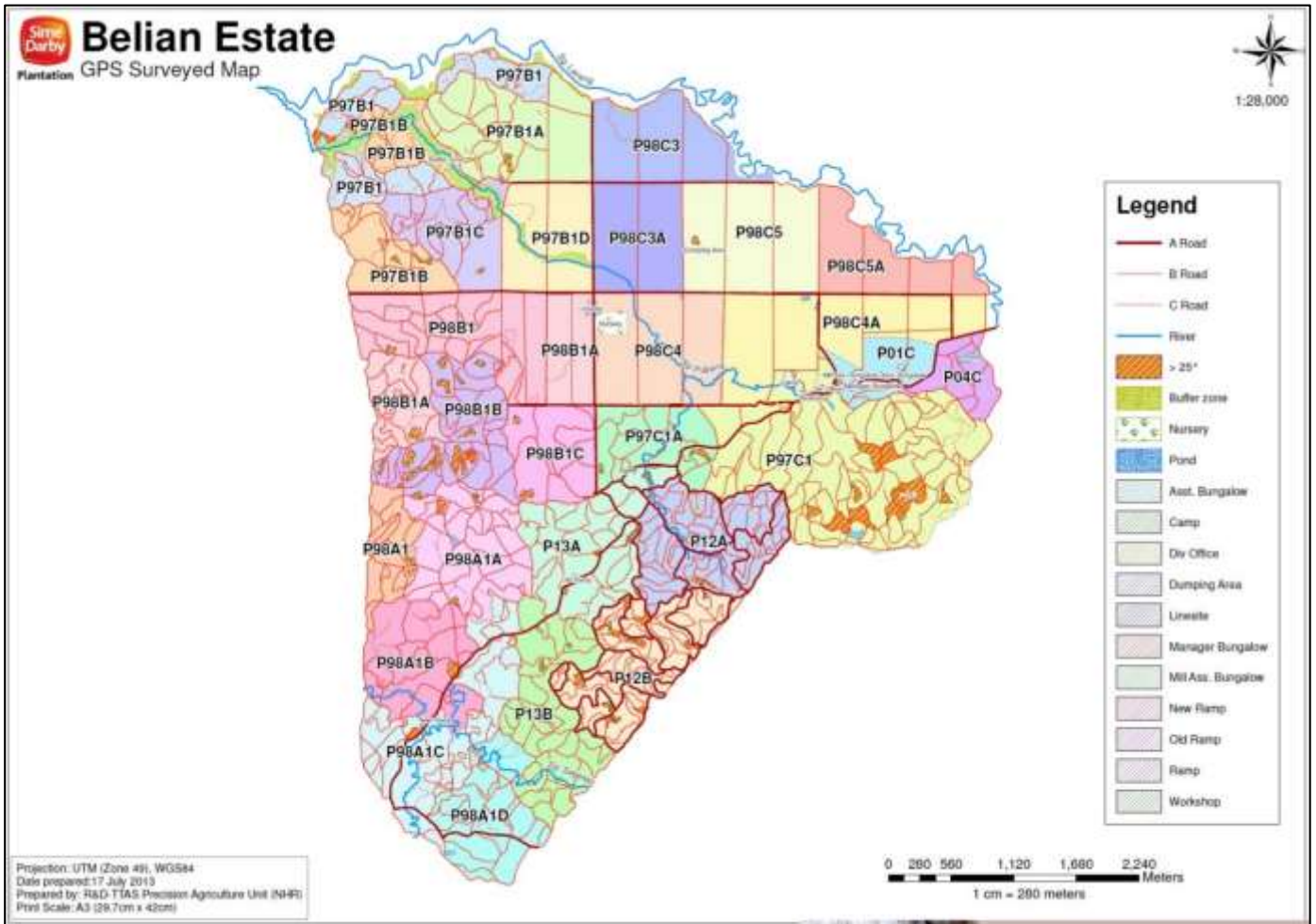
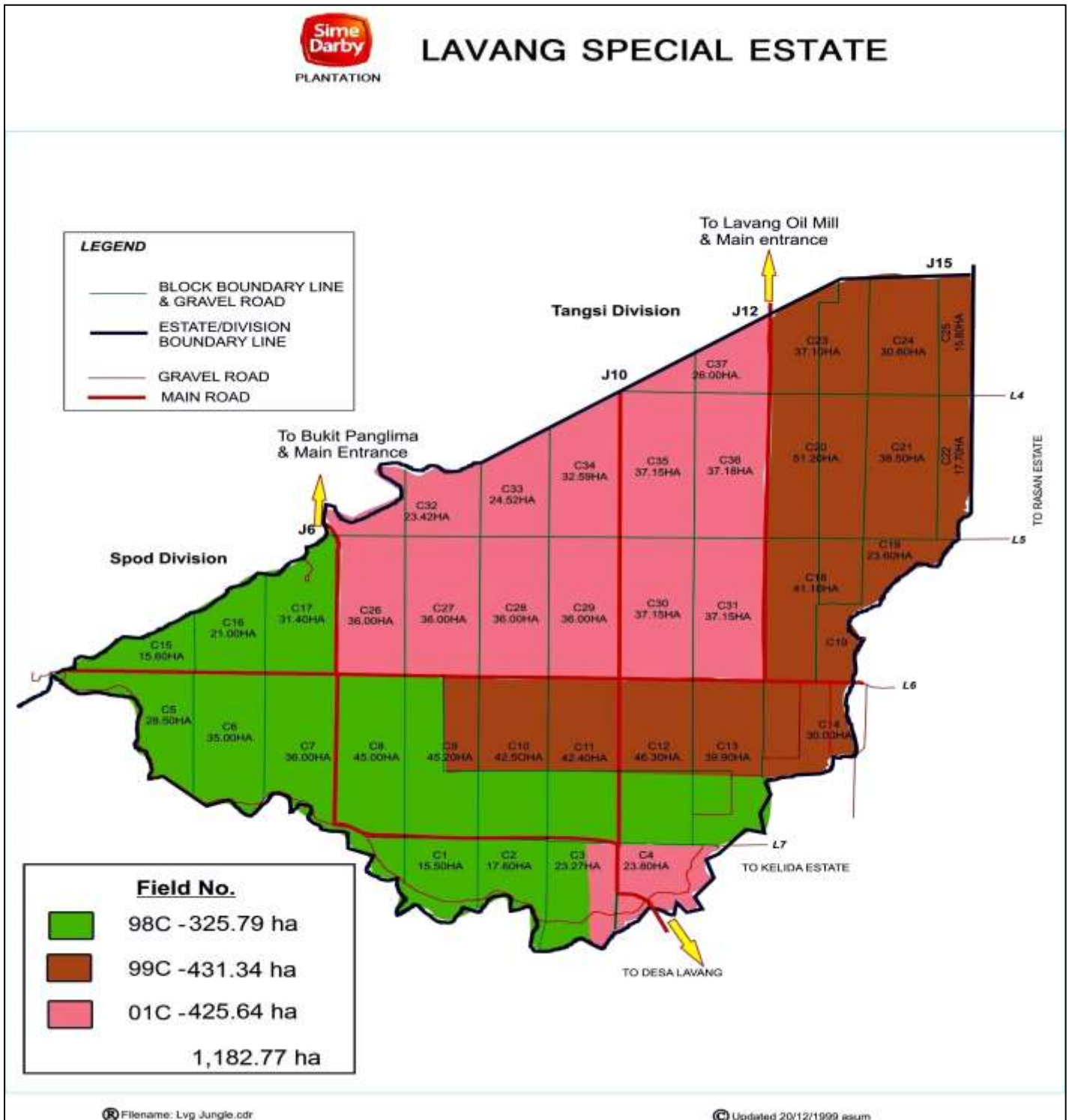


Figure 6. Operational Map of Lavang Special Estate



Abbreviations Used

| | | |
|-----------|---|---|
| ARM | : | Agrochemical Research Management |
| ASA | : | Annual Surveillance |
| BOD | : | Biological Oxygen Demand |
| BTS (FFB) | : | Buah Tandan Segar (<i>Fresh Fruit Bunch</i>) |
| CPO | : | Crude Palm Oil |
| CHRA | : | Critical of High Risk Assessment |
| CSR | : | Corporate Social Responsibility |
| EQMS | : | Environment Quality Management System |
| HCV | : | High Conservation Value (Nilai Konservasi Tinggi) |
| HIRAC | : | High Risk Assessment and Control (HIRAC) |
| HSE | : | Health Safety and Environment |
| KER | : | Kernel Extarction Rate |
| KKS (POM) | : | Kilang Kelapa Sawit (Palm Oil Mill) |
| LC | : | Land Clearing |
| LOTO | : | Log Out and Take Out |
| LTA | : | Lost Time Accident |
| MPOB | : | Malaysian Palm Oil Board |
| OER | : | Oil Extarction Rate |
| PK | : | Palm Kernel |
| PPE | : | Personal Protective Equipment |
| POME | : | Palm Oil Mill Effluent |
| PSQM | : | Plantation Services Quality Management |
| SDP | : | Sime Darby Plantation |
| SIA | : | Social Impact Assessment |
| SOP | : | Standard Operating Procedure |
| SPMS | : | Sustainable Plantation Management System |
| SOU | : | Strategic Operating Unit |

| | | | |
|------------|---|---|--|
| 1.0 | SCOPE of the CERTIFICATION ASSESSMENT | | |
| 1.1 | Assessment Standard Used | <ul style="list-style-type: none"> • Malaysia National Interpretation - RSPO MY-NIWG of Principles and Criteria (P & C) for Sustainable Palm Oil Production. Endorsed by RSPO Board of Governors 6 March 2015. • RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill) | |
| 1.2 | Organisation Information | | |
| 1.2.1 | Organisation name listed in the certificate | Sime Darby Plantation Sdn Bhd | |
| 1.2.2 | Contact person | Sabarinah Marzuki | |
| 1.2.3 | Organisation address and site address | Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia | |
| 1.2.4 | Telephone | +(603)78484366 | |
| 1.2.5 | Fax | +(603) 7848 4363 | |
| 1.2.6 | E-mail | Sabarinah.marzuki@simedarby.com | |
| 1.2.7 | Web page address | www.simedarby.com.my | |
| 1.2.8 | Management Representative who completed the application for certification | Sabarinah Marzuki | |
| 1.2.9 | Registered as RSPO member | September 8, 2004 | |
| 1.3 | Type of Assessment | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Palm Oil Mill and supply base | |
| 1.3.2 | Type of certificate | Annual Assessment 4 (Holding) | |
| 1.4 | Locations of Mill and Plantation | | |
| 1.4.1 | Location of Mill | | |
| | Name of Mill | Location | Coordinate |
| | | | Latitude Longitude |
| | Lavang Oil Mill | P.O Box 1288,97008 Bintulu ,Sarawak | N 3° 25' 42" E 113° 36' 01" |
| 1.4.2 | Location of Certification Scope of Supply Base | | |
| | Name of Supply Base | Location | Coordinate |
| | | | Latitude Longitude |
| | Lavang | KM 72 Bintulu Miri Road,P.O.Box 1288, Lavang Complex 97008 Bintulu Sarawak | N 3° 13' 13" E 113° 21' 11" |
| | Lavang Special | KM72, JALAN BINTULU-MIRI,P.O.BOX 1288,97008 BINTULU,SARAWAK,MALAYSIA | N 3° 33' 16" E 113° 37' 15" |

| | | | |
|--------|---|--------------|----------------|
| Belian | Belian Estate, Sime Darby Plantation (Sarawak) Sdn Bhd PO Box 1288, KM 72 Jalan Bintulu-Miri, 97008 Bintulu, Sarawak. | N 3° 31' 37" | E 113° 38' 31" |
| Rasan | KM 72 Bintulu Miri Road, P.O.Box 1288, Lavang Complex 97008 Bintulu Sarawak | N 3° 15' 34" | E 113° 21' 37" |
| Kelida | KM 72, Bintulu-Miri Road, P.O.Box 1288, 97008 Bintulu, Sarawak, Malaysia. | N 3° 32' 19" | E 113° 40' 51" |

1.5 Description of Area Statement

| | | | |
|-------|---------------------------------|------------------|----|
| 1.5.1 | Tenure | | |
| | • Freehold land title (Private) | 11,692.93 | Ha |
| | • State | | Ha |
| | • Community | | Ha |

1.5.2 Area Statement

| | | | |
|--|------------------|------------------|----|
| | • Total area | 11,692.93 | Ha |
| | • Mature area | 8,790.78 | Ha |
| | • Immature area | 1,666.93 | Ha |
| | • Mill | | Ha |
| | • Emplishment | - | Ha |
| | • Infrastructure | 466.32 | Ha |
| | • Nursery | 12.20 | Ha |
| | • Occupation | - | Ha |
| | • Others area | 109.18 | Ha |
| | • HCV | 634.47 | Ha |

1.6 Planting Year and Cycles

1.6.1 Age profile of planting year

| Planting Year | Hectarage (Ha) | | | | | |
|---------------|----------------|----------------|---------|--------|---------|---------|
| | Lavang | Lavang Special | Belian | Kelida | Rasan | Total |
| 1996 | 772.88 | - | - | - | - | 772.88 |
| 1997 | 585.91 | - | 325.18 | 576.12 | 2044.57 | 3531.78 |
| 1998 | - | 332.83 | 1344.83 | 313.71 | 1095.08 | 3086.45 |
| 1999 | - | 404.79 | - | - | - | 404.79 |
| 2001 | - | 394.26 | 46.87 | - | - | 441.13 |
| 2004 | - | - | 48.96 | - | 63.11 | 112.07 |
| 2010 | - | - | - | 257.21 | - | 257.21 |
| 2011 | 211.68 | - | - | 184.60 | - | 396.28 |
| 2012 | - | - | 203.23 | 162.68 | - | 365.91 |
| 2013 | 118.00 | - | 202.86 | 72.56 | - | 393.42 |

| | | | | | | | |
|------------|---|----------------------------|---|---|---------------------------|---|-------------------|
| | 2014 | - | - | 204.72 | 106.55 | - | 311.27 |
| | 2015 | 99.34 | - | 200.05 | 85.13 | - | 384.52 |
| | TOTAL | 1,787.81 | 1,131.88 | 2,576.7 | 1,758.56 | 3202.76 | 10,457.71 |
| 1.6.2 | New Planting area after January 2010 | | 0 | | | | Ha |
| 1.6.3 | Planting Cycle | | 2 nd Cycle | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | Description of Mill | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) |
| | Lavang Oil Mill | 90 | 146,448.93 | 32,777.2 | 22.38 | 8,462.8 | 5.78 |
| | <i>*Production data source from January 2015 – October 2015</i> | | | | | | |
| 1.7.2 | Description of Certification Scope of Supply Base | | | | | | |
| | Name of Estate | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | % |
| | Lavang | 1,944.16 | 1,787.81 | 2,1169.81 | 11,841.20 | 2,1169.81 | 100 |
| | Lavang Special | 1,178.29 | 1,132 | 18,527.43 | 16,366.99 | 1,8527.43 | 100 |
| | Kelida | 2,269.48 | 1,758.56 | 17,859.04 | 10,155.49 | 1,7859.04 | 100 |
| | Rasan | 3,454.00 | 3,202.76 | 55,444.87 | 17,311.59 | 5,5444.87 | 100 |
| | Belian | 2,847.00 | 2,576.7 | 23,679.96 | 91,900.34 | 2,3679.96 | 100 |
| | TOTAL | 11,692.93 | 10,457.71 | 136,681.11 | 13,069.89 | 136,681.11 | 100 |
| | <i>*Production data source from January 2015 – October 2015</i> | | | | | | |
| 1.7.3 | FFB description from other source | | | | | | |
| | Name of sources | Organisation | Location | Supplied to Mill | | | |
| | | | | FFB (tonnes/year) | | | |
| | Subis Plantation Sdn.Bhd | Private | Subis Plantation Sdn.Bhd 7C, 1 st floor, Merbau Road, P.O .Box 1503, 98008 Miri, Sarawak | 9,767.83 | | | |
| | TOTAL | | | 9,767.83 | | | |
| | <i>*Source Production Data on January 2015 – October 2015</i> | | | | | | |
| 1.7.4 | Product categories | | | FFB, CPO, PK | | | |
| 1.8 | Estimate Tonnage of Certified Product | | | | | | |
| 1.8.1 | Past Annual Claim Certified Product | | | Previous Certificate Claim January 2014 to December 2014 (tonnes/year) | | Actual certified product January 2015 to October 2015 (tonnes/year) | |
| | • FFB Production | | | 191,587 | | 136,681.1 | |
| | • CPO Production | | | 39,677.67 | | 31,647.56 | |
| | • Palm Kernel (PK) Production | | | 10,384.02 | | 7,975.91 | |

| | | | | | | | |
|------------------------------|---|---|------------------------------------|--------------------------|---|--|-----------------------|
| 1.8.2 | Estimate of Certified FFB Claim | | | | | | |
| | Name of Estate(s) | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | | |
| | Lavang | 1,944.16 | 1,787.81 | 33,600.00 | 18.79 | | |
| | Lavang Special | 1,178.29 | 1,132 | 23,242.00 | 20.53 | | |
| | Kelida | 2,269.48 | 1,758.56 | 28,120.00 | 15.75 | | |
| | Rasan | 3,454.00 | 3202.76 | 73,341.00 | 22.86 | | |
| | Belian | 2,847.00 | 2,576.7 | 40,122.00 | 15.57 | | |
| | TOTAL | 11,692.93 | 10,457.71 | 197,864.00 | 18.7 | | |
| | <i>*Projected FFB production for 12 months of certificate</i> | | | | | | |
| 1.8.3 | Estimate of Certified Palm Product Claim | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) |
| | Lavang Oil Mill | 90 | 197,864 | 49,347 | 24.94 | 11,654 | 5.89 |
| | <i>*Projected CSPO and CSPK production for January 2016 – December 2016</i> | | | | | | |
| 1.9 | Other Certifications | | | | | | |
| | ISO 9001:2008 | | - | | | | |
| | ISO 14001: 2004 | | - | | | | |
| | OHSAS 18001:2007 | | - | | | | |
| | ISCC | | 2013 | | | | |
| | Others | | 5S System, Lean Six Sigma | | | | |
| 1.10 | Time Bound Plan | | | | | | |
| 1.10.1 | Time Bound Plan for Other Management Units | | | | | | |
| | Management Unit | Address | | Hectarage (Ha) * | Time Bound Plan (Planned Audit Year) | Status (Actual/Target Certification Year) | |
| INDONESIAN OPERATIONS | | | | | | | |
| 1 | Alur Dumai | District of Rokan Hilir – Province of Riau | | 3,759.02 | 2010 | Certified 2012 | |
| 2 | Angsana Mini | Sebamban, Indonesia | | 16,000 | 2011 | Certified 2011 | |
| 3 | Mustika Oil Mill | Sebamban, Indonesia | | 7,794 | 2013 | Certified 2013 | |
| 4 | Angsana | District of Tanah Bumbu – Province of South Kalimantan | | 6,077.00 | 2010 | Certified 2011 | |
| 5 | Bebunga | District of Kotabaru – Province of South Kalimantan | | 16,361.77 | 2011 | Certified 2012 | |
| 6 | Sukamandang | District of Seruyan and Kotawaringin Timur – Province of Central Kalimantan | | 14,779.92 | 2010 | Certified 2011 | |
| 7 | Ladang Panjang | District of Muaro Jambi – Province of Jambi | | 1,202.04 | 2010 | Certified 2012 | |
| 8 | Manggala | District of Rokan Hilir – Province of Riau | | 13,836.00 | 2009 | Certified 2010 | |
| 9 | Pondok Labu | District of Kotabaru – Province of South Kalimantan | | 14,892.00 | 2011 | Certified 2012 | |
| 10 | Gunung Aru | District of Kotabaru – Province of South Kalimantan | | 12,704.54 | 2010 | Certified 2011 | |
| 11 | Rantau Panjang | Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan | | 10,139.91 | 2011 | Certified 2012 | |

| | | | | | |
|----|-----------------|---|-----------|------|---|
| 12 | Rantau | District of Kotabaru – Province of South Kalimantan | 7,720.00 | 2011 | Certified 2011 |
| 13 | Betung Oil Mill | District of Kotabaru – Province of South Kalimantan | 7,580.00 | 2014 | Certified 2014 |
| 14 | Sekunyir | District of Seruyan and Kotawaringin Barat – Province of Central Kalimantan | 7,734.60 | 2009 | Certified 2010 |
| 15 | Selabak | District of Kotabaru – Province of South Kalimantan | 10,361.18 | 2011 | Certified 2012 |
| 16 | Sungai Pinang | District of Musi Rawas – Province of South Sumatera | 6,513.00 | 2010 | Certified 2012 |
| 17 | Pematang | District of Seruyan and Kotawaringin Timur – Province of Central Kalimantan | 16,601.66 | 2010 | Certified 2011 |
| 18 | Teluk Bakau | District of Indra Giri Hilir – Province of Riau | 13,317.81 | 2010 | Certified 2011 |
| 19 | Madah Oil Mill | District of Indra Giri Hilir – Province of Riau | 12,365.00 | 2014 | Certified 2014 |
| 20 | Teluk Siak | City of Pekanbaru and District of Siak – Province of Riau | 11,134.00 | 2010 | Certified 2011 |
| 21 | Ungkaya | District of Morowali – Province of Central Sulawesi | 4,145.00 | 2011 | Certified 2012 |
| 22 | BK Ajong | District of Sanggau – Province of West Kalimantan | 11,652.00 | 2009 | Certified 2010 |
| 23 | Blang Simpo | of Aceh Tamiang and District of Aceh Timur- Province of Nanggroe Aceh Darulsallam | 7,580.89 | 2011 | Certified 2013 |
| 24 | Lembiru | District of Ketapang – Province of West Kalimantan | 8,406.21 | 2011 | Audited 2011 |
| 25 | MAS Mill | District of Sanggau – Province of West Kalimantan | 8,741.29 | 2011 | Audited 2011, Target certification 2015 |

MALYSIAN OPERATIONS

| | | | | | |
|----|-----------------|-------------------------------|--------|------|----------------|
| 1 | Sg. Dingin | Karangan, Kedah | 19,730 | 2010 | Certified 2010 |
| 2 | Chersonese | Kuala Kurau, Perak | 11,246 | 2011 | Certified 2011 |
| 3 | Elphil | Sg Siput, Perak | 6,826 | 2011 | Certified 2011 |
| 4 | Flemington | Teluk Intan, Perak | 11,577 | 2011 | Certified 2011 |
| 5 | Seri Intan | Teluk Intan, Perak | 9,225 | 2011 | Certified 2011 |
| 6 | Selaba | Teluk Intan, Perak | 5,603 | 2011 | Certified 2011 |
| 7 | Tenamaram | Bestari Jaya, Selangor | 10,074 | 2011 | Certified 2011 |
| 8 | Bkt Kerayong | Kapar, Selangor | 10,830 | 2011 | Certified 2011 |
| 9 | East | Carey Island, Selangor | 10,991 | 2010 | Certified 2010 |
| 10 | West | Carey Island, Selangor | 5,741 | 2010 | Certified 2010 |
| 11 | Bukit Puteri | Raub, Pahang | 3,876 | 2011 | Certified 2011 |
| 12 | Kerdau | Temerloh, Pahang | 13,790 | 2011 | Certified 2011 |
| 13 | Jabor | Kuantan, Pahang | 2,232 | 2011 | Certified 2011 |
| 14 | Labu | Nilai, Negeri Sembilan | 5,752 | 2011 | Certified 2011 |
| 15 | Tanah Merah | Port Dickson, Negeri Sembilan | 5,304 | 2010 | Certified 2010 |
| 16 | Sua Betong | Port Dickson, Negeri Sembilan | 18,748 | 2011 | Certified 2011 |
| 17 | Kok Foh | Bahau, Negeri Sembilan | 14,916 | 2011 | Certified 2011 |
| 18 | Kempas | Jasin, Melaka | 10,809 | 2010 | Certified 2010 |
| 19 | Diamond Jubilee | Jasin, Melaka | 8,029 | 2011 | Certified 2011 |
| 20 | Pagoh | Muar, Johor | 9,783 | 2011 | Certified 2011 |
| 21 | Chaah | Chaah, Johor | 8,789 | 2010 | Certified 2010 |
| 22 | Gunung Mas | Kluang, Johor | 12,410 | 2010 | Certified 2010 |
| 23 | Bukit Benut | Kluang, Johor | 8,085 | 2011 | Certified 2011 |
| 24 | Ulu Remis | Layang-layang, Johor | 17,097 | 2011 | Certified 2011 |

| | | | | | |
|--------|--|----------------------|--------|------|----------------|
| 25 | Hadapan | Layang-layang, Johor | 11,376 | 2011 | Certified 2011 |
| 26 | Sandakan Bay | Sandakan, Sabah | 16,786 | 2008 | Certified 2008 |
| 27 | Melalap | Tenom, Sabah | 5,697 | 2011 | Certified 2011 |
| 28 | Binuang | Kunak, Sabah | 10,219 | 2009 | Certified 2009 |
| 29 | Giram | Kunak Sabah | 7,602 | 2009 | Certified 2009 |
| 30 | Merotai | Tawau, Sabah | 10,493 | 2009 | Certified 2009 |
| 31 | Lavang | Bintulu, Sarawak | 11,783 | 2011 | Certified 2011 |
| 32 | Rajawali | Bintulu, Sarawak | 10,101 | 2011 | Certified 2011 |
| 33 | Derawan | Bintulu, Sarawak | 8,774 | 2011 | Certified 2011 |
| 34 | Pekaka | Bintulu, Sarawak | 11,704 | 2011 | Certified 2011 |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard | | | | |
| | <i>Subis Plantation Sdn Bhd. is an independent supplier.</i> | | | | |
| | | | | | |

| | |
|---------------|---|
| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| ASA 03 | <ol style="list-style-type: none"> <li data-bbox="245 389 1508 725">1. Oktovianus Rusmin (Lead Auditor). Indonesian Citizen. Bachelor's Degree in Social & Political Sciences Department of Anthropology. Specialists in the field of Social and Cultural (Social Impact & Conflict Resolution) and HCV. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001 Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSPO Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions and was approved as HCV assessor by RSPO for Social Discipline Specialist. Have been involved in several palm oil certification as Auditor and Lead Auditor. <li data-bbox="245 725 1508 1016">2. Tony Arifriarachman (Auditor). Indonesian citizen, Master of Agribusiness Management from Bogor Agricultural Institute, Graduate Diploma for Wood base Technology and Management FTP Kotka, Finland, Bachelor of Forestry from Bogor Agricultural Institute. Holding an IRCA Quality management System Lead Auditor, IEMA Environmental Management System, trained in RSPO Principle and Criteria, Learning session Elaborating in The RSPO P and C Social and labour standard and Mechanism of social Auditing in Bangkok. He has 19 years experience in Quality Management System ISO 9001, Environmental management system 14001, OHSAS 18001, Chain of Custody FSC and PEFC Scheme in Indonesia, Malaysia, Singapore, Australia, Cambodia, Myanmar, Vietnam and Thailand. RSPO audit in Indonesia and Malaysia. <li data-bbox="245 1016 1508 1308">3. Yap Chin Hung (Auditor). Yap Chin Hung is a graduate from University of Malaya with a Bachelor of Engineering (Honours) Degree in Manufacturing Engineering. He is a member of the Institute of Engineers, Malaysia. He had consulted and trained clients from various industries such as chemical, metal fabrication, engineering, electronics, manufacturing, fabrications, plastics, construction and trading in setting up and implementing the Management Systems based on ISO 9001, ISO 14001, ISO 13485, ISO 2200, HACCP, GMP, FSC and OHSAS 18001. Along his service as ISO consultant, he has assist more than 100 companies to obtain the ISO certification from various Certification Body. Yap is also the associate auditor for QE Certification, UK helping in carrying out 3rd party certification audit for ISO 9001, ISO 14001, ISO 22000 & OHSAS 18001. <li data-bbox="245 1308 1508 1532">4. Mohd. Nizam (Auditor). Mohd Nizam is a graduated from University Malaya with a Bachelor of Sciences with Honours (Ecology). Registered as a DOE environmental auditor EA 0012 and EIA consultant AC 0808. He had a 7 years experience on plantations as assistant manager at Asiatic Development Berhad. He had 21 years experience on auditing works on ISO 14000 Advanced EMS Auditing, Identifying Environmental Aspects & Impacts by Sirim Training Services S/B, Environmental Assessment & Management (Aberdeen, Scotland), Project Management Training Course & Train The Trainer Course (MIM). <li data-bbox="245 1532 1508 1733">5. Mohd. Hairimi (Auditor). Mohd Hairimi is a graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honours (Geography). Registered as assistant consultant on Social Impact Assessment with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 5 years in environment auditing and in Social and Environmental Impact Assessment Report (EIA and SIA). <li data-bbox="245 1733 1508 2024">6. Khairul Anuar bin Abdul Hamid (Auditor), Khairul Anuar is a graduate from University of Alabama at Birmingham with Bachelor of Science in Civil Engineering (environmental) and holds a degree of Associate in Applied Science from the University of New York at Buffalo. A registered Environmental Auditor (EA0079) with the Department of Environment Malaysia. A Certified Erosion Sediment and Storm Water Inspector (CESSWI3309) and also the first batch holder for competency in Environmental Compliance Audit Training from the Natural Resources and Environment Board (NREB) Sarawak. He is also trained in ISO14001 EMS Lead Auditor. 24 years of working experience in various industries and disciplines including a 5 years Lead Estimator role at Honeywell (A Fortune 100 company). |

| | |
|---------------|--|
| ASA 04 | <ol style="list-style-type: none"> 1. Oktovianus Rusmin (Lead Auditor) 2. Yap Chin Hung (Auditor) 3. Mohd. Nizam (Auditor) 4. Mohd. Hairimi (Auditor) 5. Khairul Anuar bin Abdul Hamid (Auditor) 6. Mohammad Aman Samsurey (Auditor). Mohammad Aman is graduated in Biochemistry for his first degree from University of Arizona, United States of America in 1997 and received his Executive Masters in Management from Asia-e-University in 2012. He has 18 years' experience in environmental consultancy service covering various types of projects and has become the Team Leader in a few Environmental Impact Assessment (EIA) projects and a Team Member in some other EIA projects as well as other environmental projects like Environmental Management Plan (EMP), Environmental Monitoring and Audit Report (EMAR) etc. He is registered as an EIA Consultant with DOE since 2007 carrying DOE registered no.(C0101) with 3 fields registered namely water quality, noise and vibration and general environmental management. He is also a registered, CESSWI (3530) ,CPECS(7468), MIS-BOSET , OGSP , and CIDB. He has also done a few environmental compliance audits covering areas in industries and housing development and acted as an assistant to the registered auditor with DOE. 7. Ebnu Holdoon Shawal (Trainee Auditor). Covering the environmental aspect of the audit. He graduated with Bachelor of Civil Engineering from University Tenaga Nasional in Malaysia. He has been completed the ISO 9001 : 2008 QMS Lead assessor course for RABQSA – QM 785 (Exemplar Global) certified. He has an experience regarding the safety, health and environmental standard for construction works as an engineer for 1 year. He has gone for various RSPO audit including Felda POM and United Plantation as observer and have total 26 man days following the auditing activities. During this audit he has been assigned to verify the Environmental aspect of RSPO certification and basic information data (under witnesses by Lead Auditor). |
|---------------|--|

| | |
|---------------|---|
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA 04 | <p>Number of auditors : 7 auditors</p> <p>Number of days for ASA-04 at site : 3 days</p> <p>Number of working days for ASA-04 at site: 21 Working days</p> |
| 2.2.2 | Assessment Process |
| ASA 04 | <p>The assessment was conducted by measuring the sufficiency of implementation and consistency of the SOU 34 – Sime Darby Plantations to the requirements of Malaysian National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO MYNI, March 2015 and Supply Chain Requirement for CPO Mill 2014).</p> <p>The assessment was conducted in three methods: (1) document review, aiming at observe the sufficiency of types or substances from required documents; (2) interview with management and stakeholders, aiming at obtaining more detailed information and information cross check; and (3) field observation, aiming at observe directly the sufficiency of implementation on site.</p> <p>Number of units in this certification activity is 5 (five) estates, which supply the raw material (FFB) to 1 (one) palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Lavang Palm Oil Mill and 5 (five) estates (Lavang Estate, Belian Estate, Rasan Estate, Kelida Estate & Lavang Special Estate).</p> <p>Some opportunities for improvement as the results of initial audit (ASA 04) had also delivered by the MUTU auditors to the management unit and the results are the subject will be verified at the next assessment phase.</p> <p>Improvement of findings from ASA 03 findings were observed by auditors at this ASA 04. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU International).</p> <p>The assessment program please find Appendix 2. The assessment program please find Appendix 2.</p> |

| | |
|---------------|---|
| 2.2.3 | Locations of Assessment |
| ASA 04 | <p>The scope of the audit was based on a sampling of the supply bases. In total there are 5 supply bases, and based on sampling, 2 estates were selected. visited, in addition to the palm oil mill were:</p> <ol style="list-style-type: none"> 1. Kelida Estate 2. Lavang Estates <p><u>Lavang Mill</u></p> <ul style="list-style-type: none"> • Weight bridge. Loading ramp and processing area: Observation and interview with the operators regarding their job descriptions and responsibilities. Ensuring the operators' awareness on the Supply Chain System applied in the work. • Oxidation Pond/Final discharge : Zero discharge • Workshop : Compliance, in order – 5s system has been implemented, Maintenance activities observed such as cutting and welding. Portable fire extinguisher standby during the welding process. Sufficient PPE observed. • Kernel Plant : No operation running during the field audit. Sufficient signage observed. • Boiler Area : Boiler process assessed. Sufficient PPE observed. • Chemical Store : Proper chemical store observed. Sufficient label and CSDS available at the chemical store, Compliance, eye wash, MSDS, SOP, PPE • Sterilization Area : Sterilization process assessed. Good safety practice in place. All sterilizers observed with certificate of fitness <p><u>Kelida Estate</u></p> <ul style="list-style-type: none"> • Boundary Stone : At Block P13A, clear evidence of boundary stone at the estate. • River : Sungai Tangsi crossing estate at Block P97BD • Spraying Work : Field 2011A - PPE provided: Helmet, rubber boot, hand gloves, apron, face mask & goggles. PPE was replace on regular basis. Workers have basic knowledge about chemical name and handling. Training were provided by estate management • Harvesting Work : Field 2009 - Worker interviewed: working as FFB loader for 3 years : During the interviewed, the workers was wearing safety helmet with rubber shoes. He received formal training to conduct the job as loader • Workers Housing Quarters, housing and supporting facilities is in good condition (electricity and clean water is supplied form the company. <p><u>Lavang Estate</u></p> <ul style="list-style-type: none"> • Workers Housing Quarters : Housing in very good condition • Lavang Canteen,; Variety of food is serving at the Canteen • NEST : Nest was provided as a nursery for foreign workers children, • Groceries : Variety of goods are sell in this shop. • Agrochemical Store : Worker interviewed: Working experienced : 1 year, Origin : Sarawak- The store was properly constructed with rack and signage. Worker has attended chemical handling training and has a knowledge of chemical handling. Eye wash facility was available. Chemical containers washing and storage facilities were available. Schedule waste storage and inventory was available and within 180 days storage period. • Spraying Work : Field A1C - Workers interviewed : All sprayers have more than 3 years experienced. - PPE provided: Helmet, rubber boot, hand gloves, apron, face mask. PPE was replace on regular basis. Workers have basic knowledge about chemical name and handling. Training were provided by estate management. However all workers were not wearing goggles. • Harvesting Work : Field A1A - Worker interviewed: working as FFB loader for 3 years : During the interviewed, the worker was wearing safety helmet with rubber shoes. He received formal training to conduct the job as loader |

| | |
|---------------|---|
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| ASA 04 | <p>Consultation of stakeholders was held by:</p> <ol style="list-style-type: none"> 1. Public announcement at 09 October 2015 on MUTU Website 2. Letter sent to related agencies and NGO in Malaysia, dated 12 October 2015 3. Internal stakeholders representatives. Interview of worker union and gender committee on 28 October 2015 4. External stakeholder consultation, dated 28 October 2015. Representative of Informal Leader, Local Contractor & Teachers. <p>Numbers of inputs from stakeholders both positive and negative were received by the audit team and clarified by the management. The consultation results are captured under 3.6 (Summary of Arising Issues from Public, Management and Auditor Response) See 3.6 below.</p> |
| 2.3.2 | Stakeholder contacted |
| | <i>Please find appendix 1</i> |
| 2.4 | Determining Next Assessment |
| | The next visit (<i>Re Certification</i>) will be determined nine to twelve months after the date of certificate issued with the approval from Unit Management. |

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pekaka POM – SOU 34, *Sime Darby Plantation Sdn Bhd* operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were zero (0) Nonconformities were assigned against Major Compliance Indicator; one (1) nonconformity were assigned against Minor Compliance Indicator; and zero (0) nonconformance against supply chain requirement for CPO mill and three (3) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. Those corrective action(s) taken that consist of zero (0) Major non-conformity and one (1) Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Lavang POM – SOU 31, *Sime Darby Plantation Sdn Bhd* has complied with the requirements of National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Malaysia and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **maintained**.

| Ref Std. | VERIFICATION RESULT of MUTU-Certification | |
|--|---|--|
| PRINCIPLE #1 COMMITMENT TO TRANSPARENCY | | |
| 1.1 | Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| | <p>There is available access to the information regarding RSPO criteria towards environmental, social, and legal issues at the mill and estate. The document made available including SIA (Social Impact Assessment) plan FY 15/16, Environmental Impact evaluation form to the stakeholder and recently updated(EIE 2015/04/01).</p> <p>The stakeholder meeting also been held at Dewan Desa Lavang complex which covering the issues by settlers and workers. The stakeholder list also being updated : for FY 2015 / 2016 for Kelida Estate including their Name , Address, Telephone No, Fax/ email and contact person for respected person to able the transparency between management and communities.</p> <p>Record of request information regarding the feedback from department of environmental regarding regular checkup of the mill also been recorded and their feedback was keep in a folder signed by Mr Muftahuddin Fakeh, Mill manager. The CSR letter in between the communities and Sime Darby Estate management also being maintained and keep in estate management office.</p> | |
| | Status: Compliance | |
| 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. | |
| | <p>There is available document and made publicly available and accessible by stakeholders regarding the land title, OSH plan, Aspect impact plan of the mill, aspect impact plan of the mill and complain and grievances book.</p> <p>The Document was made available to access by public and well kept in the office estate and mill. The negotiation procedure between workers and management was made available in QMS procedure in a flow chart .</p> | |
| | Status: Compliance | |

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

There is written policy committing to code of ethical conduct and integrity : refer Code of Business Conduct Updated : December 2011 approved by : Dato Mohd Bakke Salleh that includes the ethic of :

- Working with one another
- Avoiding conflict of interest
- Guarding against bribery and corruption
- Gifts entertainment and travel
- Donations
- Protecting the group and shareholders
- Dealing with counterparts and business partners
- Dealing with government authorities Political parties and international organizations

All the document was made into a booklet and being distributed to workers for works purpose The Code of Business Conduct also available at the mills as one of the guideline for the workers and staff of Lavang POM (Sime Darby Plantation Berhad). The COBC will covering the way management will handle the stakeholder and how the business with third party should be done accordingly

Status: Compliance

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

A Legal Register covering the applicable local and international laws and regulations is available at the mill and estates. The identified legislations were regarding to safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management.

Relevant required licensing and document such as MPOB license, DOE licence, BOMBA certificate, competence driver license, etc observed.

During the site assessment, relevant legal compliance evidence observed:

- Audiometric test performed and result communicated to staffs.
- Regular DOSH inspection performed for steriliser and boiler. Certificate of fitness for steriliser and boiler observed. Certified boiler man and engine driver available.
- All fire extinguisher still within validity period.
- Good maintenance of chemical store and complied with legal requirements. Legal register observed and complied with legal requirements
- CHRA conducted together with medical surveillance.

There were no cases of any violation or actions imposed by relevant authorities.

Evaluation of compliance performed and found compliance with relevant requirements.

Yearly review of legal compliance observed. Tracking of law changes system defined. Relevant personnel appointed as person in charge for legal register and evaluation of compliance.

Consideration to improve the control of legal book to ensure latest version at the point of use (OFI)

Consideration to review the legal compliance evaluation process to ensure the legal compliance effectively evaluated (OFI)

Status: Compliance

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

All the estates as supply base of Lavang POM are a leased land by Sarawak State Relevant land title available. The original copies are maintained by the Corporate Head office. Memorandum of agreement with land owner observed. Legal ownership – summary of land title, lease agreement, temporary holdings document. Letter from Jabatan Tanah & Survey. Boundary identification was provided with GPS survey map. The auditor was observed a few of boundary poles, for example at Block P13A (Kelida Estate) and the boundary is clear and was maintained. Based on document verification, field visit observed and stakeholder consultation that shows there is no land dispute issue.

Status: Compliance

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.

All the estates as supply base of Lavang POM are a leased land by Sarawak State. However, the expiry date differed accordingly. Relevant land title available. The original copies are maintained by the Corporate Head office. Memorandum of agreement with land owner observed. Legal ownership – summary of land title, lease agreement, temporary holdings document. Letter from Jabatan Tanah & Survey. Boundary identification was provided with GPS survey map. Boundary stones were observed on site and maintenance SOP was available. Based on document verification & field visit observed, there is no land dispute issue.

Status: Compliance

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

The Lavang Mill has have document forecasted 5 years Business Management Plan. It is explain about budget in relation to production aspect, included Oil Extract Rate (OER) and Kernel Extract Rate (KER). The estates had prepared a forecasted 5 years Business Management Plan. These document included of explanation of FFB production target and operational budget. Financial budget for mill and estate observed for year 2015 ~ 2020. Proper budget data observed and showed good projection towards next five years. Sufficient details observed:

- OER rate
- Total cost /CPO
- Forecast price
- Profitability forecast
- Project expansion
- Allocation for social and environmental
- Estate cost
- Crop projection = Fresh Fruit Bunches (FFB) yield trends

Annual review performed for the financial budget. Ongoing financial budget monitoring performed. Long range replanting program observed from year 2015 to 2037 observed. Yearly review of replanting program observed.

Status: Compliance

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

Quality, Environmental and Occupational Health & Safety management system developed for mill observed. Total 16 management procedures developed for the whole Quality Management System. Process flow chart for production process observed. Sufficient SOPs developed and covered whole POM processes. Controlled set of QOHSE documents observed during the mill audit. Document Master List observed for all procedures and SOPs. Document revision well controlled with updated version keep track. During the site observation, updated documents observed at the point of use. Internal audit conducted on yearly basis for monitoring of SOPs implementation. Daily monitoring performed by mill supervisor.

Weekly briefing performed for communication of SOPs and reminder for all employees.
 Several progress report and checklist observed for daily operation processes such as daily production report, flowmeter report, oil room checklist, etc.
 Control of nonconformance procedure in place. Defect book used as nonconformance recording and subsequent actions recorded.

Generally all estates within Sime Darby group has the same SOP; Plantation SOP was documented in Agricultural Reference Manual (ARM) latest updated July 2011. Standard Operating Manual (SOM), 2018 & Standard Operating Procedure (SOP), 2018. Checking mechanism was done via Agronomist visit, PA Visit, GCADD, PSQM visit, Internal Audit. Monitoring was done via record of action plan where every estate will record their worked programme such as herbicide spraying, fertilizer application and pesticide application.

Status: Compliance

4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Agronomist recommendation was determined by leaf and soil sampling analysis. Fertilizer input for estates were implemented through chemical fertilizer application (urea, phosphate and potash), organic fertilizer application through EFB mulching and compost fertilizer and natural cover by legume cover crop planting which act as erosion protection as well as recycling the nutrient.

The auditor was observed an example of document:

Kelida Estate:

- a. Practical Land Application Manuring (PLAM) 15/16, Compost application 15/16
- b. Manuring programme follow agronomist report.
- c. Fertiliser used /ton FFB, latest 9/15.

Lavang Estate:

- a. Fertiliser input maintained by manuring cost book.
- b. Fertiliser programme available – manuring programme for 2015/16
- c. Fertilizer usage /ton FFB: latest 10/15

Status: Compliance

4.3

Practices minimize and control erosion and degradation of soils.

The estates are very vital in term of erosion control as well as top soil protection for soil fertility. Erosion control started during replanting activity where terracing, roadside drainage and cover planting were implemented. For peat soil, drainage system and water table management is the priority issue. As the mature trees the routine maintenance were carried according to schedule such as frond stacking, road side pit, LCC planting, Neprolepis planting and Conservation Set Aside (CSA) area. Currently the maintenance record was documented in Road and Drainage maintenance record.

There was sighted document for control erosion and degradation:

- a. Planting on slope policy – slope & river protection policy.
- b. Replanting SOP in ARM & EQMS.

Status: Compliance

4.4

Practices maintain the quality and availability of surface and ground water.

Water management Plan was available to supply clean water to staff and worker. Water quality was maintained by river reserve protection where there is a clear policy and manual for water quality management plan. As for the estates, chemical and fertilizer application were control to prevent river water contamination. There is a clear manual for water quality improvement plan. Monitoring outgoing surface water from the estates into the main rivers is a structured mechanism to monitor impact of estates activities towards the natural rivers. Estates namely, Dulang, Chartquest, Lavang and Kelida (through Sg. Lavang) have conducted their quarterly river quality monitoring and reports were available. ..

Status: Compliance

4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

SOP for IPM is a chapter in ARM. Pest identified were rat, backworm and ganoderma. Pest survey was conducted and action implemented was rat baiting and biological control via introduction of predators attraction plants (Antigonon leptopus, Casia covenensi, Tunera subulata, Uphorbia heterophyla) were planted and visible on field. Proper training was provided to management staff and workers who handle of Integrated Pest Management (IPM).

Status: Compliance

4.6 Pesticides are used in ways that do not endanger health or the environment

All estates within Sime Darby group were adopting a Manual namely ARM and EQMS. Record of agrochemical showed that only class II & III were used and all purchased was made by Head Quarter. *Paraquat* has been banned. Pesticide program and records of application were available. Minimizing of pesticide are through biological control. Personnel handling chemical was trained by PSQM and HSE. Chemical storage was proper with MSDS available at all stores. Chemical sprayers were trained and equipped with proper PPEs. Sprayers medical checkup were available and sprayers were monitored for chemical exposure.

Status: Compliance

4.7 An occupational health and safety plan is documented, effectively communicated and implemented.

Occupation Safety and Health Policy observed. Communication of policy performed thru tool box meeting. Occupational Safety and Health Management Programme for year 2015/2016 observed for mill and estates. Sufficient program defined. Safety and Health target set and ongoing monitoring performed on the planned programme. Relevant programme implemented on periodically basis:

- Emergency Preparedness & Response
- Chemical Safety Management
- Contractor Safety Management
- Vehicle and Machinery Safety Managemeny
- Health & Hygiene Audit & Inspection
- Safety & Health Training
- Workplace Inspection
- Safety Committee Meeting

Relevant type of test such as audiogram test, medical surveillance, Critical of High Risk Assessment (CHRA) performed according to legal requirement. Sufficient actions observed following the test results.

High Risk Assessment and Control (HIRAC) procedure developed with proper criteria attached for risk assessment at mill & estates. All mill and estates activities covered for HIRAC study. Relevant action proposed for identified hazard. Several operation controls defined with relevant procedures such as Personal Protective Equipment (PPE), *Log Out and Take Out* (LOTO), Permit To Work, specific competence person, chemical store management, etc. Overall implementation of operation controls were at satisfactory level.

Sufficient and suitable PPE had been distributed to workers. Relevant PPE training provided to estates staff and workers. PPE usage assessed during the field observation and generally good practice observed.

Safety & Health Committee established for mill and estates. The establishment of Safety & Health Committee observed and in line with legal requirement. Safety & Health meeting conducted at least on quarter yearly basis and comply with legal requirement. Safety and health related issue discussed during the meeting and proper action plan observed for outstanding issue.

Emergency Response Procedure observed with description of emergency situation handling for estates. Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Good understanding level observed among the workers.

No accident reported for both mill and estates for year 2015. Accident recorded in LTA term and clearly presented during the audit

Fire drill training conducted at mill and estates for improving of staff and workers awareness on emergency handling.

Functionality of fire fighting system and first aid equipment assessed during the mill observation. Good condition maintained. Sufficient first aider appointed for mill and estates. First aid training attended and all first aider certified. Medical insurance provided to all workers. Insurance agreement observed for all workers. Evidence of insurance claim observed.

Lavang and Kelida Estates

OSH safety Manual August 2008. Monthly report was send to GSQM ESH and LTA record was available.. CHRA report was available. Annual medical checkup for workers was available. Adequate training record was available. Consideration for effectiveness monitoring of Personal Protective Equipment use for all workers (OFI)

Status: OFI for indicator 4.7.3

4.8

All staff, workers, smallholders and contractors are appropriately trained.

Training requirement matrix for mill and estates observed and defined according to job position. Training plan was planned according to training requirement matrix including subcontractor involvement. Relevant trainings conducted according to training plan. Relevant training attendance list and evaluation conducted. Several trainings conducted and relevant records well maintained. Training record was available for executive, staff and workers. Related training were competent first aid, OSH training and ESH training. Workers were trained internally by staff and executive.

Status: Compliance

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Environmental Aspect Impact identified, implemented and evaluated at the mill and estates. Areas of activities are identified and their relevant aspect and impact annually reviewed and updated. Mitigation plan was developed, implemented and monitored.

- The auditor was observed the documents of :
- Environmental Aspect & Impact Identification Form File No. SM/5.2/EAI Kelida Estate FY : 2015/16 (1/7/2015)
- Environmental Impact Evaluation Form Estate:Kelida FY:2015/2016 Form Code:PL-02/EIE
- Waste Management Action Plan **2015/2016** Lavang Estate
- Kelida Estate Waste Management Action Plan For Year **2015/2016**
 - First planting was done in 1998, first replanting completed in 2009 and still on going.
 - Aspects and impacts were well documented and implemented within the Kelida Estate area since June 2009.

Status: Compliance

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

Biodiversity Baseline was assessed and report was available.

The document was sighted are:

- Biodiversity Baseline Assessment Report for SOU 31. **June 2009**
- Management Plan on Biodiversity Assessment FY 2015/16

The auditor was observed in field visit for HCV area:

HCV area : Buffer Zone 25 ha, water catchment pond 10 ha, biodiversity area 300 ha in Lavang Estate

HCV area : Buffer Zone 50 ha, biodiversity area 24 ha in Kelida Estate.

The area was marked by signboard and warning sign for no pesticide application in buffer of HCV area.



| | | |
|---|---|--|
| | Status: Compliance | |
| 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. | | |
| Identification of waste and its sources was made. Scheduled wastes and Chemical waste are collected and disposed of by licensed contractors. EFB at the mills are contracted to be recycled into compost. POME is also used in the composting process and zero discharge policy being implemented. There was available and has been observed by auditor the document of Waste Management Action Plan For Year 2015/2016 in each estates | | |
| | Status: Compliance | |
| 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised. | | |
| In the mill monitoring of renewable energy and diesel usage (L) per CPO and FFB (MT) produced are recorded and tabulated on monthly basis. | | |
| | Status: Compliance | |
| 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 guidelines or other regional best practice. | | |
| No open burning observed in the plantation and record for crop felling, chipping and rearranged in the field were available. No evidence of domestic waste being openly burned There was sighted document of Sime Darby Plantation Estate Quality Management System Level 3 SOP Section B2, Version 1 01/11/2008. Latest Replanting of 2 Lavang Estate fields was done covering 58.12 ha (15A) and 41.22 ha (15B) in March 2015. The Replanting has been undertaken since 2009 and still on going for Kelida Estate. | | |
| | Status: Compliance | |
| 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored. | | |
| As per their Sustainability Committee's presentation to the board, GHG are being recorded and calculated. Nonetheless, SIME DARBY is using their own method of calculation. The proposal had been sent to RSPO for approval and awaiting endorsement. No GHG report submitted as yet. Sime Darby Plantation is in the process of preparing the paper on SDP's carbon calculation methodology for submission to the RSPO Emission Reduction Working Group (ERWG). The submission is planned in November for the endorsement by the RSPO ERWG. | | |
| 5.6.3 | Status: Non Compliance 2015.01 Minor | |
| PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills | | |
| 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 the continuous improvement. | | |
| A Baseline Social Impact Assessment (SIA) for SOU 31 (Lavang, Rasan, Belian, Kelida, Lavang Special and Lavang POM) on 17 June 2009, External Stakeholder Meeting "Majlis Perjumpaan Muhibbah" Sarawak Zone has been conducted on 31 st July 2009. A stakeholder meeting were attended by 125 people from four main key stakeholder Suppliers, Tuai Rumah (Head of Village), Surrounding Communities and interested parties and government agencies. An evidence of record of meeting are documented. A new SIA expected to be done on June 2016. An issues that been covered in the SIA report are Safety (Health and education facilities), Pollution issues, Workers Union, Boundary Issues, Foreign Workers and Social Safety Issues. There is a Social management plan based on the SIA that been conducted. The results of the stakeholder meeting are documented in the Social Management plan and all of the issues are listed and resolution are documented with the Persons in Charge is stated. A complete timetable with responsible are presented in Action Plan FY 2015/2016 Social Impact Assessment Lavang and Kelida Estate. A Plan to mitigate the negative and positive impacts has been developed and the strategies to resolve the issues are | | |

documented. The Persons in Charge is stated in the timetable.
 The plans has been updated on annually basis. The latest plan is for 2015 / 2016.
 There is no smallholder in Lavang and Kelida Estate, however estate management is pay attention to a positive and negative impact for the internal and external stakeholder have been identified such as improve of living standards and increase of health, education facilities and cultural and religious values.

Status: Compliance

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.

A Baseline Social Impact Assessment (SIA) for SOU 31 (Lavang, Rasan, Belian, Kelida, Lavang Special and Lavang POM) on 17 June 2009, External Stakeholder Meeting “Majlis Perjumpaan Muhibbah” Sarawak Zone has been conducted on 31st July 2009. A stakeholder meeting were attended by 125 people from four main key stakeholder Suppliers, Tuai Rumah (Head of Village), Surrounding Communities and interested parties and government agencies. An evidence of record of meeting are documented. A new SIA expected to be done on June 2016.
 An issues that been covered in the SIA report are Safety (Health and education facilities), Pollution issues, Workers Union, Boundary Issues, Foreign Workers and Social Safety Issues. There is a Social management plan based on the SIA that been conducted. The results of the stakeholder meeting are documented in the Social Management plan and all of the issues are listed and resolution are documented with the Persons in Charge is stated.
 A complete timetable with responsible are presented in Action Plan for year 2015/2016 Social Impact Assessment Lavang and Kelida Estate. A Plan to mitigate the negative and positive impacts has been developed and the strategies to resolve the issues are documented. The Persons in Charge is stated in the timetable. The plans has been updated on annually basis. The latest plan is for 2015 / 2016.
 There is no smallholder in Lavang and Kelida Estate, however estate management is pay attention to a positive and negative impact for the internal and external stakeholder have been identified such as improve of living standards and increase of health, education facilities and cultural and religious values.

Status: Compliance

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

There is Sustainable Plantation Management System appendix 5 available flow chart for handling social issues documented system. The Grievance Redressal Procedure for communication and consultation in clearing up misunderstanding / conflict / grievances or raising any issues with Lavang and Kelida Estate, the procedure is adopted, in an effective, timely and appropriate manner that is open and transparent to any affected parties.
 The SOP been developed by the Head Quarters version 1, year 2008, Issues no 1, date on 01/11/2008. Issues arise are taken by the Estate Management through initial negotiation between the Estate management and the disputed parties, within two weeks after outbreak of issues. If the case not resolved estate management has to report the issues to the Head Office and proceed with information gathering and investigation process before an action been taken.
 There is a complaint book at Lavang and Kelida Estate (RSPO / Complaint Communication Log Book). All compliant is documented and an action been taken by the management. Field supervisor is the in charge person to take the complaint and resolve the issues. All action taken is properly documented. Latest compliant on 24/10/2015.
 Based on the interview the local and Indonesian workers, they are aware with the procedure and know how to make a complaints.

Status: Compliance

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.

There is a procedure and system for land dispute in SPMS (Sustainable Plantation Management System) – Flow Chart and procedure on handling social issues and handling land dispute appendix 3.
 There is a Grievance Redressal Procedure for communication and consultation in clearing up misunderstanding / conflict / grievances or raising any issues with Lavang and Kelida Estate, the procedure is adopted, in an effective, timely and appropriate manner that is open and transparent to any affected parties. Proposed solutions in the negotiation process include, among others affected parties to vacate the area, compensation to be given to affected

| | |
|---|--|
| parties, resettlement of affected parties, CSR and Government acquires land. Until the audit there is no dispute recorded at Lavang and Kelida Estate. | |
| Status: Compliance | |
| 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. | |
| <p>Based on the audit, all workers have an agreement based on Contractual for 2 years 1 year option to extend the contract with management and been signed by the foreign workers Indonesia regarding the labour laws, union agreements including (working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal. All workers are given the pay slips and the minimum basics salary is RM 30.77 per day based on (Sekim Saraan semasa amalan Syarikat bagi Negeri Sarawak) and Sarawak Labour Ordinance (Sarawak Capter 76) amended as at 10th February 2005 by Act A 1237.</p> <p>There is a clear contract in Bahasa Melayu between Sime Darby and workers regarding the labour laws, union agreements in Bahasa Malaysia for Lavang and Kelida Estate workers and made understanding to the workers. The contracts are signed by the workers and the copy are given to them. Based on the audit there is no issues raises regarding the salary and verified by the interviewed during the field observation also verified the Monthly Pay Slip (Penyata gaji Bulananan untuk Sep 2015) for local and foreign workers.</p> <p>The management have complied workers Minimum Standards of Housing and Amenities Act 1990 (Act 446). All workers are provided with adequate housing and were observed in very good conditions. Foreign workers housing are free provided with 24 hours electricity and clean water with subsidies 35 gallon of water for every each workers. Medical are provided based on (Akta Pekerjaan 1955 / Ordinan Buruh Sarawak). For family workers, 3 rooms housing were provided. Based on the observation there is a groceries (<i>Kedai Runcit</i>), Community Hall (Dewan Lavang) and Mosque. Also indicated in the employment contract workers are provided with food subsidies 5 kg of rice and 5 kg of cooking oil once in two month. Based on the observation all facilities are in good and satisfactory.</p> | |
| Status: Compliance | |
| 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 collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel. | |
| <p>There is a clear policy made by Sime Darby for freedom of association's state in Social Policy signed by Franky Anthony Dass Executive Vice President on April 2011. The company shall respect the rights of all personnel to form and join trade unions of their choice and bargain collectively. According to the Sarawak Labour Ordinance (ACTA 1237) Chapter 76, contracts of service not restrict rights of employees to join, participate in or organize trade unions. However, there is no union or workers representative established at Lavang and Kelida Estate.</p> | |
| Status: Compliance | |
| 6.7 | |
| Children are not employed or exploited. | |
| <p>There is a policy that prohibited under aged workers in Social Policy stated that the company does not condone forced labour or child labour. At Lavang and Kelida Estate, there is an evidence of Workers list for local and foreign workers consist of Code, Estate, Employee number, Employee Full Name, designation, Date of birth. From the list, clearly stated that all of the list of name is fulfilled the minimum requirement age and also verified during the site visit.</p> | |
| Status: Compliance | |
| 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. | |
| <p>There is a policy stated in Social Policy that all employees should be treated fairly in terms of recruitment, progressions, terms and conditions of work and representation regardless of race, caste, nationality, union membership, political view, religion and / or age. The policy is displayed at the Dulang Estate office and also explained during the stakeholder meeting. From the audit, the local people are employed to work at the Lavang Estate.</p> <p>There is a clear agreement between the workers including foreign workers regarding the welfare of the workers. Based on the interview on Indonesian workers there is no issues found for discrimination for local and foreign workers. Workers at Lavang Estate is happy with the way the company is treating them and no issues raises.</p> | |

There is no complaint made by the foreign workers regarding the discrimination issues. But all workers are aware and know how to launch a complaint if there is an issues raise. Lavang Estate is keeping the records of their employee's work credential and medical history. For foreign workers, the recruitment and selection are based on passing the medical fitness by FOMEMA. For Local workers there is medical checkup before employment. Based on document verification and Field visit and interview the workers was sighted that the workers from different back round culture (Local people of Serawak and Indonesia). There is no discrimination each other.

Status: Compliance

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

There is a policy to prevent the sexual harassment and violence Gender Policy stated that the company will pay particular attention to the protection of the rights of its employees through its policies, compliance to regulations to endeavour to prevent sexual harassment and all other forms of violence against women, workers and community.

The gender committee established at the Lavang Estate. Jaburie AK Ampi as a chairman. Latest of minute of meeting of gender community for year of 2015/2016.

There is a policy to protect the reproductive rights for women (Social Policy) to protect the reproductive rights and Motherhood responsibilities of women as under the Universal Declaration of Human Rights and Labour laws. Also state din the Charter established April 2013, Sime Darby Group aims to improve and uphold women rights, working conditions, housing and amenities wages, safety and security, reproductive health and child care as well as prevent gender based discrimination, sexual harassment and domestic violence in 2008. There is a special treatment to pregnant women through a letter to distribute to the women workers not to handle the chemical. From the interviewed, women spraying workers is aware that their reproductive rights.

Status: Compliance

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

The mechanism pricing for the FFB for the quality A and B is issued by Malaysian Palm Oil Board (MPOB) and it was published in the board at the weighbridge in front of Palm Oil Mill. This number price was connected to the Malaysian Palm Oil Board (MPOB) daily updated (the latest FFB price in Semenanjung Malaysia, Sabah and Sarawak, There was available of daily updated (the latest FFB price in Semenanjung Malaysia, Sabah and Sarawak, dated October 27, 2015 for quality A is RM 24.50 and B is 22.80).

There was sighted an evidence of Agreement for example:

Lavang Estate

The Agreement (Number: 43000299854, dated 21.09. 2015) between Sime Darby Plantation Sdn.Bhd (Lavang POM) and Pre-C Sdn.Bhd (Local Contractor) for repairing cages No. 67. In this contract was explained about payment mechanism and fulfill the safety requirement.

Kelida Estate

The Agreement (Number:KLE/BUMIRAYA/FY15/16-01, dated 01 July 2015) between Sime Darby Plantation Sdn.Bhd (Kelida estate) and Bumi Raya Sdn.Bhd (Local Contractor) for Hiring Machine and Equipment. In this contract was explained about payment mechanism and fulfill the safety requirement.

There was bserved too an evidence of payment, for example:

Lavang Mill

Payment Slip sample from Lavang POM to Pre-C Sdn.Bhd (Local Contractor) related to hired repairing cages No. 67. These payment Slip was refer to the payment mechanism as described in Agreement (Number 43000299854, dated 21.09. 2015) and has been paid on 05 October 2015.

Kelida Estate

Payment Voucher sample from Sime darby Plantation (Kelida Estate) to Bumi Raya Sdn.Bhd (Local Contractor) related to Hiring Machine and Equipment.. These document was refer to the payment mechanism as described in Agreement Number: KLE/BUMIRAYA/FY15/16-01, dated 01 July 2015) and has been paid on 31 August 2015.

Status: Compliance

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

The auditor was sighted sample of grower contribute to local sustainable development:

Lavang Mill

There was sighted an example of contribution to local development :

- Aid for Sport Day for Dayak People (Sukan Gawai Dayak 2015)
- Aid for Student Parents and Teacher Committee, 23 Mai 2015.

Lavang & Kelida Estate

- Aid for School Bus of Students from Kelida to Lavang and Bintulu.
- Provide a school for community of foreign workers child

Status: Compliance

6.12

No forms of forced or trafficked labour are used.

There is a policy stated in Social Policy that all employees should be treated fairly in terms of recruitment, progressions, terms and conditions of work and representation regardless of race, caste, nationality, union membership, political view, religion and / or age. All foreign workers is legal workers with working permits. Sime Darby is directly employed the foreign workers and the contract agreement is signed when the workers reach the Estate. Sime Darby headquarters is selecting the workers and no fee or agent is employed by the Sime Darby to select foreign workers. There is no restriction on workers from leaving the estate and housing facilities outside working hours. If the workers terminate their employment before their contract expires the workers have to pay the levi balance and the transportation cost by itself. Passport is keeping by the office management (Lavang Estate), it is legally allowed that passport is kept by the management and interviewed to the workers is voluntarily surrendered. A declaration letter (Borang Penyerahan Pasport) between Sime Darby with foreign workers and stated that the passport is given for safety reasons and no forced from the management to kept their passport. There is also a record books (Rekod Passport Keluar Masuk) for Lavang Estate foreign workers, records of incoming and outgoing passport.

Workers is kept the copy of the passport, and according to the interviewed Of foreign workers the original passport will be given to the workers when they are go back to their home town (Indonesia). The copy of the passport can be used when they going out to the nearest town (Bintulu).

Based on the interviewed there is no contract substitution occurring at Lavang Estate from the foreign workers. They are signing the contract of employment after reach in Malaysia. Copy if contract are given to them and properly signed and witnesses by the local workers as an interpreter.

There is a policy stated in Social Policy that all employees should be treated fairly in terms of recruitment, progressions, terms and conditions of work and representation regardless of race, caste, nationality, union membership, political view, religion and / or age. Based on the interviewed there foreign workers from Indonesia that shows is no contract substitution occurring. They are signing the contract of employment after reach in Malaysia. Copy of contract are given to them and properly signed and witnesses by the local workers as an interpreter. Workers are given a subsidized for 5 kg rice and 5 kg of cooking oil to all workers.

Status: Compliance

6.13

Growers and millers respect human rights

These document explain about commitment of Sime Darby Plantation management to protect of human right and avoid of human abuse. There is a policy stated in Social Policy that all employees should be treated fairly in terms of recruitment, progressions, terms and conditions of work and representation regardless of race, caste, nationality, union membership, political view, religion and / or age. The policy is displayed at the Lavang Estate office and also explained during the stakeholder meeting. Children of foreign workers are provided A learning Centre (CLC- Community Learning Centre) to provide an education until primary school and facilities provided by Sime Darby. Age from 6 years to 12 years old. All facilities, teacher is import from Indonesian by Sime Darby. CLC at Lavang Estate is start operation on year 2012.

The company has had document of Sime Darby Plantation CHARTER April 2013 and Corporate Policy Statement approve by Datuk Franky Anthony Dass on January 2015.

There was sighted evidence of socialization of Human Rights and Sime Darby Plantation Commitment :

- Training Material by Plantation Sustainability Quality Management., 28 October 2015.

- Attendant List of Socialization in Managerial Level
- Attendant list of Socialization for operational workers level
- Picture of socialization process

Status: Compliance

PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

No new planting sighted after January 2010 as the plantation estate was established on 1996.

Status: NA

7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

No new planting sighted after January 2010 as the plantation estate was established on 1996.

Status: NA

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

No new planting sighted after January 2010 as the plantation estate was established on 1996.

Until ASA 04, the SOU 31 did not extend new plantation area. Replanting program has been done since March 2015. Based on Disclosure Areas Cleared without Prior HCV Assessment since November 2005, there is no cleared area in this term. There was sighted Letter on date 30 September 2014 issued by Sabarinah Marzuky (Head of RSPO & Certification Unit PSQM Department, Sime darby Plantation) to RSPO Secretariat in related to Progressive Submission of Land Use Change Analysis Results for Areas Cleared without Prior HCV Assessment since November 2005.

Status: Comply

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

No new planting sighted after January 2010 as the plantation estate was established on 1996.

Status: NA

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

No new planting sighted after January 2010 as the plantation estate was established on 1996.

Status: NA

7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

No new planting sighted after January 2010 as the plantation estate was established on 1996.

Status: NA

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

| | |
|---|--|
| No new planting sighted after January 2010 as the plantation estate was established on 1996. | |
| Status: NA | |
| 7.8 New plantation developments are designed to minimise net greenhouse gas emissions. | |
| No new planting sighted after January 2010 as the plantation estate was established on 1996. | |
| Status: NA | |
| PRINCIPLE #8 Commitment to continuous improvement in key areas of activity | |
| 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. | |
| <p>Lavang</p> <ul style="list-style-type: none"> • Environmental Aspect & Impact Identification FILE NO. SM/5.2/EAI (7/8/2015); • Waste Management Action Plan 2015/2016 Lavang Estate • Baseline Social Impact Assessment (SIA) Sarawak Zone SOU 31 <p>Paraquat use was banned. Pest and disease were substituted with Bio-control Criterion 4.6 Reporting of GHG emission already submitted to RSPO board pending the technical advice by RSPO Reduction and Emission working group.</p> <p>Kelida</p> <ul style="list-style-type: none"> • Environmental Aspect & Impact Identification Form FILE NO. SM/5.2/EAI Kelida Estate FY : 2015/16 (1/7/2015) • Environmental Impact Evaluation Form Estate:Kelida FY:2015/2016 Form Code:PL-02/EIE • Environmental Improvement Plan / Pollution Prevention Plan (Kelida Estate) FY 15/16 • Kelida Estate Waste Management Action Plan For Year 2015/2016 • Baseline Social Impact Assessment (SIA) Sarawak Zone SOU 31 <p>Paraquat use was banned. Pest and disease were substituted with Bio-control Criterion 4.6 Reporting of GHG emission already submitted to RSPO board pending the technical advice by RSPO Reduction and Emission working group.</p> | |
| Status: Comply | |

3.2. Summary of Assessment Report of Supply Chain Requirement

| Clause | MODULE E – CPO MILLS: MASS BALANCE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------|--------------|--|----------------|---------------|---------|-----------|--------|----------|-----------|--------|-------|-----------|--------|-------|-----------|--------|-----|-----------|----------|------|-----------|----------|--------|-----------|----------|-----------|-----------|----------|---------|-----------|----------|----------|-----------|--------|--------------|-------------------|-----------------|
| 1 | Definition | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-4 | <p>The Lavang Palm Oil Mill has have a record mechanism on FFB’s acceptance in Lavang Oil Mill, by separating FFB from own estate that being identified as certified FFB (RSPO certified) and from other sources that not being certified (<i>RSPO non-certified</i>). Certified FFB will be processed and claimed as certified CPO and PKO. The table below is certified and non-certified FFB was recorded in summary monthly FFB received.</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">FFB Received</th> </tr> <tr> <th>RSPO Certified</th> <th>Non Certified</th> </tr> </thead> <tbody> <tr><td>January</td><td>13,313.64</td><td>699.83</td></tr> <tr><td>Februari</td><td>11,623.29</td><td>715.55</td></tr> <tr><td>March</td><td>13,105.70</td><td>794.55</td></tr> <tr><td>April</td><td>20,037.48</td><td>969.44</td></tr> <tr><td>May</td><td>15,941.00</td><td>1,116.14</td></tr> <tr><td>July</td><td>12,693.51</td><td>1,075.09</td></tr> <tr><td>August</td><td>13,366.78</td><td>1,077.35</td></tr> <tr><td>September</td><td>15,718.11</td><td>1,229.49</td></tr> <tr><td>October</td><td>18,327.12</td><td>1,156.68</td></tr> <tr><td>November</td><td>15,001.50</td><td>960.51</td></tr> <tr><td>Total</td><td>149,128.12</td><td>9,794.63</td></tr> </tbody> </table> <p>The certified FFB supplied by own estate (Lavang Estate, Lavang Specia, Kelida Estate, Rasan Estate & Belian Estate) and the non-certified FFB is only supplied from Subis Sdn.Bhd.</p> | Month | FFB Received | | RSPO Certified | Non Certified | January | 13,313.64 | 699.83 | Februari | 11,623.29 | 715.55 | March | 13,105.70 | 794.55 | April | 20,037.48 | 969.44 | May | 15,941.00 | 1,116.14 | July | 12,693.51 | 1,075.09 | August | 13,366.78 | 1,077.35 | September | 15,718.11 | 1,229.49 | October | 18,327.12 | 1,156.68 | November | 15,001.50 | 960.51 | Total | 149,128.12 | 9,794.63 |
| Month | FFB Received | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RSPO Certified | Non Certified | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January | 13,313.64 | 699.83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Februari | 11,623.29 | 715.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March | 13,105.70 | 794.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 20,037.48 | 969.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 15,941.00 | 1,116.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 12,693.51 | 1,075.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 13,366.78 | 1,077.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 15,718.11 | 1,229.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 18,327.12 | 1,156.68 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 15,001.50 | 960.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 149,128.12 | 9,794.63 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Explanation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| ST-1 | | | | | | | | | | |
|------------------------|---|--|---|--|-----|-----------|-----------|----|----------|-----------|
| ST-2 | | | | | | | | | | |
| S-1 | | | | | | | | | | |
| S-2 | | | | | | | | | | |
| S-3 | | | | | | | | | | |
| S-4 | <p>The Lavang Palm Oil Mill has have a record of actual tonnage produced of CPO and PK (RSPO certified). Based on data of certified products of CPO and PK, the actual tonnage produced on January until 25 October 2015 and estimation certified product are description on table below.</p> <table border="1"> <thead> <tr> <th></th> <th>Actual certified products Period of January until 25 October 2015 (tonnes/year)</th> <th>Estimation of Certified Products (tonnes/year)</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>31,647.56</td> <td>49,496.68</td> </tr> <tr> <td>PK</td> <td>7,975.91</td> <td>11,682.77</td> </tr> </tbody> </table> | | Actual certified products Period of January until 25 October 2015 (tonnes/year) | Estimation of Certified Products (tonnes/year) | CPO | 31,647.56 | 49,496.68 | PK | 7,975.91 | 11,682.77 |
| | Actual certified products Period of January until 25 October 2015 (tonnes/year) | Estimation of Certified Products (tonnes/year) | | | | | | | | |
| CPO | 31,647.56 | 49,496.68 | | | | | | | | |
| PK | 7,975.91 | 11,682.77 | | | | | | | | |
| Status : Comply | | | | | | | | | | |

2.2
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

| | |
|-----------------------|--|
| ST-1 | |
| ST-2 | |
| S-1 | |
| S-2 | |
| S-3 | |
| S-4 | <p>The Palm Oil Mill only make claim regarding the use of or support of RSPO certified palm oil that that are compliance with the RSPO Rules for Communication and Claims. The Lavang POM SoU 31 Sime Darby was registered in RSPO eTrace with ID Number RSPO_PO 100000304, Expire 29 December 2015.</p> |
| Status: Comply | |

3 Documented procedures

3.1
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a) Complete and up to date procedures covering the implementation of all the elements in these requirements;
- b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

| | |
|------|--|
| ST-1 | |
| ST-2 | |
| S-1 | |
| S-2 | |

| | |
|--|---|
| S-3 | |
| S-4 | <p>The Lavang Oil Mill (SOU 31 Sime Darby) has have work procedure as guideline to ensure the implementation for the entire required elements. These procedure is Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System (SOP No.1, has revised on March 2013). It is aim for identifying product's traceability with supply chain Mass Balance Model. Person in charge have been pointed to ensure the operation of mill based on the applicable procedure is Assistant Engineer Lavang Oil Mill also as an RSPO/ISCC representative for Palm Oil Mill on terms and condition in accordance with Sime Darby Plantation of Mill Quality Management System (MQMS).</p> <p>There was sighted evidences of SCCS training for the personnel in charge and related staff for implemented the supply chain system. The evidences is training material by PSQM Head Office, Attendant List and pictures of training process, dated June 11, 2015.</p> <p>Based on an field visit observation and interview with staff in weighbridge and grading area and loading ramp that indicated the personal in charge was understood the mechanism to handle of supply chain system they can demonstrated of grading mechanism and through make daily report refer to Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System of Sime Darby Plantation.</p> |
| | Status: Comply |
| <p>3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> | |
| ST-1 | |
| ST-2 | |
| S-1 | |
| S-2 | |
| S-3 | |
| S-4 | <p>The Lavang Palm Oil Mill has had of mechanism for accepting fruit by driver to show FFB Consignment Note from each nucleus estate of SOU 31-Sime Darby (Certified FFB) and FFB Despatch Chit (non Certified FFB) from the other source. Both of document are explain the origin of fruit and quantity, etc. In every document FFB Consignment Note from each nucleus estate there is a stamp for certified product for FFB from certified estate, meanwhile for non-certificate source of FFB there are no certificate stamp. Certified FFB that has been processed will be claimed as certified CPO and PKO. Sample of records such as:</p> <p><u>Certified FFB</u></p> <ul style="list-style-type: none"> • FFB Consignment Note from Lavang Estate (No 045984) on 8th October 2015, vehicle number L11, driver's name is Ngatino with number of bunches is 255 with weigh estimation is 4,4 Ton (estate weigh before recheck at mill weighbridge). • FFB Receive Ticket (No 177451) on 8th October 2015, vehicle number L11, driver's name is Ngatino with number of bunches is 255 with weigh estimation is 4.4 Ton Ton (after recheck at mill weighbridge) <p><u>Non Certied FFB</u></p> <ul style="list-style-type: none"> • FFB Despatch Chit (No. 13632) on 27th October 2015, vehicle number QTL 7685, driver's name is RMohd. Asri with number of bunches is 854 (before recheck at mill weighbridge). • FFB Receive Ticket (No 174728) on 27th October 20155, vehicle number QTL 7685, driver's name is RMohd. Asri with number of bunches is 858 with weigh estimation is 14.8 Ton (after recheck at mill weighbridge) |
| | Status: Comply |
| 4 | Purchasing and goods in |
| <p>4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p> | |

| ST-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|-----------------|--------------|--|----------------|---------------|---------|-----------|--------|----------|-----------|--------|-------|-----------|--------|-------|-----------|--------|-----|-----------|----------|------|-----------|----------|--------|-----------|----------|-----------|-----------|----------|---------|-----------|----------|----------|-----------|--------|--------------|-------------------|-----------------|
| ST-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-4 | <p>The certified FFB supplied by own estate (Lavang Estate, Kelida Estate, Rasan Estate & Lavang Special) and the non-certified FFB is only supplied from Subis Sdn.Bhd. There was any record mechanism on FFB's acceptance in Lavang Oil Mill, by separating FFB from nucleus estate that being identified as certified FFB (RSPO certificate) and from other sources that not being certified (non-certified RSPO). Certified FFB will be processed and claimed as certified CPO and PKO. The table below is certified and non-certified FFB was recorded in summary monthly FFB received.</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">FFB Received</th> </tr> <tr> <th>RSPO Certified</th> <th>Non Certified</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>13,313.64</td> <td>699.83</td> </tr> <tr> <td>Februari</td> <td>11,623.29</td> <td>715.55</td> </tr> <tr> <td>March</td> <td>13,105.70</td> <td>794.55</td> </tr> <tr> <td>April</td> <td>20,037.48</td> <td>969.44</td> </tr> <tr> <td>May</td> <td>15,941.00</td> <td>1,116.14</td> </tr> <tr> <td>July</td> <td>12,693.51</td> <td>1,075.09</td> </tr> <tr> <td>August</td> <td>13,366.78</td> <td>1,077.35</td> </tr> <tr> <td>September</td> <td>15,718.11</td> <td>1,229.49</td> </tr> <tr> <td>October</td> <td>18,327.12</td> <td>1,156.68</td> </tr> <tr> <td>November</td> <td>15,001.50</td> <td>960.51</td> </tr> <tr> <td>Total</td> <td>149,128.12</td> <td>9,794.63</td> </tr> </tbody> </table> | Month | FFB Received | | RSPO Certified | Non Certified | January | 13,313.64 | 699.83 | Februari | 11,623.29 | 715.55 | March | 13,105.70 | 794.55 | April | 20,037.48 | 969.44 | May | 15,941.00 | 1,116.14 | July | 12,693.51 | 1,075.09 | August | 13,366.78 | 1,077.35 | September | 15,718.11 | 1,229.49 | October | 18,327.12 | 1,156.68 | November | 15,001.50 | 960.51 | Total | 149,128.12 | 9,794.63 |
| Month | FFB Received | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RSPO Certified | Non Certified | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January | 13,313.64 | 699.83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Februari | 11,623.29 | 715.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March | 13,105.70 | 794.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 20,037.48 | 969.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 15,941.00 | 1,116.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 12,693.51 | 1,075.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 13,366.78 | 1,077.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 15,718.11 | 1,229.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 18,327.12 | 1,156.68 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 15,001.50 | 960.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 149,128.12 | 9,794.63 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-4 | <p>Based on Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System of Lavang Mill (SOU 31-Sime Darby) was stated that will management unit will inform to Certification Body if there is an over-production than the projected production. Based on verification data of FFB's processed in January – Desember 2014 it's known that the actual production (Period January – 27 October 2015) is CPO 31,647.56 ton and PK 7,975.91 ton. These total number of product was not over than the projected for PK, which is CPO 36,678 ton and PK 10,384 ton (Based on annex Certificate ASA 3).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Status : Comply | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 5 | Record keeping | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-----------------|------------------|-----------------|----------------|------------------|------------------|-----------------|---------------|-----------------|---------------|--|------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|---------|-----------|----------|----------|--------|---|----------|----------|--------|---|----------|----------|-----------|----------|-----------|--------|---|-----------|-----------|--------|---|----------|---------|-----------|----------|----------|--------|---|-----------|----------|--------|---|----------|------|-----------|--------|----------|--------|---|----------|--------|--------|---|--------|--------------|-------------------|-----------------|------------------|-----------------|----------|------------------|------------------|-----------------|----------|-----------------|
| <p>5.1</p> <p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p> <p>For further details refer to Module C.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-4 | <p>The Lavang Oil Mill has have a Monthly Summary of Sustainable FFB, CPO & Kernel and was recorded into three-monthly basis. Based on monthly summary of Sustainable FFB, CPO & Kernel Period of January – 27 October 2015.</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">FFB Received</th> <th colspan="2">CPO Produced</th> <th colspan="2">CPO Dispatched</th> <th colspan="2">PK Produced</th> <th colspan="2">PK Dispatched</th> </tr> <tr> <th>RSPO</th> <th>Non Certified</th> <th>RSPO</th> <th>Non Certified</th> <th>RSPO</th> <th>Non Certified</th> <th>RSPO</th> <th>Non Certified</th> <th>RSPO</th> <th>Non Certified</th> </tr> </thead> <tbody> <tr> <td>Jan-Mar</td> <td>38,042.62</td> <td>2,209.93</td> <td>7,865.34</td> <td>448.13</td> <td>-</td> <td>8,195.27</td> <td>3,962.03</td> <td>235.18</td> <td>-</td> <td>1,867.92</td> </tr> <tr> <td>Apr- Jun</td> <td>48,671.99</td> <td>3,160.67</td> <td>10,251.10</td> <td>649.52</td> <td>-</td> <td>10,908.50</td> <td>10,251.10</td> <td>649.52</td> <td>-</td> <td>3,002.05</td> </tr> <tr> <td>Jul-Sep</td> <td>47,412.01</td> <td>3,463.52</td> <td>9,545.01</td> <td>688.37</td> <td>-</td> <td>10,009.17</td> <td>4,535.26</td> <td>347.03</td> <td>-</td> <td>2,437.25</td> </tr> <tr> <td>Oct-</td> <td>15,001.50</td> <td>960.51</td> <td>3,123.75</td> <td>205.93</td> <td>-</td> <td>2,557.73</td> <td>824.66</td> <td>53.112</td> <td>-</td> <td>721.96</td> </tr> <tr> <td>Total</td> <td>149,128.12</td> <td>9,794.63</td> <td>30,785.20</td> <td>1,991.95</td> <td>-</td> <td>31,670.67</td> <td>19,573.05</td> <td>1,284.84</td> <td>-</td> <td>8,029.18</td> </tr> </tbody> </table> <p>Since Annual Surveillance Audit (ASA 3) until ASA 4, there is no demand and transaction of RSPO certified product in Lavang Palm Oil Mill.</p> | Period | FFB Received | | CPO Produced | | CPO Dispatched | | PK Produced | | PK Dispatched | | RSPO | Non Certified | RSPO | Non Certified | RSPO | Non Certified | RSPO | Non Certified | RSPO | Non Certified | Jan-Mar | 38,042.62 | 2,209.93 | 7,865.34 | 448.13 | - | 8,195.27 | 3,962.03 | 235.18 | - | 1,867.92 | Apr- Jun | 48,671.99 | 3,160.67 | 10,251.10 | 649.52 | - | 10,908.50 | 10,251.10 | 649.52 | - | 3,002.05 | Jul-Sep | 47,412.01 | 3,463.52 | 9,545.01 | 688.37 | - | 10,009.17 | 4,535.26 | 347.03 | - | 2,437.25 | Oct- | 15,001.50 | 960.51 | 3,123.75 | 205.93 | - | 2,557.73 | 824.66 | 53.112 | - | 721.96 | Total | 149,128.12 | 9,794.63 | 30,785.20 | 1,991.95 | - | 31,670.67 | 19,573.05 | 1,284.84 | - | 8,029.18 |
| Period | FFB Received | | CPO Produced | | CPO Dispatched | | PK Produced | | PK Dispatched | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RSPO | Non Certified | RSPO | Non Certified | RSPO | Non Certified | RSPO | Non Certified | RSPO | Non Certified | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-Mar | 38,042.62 | 2,209.93 | 7,865.34 | 448.13 | - | 8,195.27 | 3,962.03 | 235.18 | - | 1,867.92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr- Jun | 48,671.99 | 3,160.67 | 10,251.10 | 649.52 | - | 10,908.50 | 10,251.10 | 649.52 | - | 3,002.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-Sep | 47,412.01 | 3,463.52 | 9,545.01 | 688.37 | - | 10,009.17 | 4,535.26 | 347.03 | - | 2,437.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct- | 15,001.50 | 960.51 | 3,123.75 | 205.93 | - | 2,557.73 | 824.66 | 53.112 | - | 721.96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 149,128.12 | 9,794.63 | 30,785.20 | 1,991.95 | - | 31,670.67 | 19,573.05 | 1,284.84 | - | 8,029.18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>5.2</p> <p>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ST-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S-4 | <p>The Lavang Oil Mill does not have outsourcing to an independent kernel crushing company.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Status: Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

3.3. Conformity Checklist of Certificate and Logo Use

| | | |
|--------------|--|--------------|
| 1. | Evidence of permission or approval certificate and logo from Certification Body which submitted by Client | X or√ |
| ASA 4 | Lavang POM – SOU 31 has had approval / permit the use of the certificate with the number Certificate MUTU – RSPO/053 | |
| | Status: Compliance | |
| 2. | Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use | X or√ |
| ASA 4 | Lavang POM – SOU 31 does not use the logo both in the on-product and off-product. | |
| | Status: Not Applicable | |
| 3. | Implementation of Certificate and Logo is not used on product | X or√ |
| ASA 4 | Lavang POM – SOU 31 does not use the logo both in the on-product and off-product. | |
| | Status: Not Applicable | |
| 4. | Controlling of Certificate and Logo, including withdrawing inappropriate logo. | X or√ |
| ASA 4 | Lavang POM – SOU 31 does not use the logo both in the on-product and off-product. | |
| | Status: Not Applicable | |

3.4. Summary of RSPO Partial Certification.

| | | |
|---|---|--------------|
| Summary: | | |
| <p>At the beginning of 2015, Sime Darby Plantation Sdn Bhd (SDPSB), owns and manages 34 palm oil mills in Malaysia and through their subsidiary ownership of PT Minamas Gemilang, own 25 palm oil mills in Indonesia. The time bound plan under 1.9 highlights all certified units and uncertified units.</p> <p>As of this assessment, SDPSB has successfully certified all their mills with the exception of one, which has been audited and pending certification. The progress of this last mill will be reviewed during the next surveillance assessment.</p> <p>Sime Darby Plantation Sdn Bhd is a member of RSPO and has been involved in the certification since 7 September 2004. The membership number with RSPO is 1-0008-04-000-00.</p> | | |
| 2.1 | There is compliance with all applicable local, national and ratified international laws and regulations. | X or√ |
| | <p>Sustainable Plantation Management System (SPMS) is a common set of policies and documents used by all SOU's. The Plantation Quality Management system (PQMS) are manuals also used by all operations. The sustainability polies will also address legal concerns that need to be adhered by the company.</p> <p>These manuals and polies abide by local and national land laws. ie. Compliance with legal documents such as the "Land Rules Applicable to the States in Malaysia" and relevant acts.</p> <p>The group has a common human resource policy which is also cascaded to all operating units. There are several handbooks and guides, shared with employees. Examples: "The Group Employee Handbook" latest revision May 2014, explains to employees their benefits and company rules. The manual and policies are used to educate and inform employees of their rights and responsibilities.</p> <p>Issues relating to employees is all operating units are monitored on a monthly basis and reported through the monthly Plantation Management Committee Meeting (PMC) attended by head of departments. Monitoring is also done via e-mail and official communications with the respective departments. For example: PSQM monitors HR and Social related matters with the help of the internal audit team and reviewed by the PSQM Head of Department.</p> | |
| | Status: COMPLIANCE | |
| 2.2 | The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights. | X or√ |
| | <p>Legal ownership of land and its land use is available for all operating units and demonstrated through the respective land titles.</p> | |
| | Status: COMPLIANCE | |
| 6.3 | There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties. | X or√ |
| | <p>There is a standard complaints procedure that is communicated to all facilities and locations. The procedure, under the SPMS manual, "Complaints & Grievances, Appendix 5", is made available from the head office and cascaded to all operating units.</p> | |
| | Status: COMPLIANCE | |
| 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. | X or√ |
| | <p>SDPSB has Social Welfare Officers are based regionally across the nation, where internal and external stakeholders can share their views and concerns. On a monthly basis, the reports are shared with Head of Social and Environmental Projects Units under PSQM, and reviewed during the monthly PMC meetings. The PSQM with the HR department will monitor any issues and</p> | |

| | | |
|------------|---|--------------|
| | reviewed with the Head of Department. | |
| | Status: COMPLIANCE | |
| 7.3 | New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values. | X or√ |
| | No new planting has taken place since 2011, where the last NPP notification was carried out for operations in Liberia. | |
| | Status: COMPLIANCE | |
| 7.5 | No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | X or√ |
| | For any new land acquisitions, the RSPO NPP procedure is followed where the company will complete the required HCV and EIA assessments. | |
| | Status: COMPLIANCE | |
| 7.6 | Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. | X or√ |
| | Any new land acquisition will be done by mean of a participatory process with local villages and land owners. No complaints received during this audit process. | |
| | Status: COMPLIANCE | |

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA 04

| CAR No | Ref Std | Finding | Area | Grade | Time Limits | Corrective Action | Observation | Status | Closing Date |
|---------|---------|--|-----------------|-------|------------------|---|--|--------|--------------|
| 2015.01 | 5.6.3 | <p>Regular reporting on GHG Progress.</p> <p>Regular reporting on GHG progress was not submitted to RSPO.</p> | POM and Estates | Minor | Re Certification | <p>Regular reporting of the GHG monitoring outcomes shall be submitted to RSPO. Method of calculation, whether using the Palm GHG or RSPO-endorsed equivalent shall include the appropriate tools to assess, monitor and report on GHG emissions.</p> | <p>Root cause: Sime Darby Plantation is in the process of preparing the paper on SDP's carbon calculation methodology for submission to the RSPO Emission Reduction Working Group (ERWG). The submission is planned in November for the endorsement by the RSPO ERWG.</p> <p>Corrective action To submit the carbon calculation methodology to RSPO by the intended timeline.</p> <p>Preventive action: To ensure that the submission fulfills the given timeline with the necessary inputs required.</p> <p>Auditor conclusion: Will verify on next audit</p> | Open | |

3.5.2 Opportunity for Improvement

| No | Ref Std | Descriptions |
|----|------------------------|--|
| 1. | Minor 2.1.2 | Consideration to improve the control of legal book to ensure latest version at the point of use. |
| 2. | Minor 2.1.3 | Consideration to review the legal compliance evaluation process to ensure the legal compliance effectively evaluated. |
| 3. | Major 4.8.1 | Consideration to review the training needs and monitor the training implementation to ensure all relevant personnel (<i>boilerman</i>) attended Hearing Conservation Training. |
| 4. | SCCS | The POM shall adjust the procedure and all of form related to Supply Chain Module and refer to new Standard of RSPO Supply Chain Certification System. |







3.5.3 Noteworthy Positive Components

| No | Ref Std | Descriptions |
|----|---------|---|
| 1 | | Company has commitment to implement the principle of sustainable palm oil management. |
| 2 | | Has earned RSPO certificate in 2011. |
| 3 | | Has earned ISCC certificate in 2013. |
| 4 | | The use of Lean Six Sigma to improve productivity and reduce wastages. |

3.6 Summary of Arising Issues from Public, Management and Auditor Response

| Public Issues (Institution/ NGO/Community) | Management Responses | Auditor Responses |
|--|---|--|
| <p>School Teacher from Middle School of Malaysian State School-Lavang (Sekolah Kebangsaan Malaysia) There is a suggestion from school management if Sime Darby can help for improve the facilities of school especially for OKU. There is a critical issues regarding the School block which is not enough to cater the student</p> <p>OKU (disable student) in the school need to share their classroom in the library. There is an application to the Sime Darby management that has been applied towards management on 2014.</p> <p>The school teacher has suggested to install a fence in a school compound as safety precaution for the students.</p> | <p>We are pleased to funding any society community in creating a good relationships and bonding with the approval from management</p> | <p>Based on field visit observed, the company has been developed some school building in plantation area.</p> |
| <p>Local Contractor There is a contractor that has a contract with Sime Darby (Lavang POM) and they are satisfied with the payment of the contract.</p> | <p>Estate will take the issue into management meeting regarding to this Issue, for the current situation estate no budget for install the fence and resolve of the school issue.</p> <p>Estate also will have a meeting from time to time with SK Desa Lavang for improving the relation with them.</p> | <p>Document observed that sighted a few record of Contract Agreement between the Company with Local Contractors. There was observed too Payment Slip from Company to the Local Contractor.</p> |
| <p>Workers Representation. They are thanking Sime Darby for keeping the surrounding in peace and safety of the people were ensured inside the company, no burglary and thief. Sime Darby put more effort on safety of the workers at work and they thanking the management for the precaution taken.</p> | <p>The estate will discuss with Headquarters regarding this matter and will inform the contractor after the discussion.</p> <p>Estate have no budget to provide the fuel station and Kedai Rakyat 1Malaysia/Sime Darby grocery at Desa Lavang. Estate also will have the discussion</p> | <p>Based on field visit observed in a few working area and interviewed to the workers, there is not significant issue related workers complaint and labor conflict.</p> |

| Public Issues (Institution/ NGO/Community) | Management Responses | Auditor Responses |
|---|--|--|
| <p>In related tot foods Price and fuel at the Complex Desa Lavang due to their limited wages and they suggested to provide one Fuel Station at the area to cater for the workers and resident. There is also a suggestion to provide Kedai Rakyat 1 Malaysia / Sime Darby grocery to standardize the price of goods and groceries.</p> | <p>regarding to the price with groceries under Lavang compound.</p> <p>Safety are the most focused in sime darby as well as the output produced. This can contribute to good quality of work in order to work in a safe environment.</p> | |
| <p>Gender Committee Representative (Lavang & Pekaka)</p> <ul style="list-style-type: none"> • There is no issue related to woman abuse & sexual harassment • There is no discrimination among woman and man workers • The Sime Darby management has implemented the policy regarding off-day for woman in pre natal & natal period. | <p>Wages salary revised based on Sarawak Labour Ordinance and estate practice is following the rate given.</p> | <p>Based on field visit observed in a few working area and interviewed to the workers, there is not significant issue related to women abuse and sexual harassment.</p> |
| <p>Retailer</p> <ul style="list-style-type: none"> • Thanks to Sime Darby management to provide space for sale the miscellaneous need for the workers | <p>Security department had play a main role in keeping the surrounding in peaceful and safe from any threats to company as well as Sime Darby community</p> | <p>Based on field visit observed, the company was facilitated the area for local retailer (<i>kedai runcit</i>). The retailer was provided miscellaneous need for the workers.</p> |

| | | | |
|--|--|--|--|
| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY | | |
| 4.1 | Formal Sign-off of Assessment Findings | | |
| | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Company Name Management Representative</p>  <p><u>Name : Kogolanathan Subramaniayan</u> 30 October 2015</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u> 30 October 2015</p> </td> </tr> </table> | <p>Company Name Management Representative</p>  <p><u>Name : Kogolanathan Subramaniayan</u> 30 October 2015</p> | <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u> 30 October 2015</p> |
| <p>Company Name Management Representative</p>  <p><u>Name : Kogolanathan Subramaniayan</u> 30 October 2015</p> | <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u> 30 October 2015</p> | | |

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

| No | Institution/NGO/Community | Address | Phone/Email | Form of Communication | Date of Contact | Response | |
|----|--|----------|--------------------------|------------------------------------|-----------------|----------|----|
| | | | | | | Yes | No |
| 1 | Wetland International Malaysia | Malaysia | malaysian@wetland.org.my | email | 21/10/2015 | | ✓ |
| 2 | Majlis Kebajikan dan Pembangunan Masyarakat Kebangsaan Malaysia | Malaysia | makpem@gmail.com | email | 21/10/2015 | | ✓ |
| 3 | Pesticide Action Network Asia & Pacific | Malaysia | panap@panap.net | email | 21/10/2015 | | ✓ |
| 4 | Environmental Protection Society | Malaysia | epsm@epsm.org.my | email | 21/10/2015 | | ✓ |
| 5 | School Teacher from Middle School of Malaysian State School-Lavang (Sekolah Kebangsaan Malaysia) | Bintulu | | Focus Group Discussion | | ✓ | |
| 6 | Local Contractor | Bintulu | | Focus Group Discussion & Interview | | ✓ | |
| 7 | Workers Representation | Bintulu | | Focus Group Discussion & Interview | | ✓ | |
| 8 | Gender Committee Representative (Lavang & Pekaka) | Bintulu | | Focus Group Discussion & Interview | | ✓ | |
| 9 | Retailer | Bintulu | | Focus Group Discussion | | | |

Appendix 2. Assessment Program

| DATE | | 26 – 30 October 2015 | |
|-----------------------------------|-----------------|---|--|
| PLANNED TIME | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Sunday, 25 October 2015 | | | |
| 08.40 – 11.50 | | Travel from Jakarta to Kualalumpur | • OR |
| 12.00 – 17.00 | | Kuala Lumpur → Serawak, Bintulu Serawak → Pekaka & Lavang complex | • All Auditors |
| Wednesday, 28 October 2015 | | | |
| 08.00 – 12.30 | | <p>Document review and Review of Previous Visit Non-conformance (Surveillance-3) Field observation to LAVANG POM. WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management</p> <p>Document review and Review of Previous Visit Non-conformance (surveillance-3) Field Observation to LAVANG Estate</p> <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) • Land Fire facilities, Storage, etc.. • Hazardous Waste Material management | <p>• OR/YCH / KA</p> <p>• NZ/MS/HR</p> |
| 12.30 – 13.30 | | BREAK | |
| 14.00 – 15.00 | | <p>Stakeholders Consultation Government Agencies, local NGO, Community, Suppliers etc)</p> | • OR / HR/EHS |
| 13.30 – 17.00 | | <p>Continuing of Field Observation to LAVANG POM. WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management</p> | • YCH / KA |
| 13.30 – 17.00 | | <p>Continuing of Field Observation to LAVANG Estate</p> <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) • Land Fire facilities, Storage, etc.. • Hazardous Waste Material management | • NZ/MS/EHS |
| Thursday, 29 October 2015 | | | |
| 08.00 - 12.30 | | <p>Field Observation to KELIDA Estate</p> <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices • Worker Welfare (payments, complaint mechanism, etc.) • Legal operational boundary and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) | <p>• OR/YCH / KA</p> <p>• NZ/MS/HR/EHS</p> |

| DATE | | 26 – 30 October 2015 | |
|--------------------------------|-----------------|--|--|
| PLANNED TIME | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | | <ul style="list-style-type: none"> Land Fire facilities, Storage, etc.. Hazardous Waste Material management | |
| 12.30 – 13.30 | | BREAK | |
| 13.30 – 16.00 | | Continuing of Field Observation to KELIDA Estate <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Best Agricultural Practices Worker Welfare (payments, complaint mechanism, etc.) Legal operational boundary and Conservation Area Worker facilities (housing, health clinic, clean water, etc) Land Fire facilities, Storage, etc.. Hazardous Waste Material management | <ul style="list-style-type: none"> OR/YCH / KA HR/NZ/ MS/EHS |
| 16.10 – 18.30 | | Preparation for Closing Meeting (Audit Conclusion) | <ul style="list-style-type: none"> All Auditors |
| Friday, 30 October 2014 | | | |
| 10.00 - 10.00 | | Closing Meeting | <ul style="list-style-type: none"> All Auditors |
| 14.00 – 15.00 | | Travel to Bintulu Airport & Return to Kuala Lumpur | <ul style="list-style-type: none"> All Auditors |