

***Roundtable on Sustainable Palm Oil Certification
RSPO***

[] Stage-1 [] Stage-2 [✓] Surveillance [] Re-Certification

Name of Management :
 Organisation : **SIME DARBY Plantation Sdn. Bhd.**
 Plantation Name : **SOU 34 - Pekaka POM and Pekaka Estate; Ruai Estate, Dulang Estate, Paroh Estate & Chartquest Estate.**
 Location : **Village of Pekaka, District of Bintulu, Sarawak - Malaysia .**
 Certificate Code : **MUTU - RSPO / 054**
 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	26 ,27, 30 October 2015	Oktovianus Rusmin (Lead Auditor), Yap Chin Hung, Mohd. Nizam Abu Bakar, Mohd. Hairimi Mohd Ali, Mohd Aman Samsurrey, Khairul Anuar Abd Hamid, Ebnu Holdoon Shawal (Trainee Auditor).	Tony Arifiarachman	Taufik Margani

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

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Figure 1. Figure 1. Location Map of SOU 34-Pekaka POM

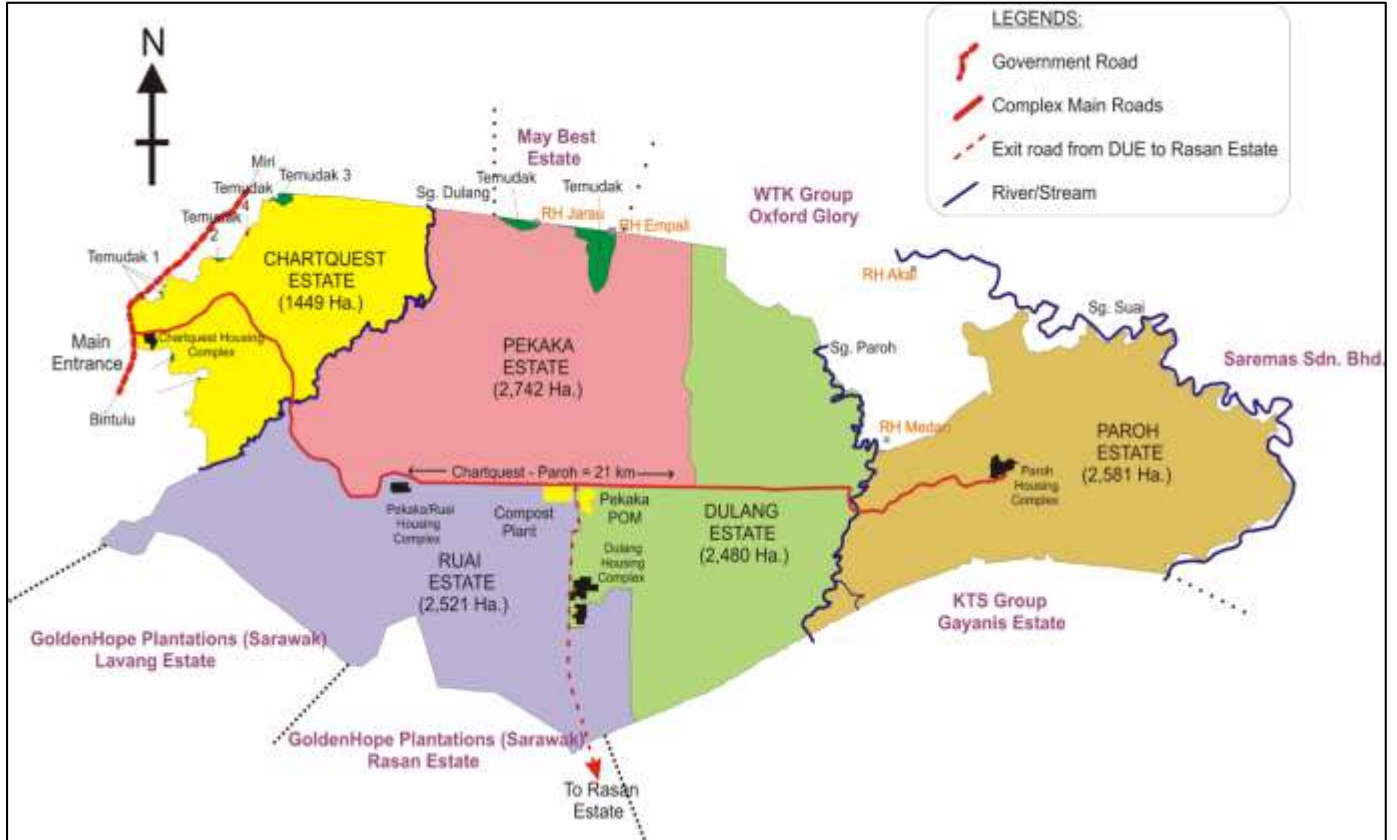


Figure 2. Operational Map of Pekaka Estate

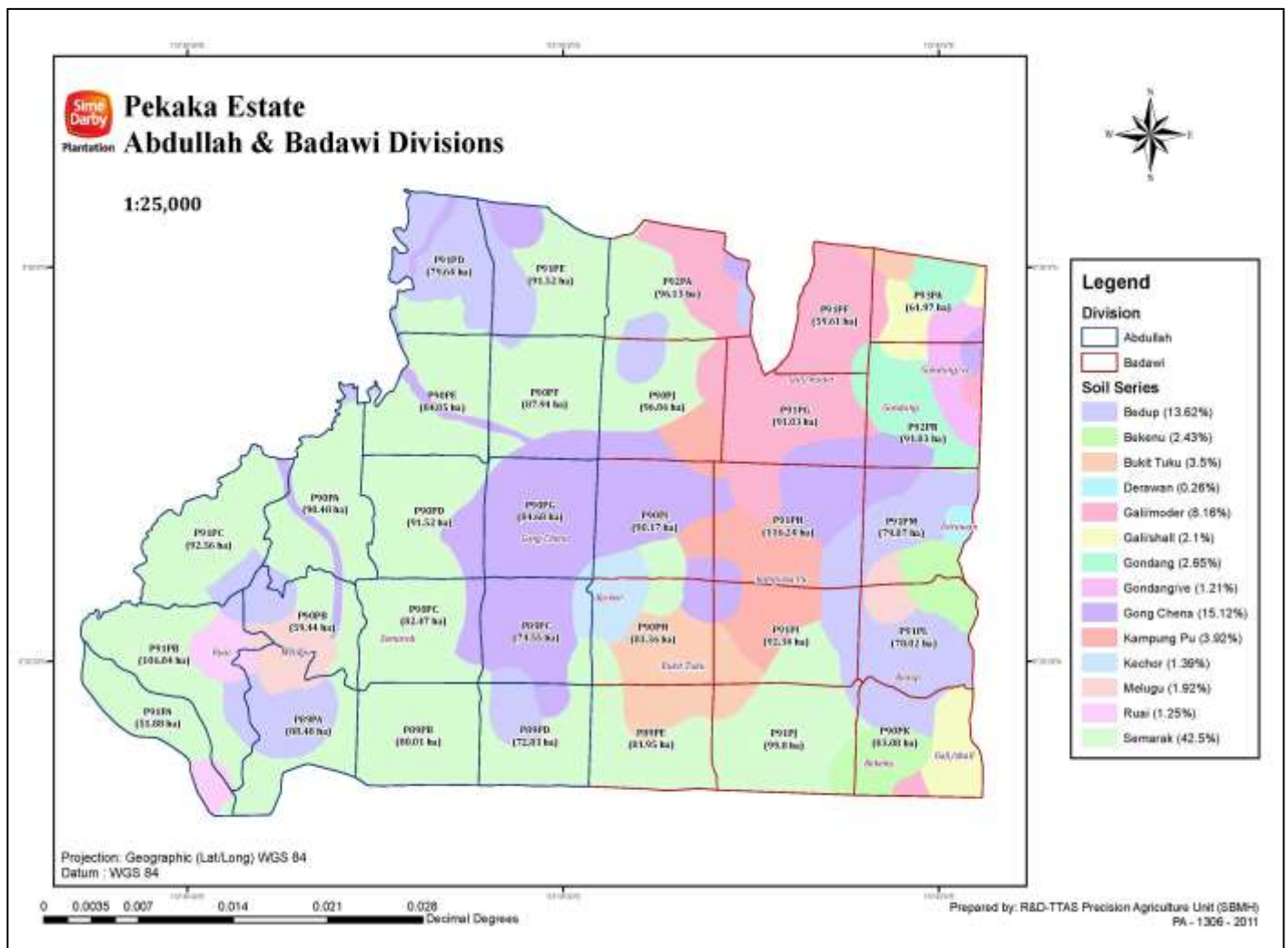


Figure 3. Operational Map of Ruai Estate

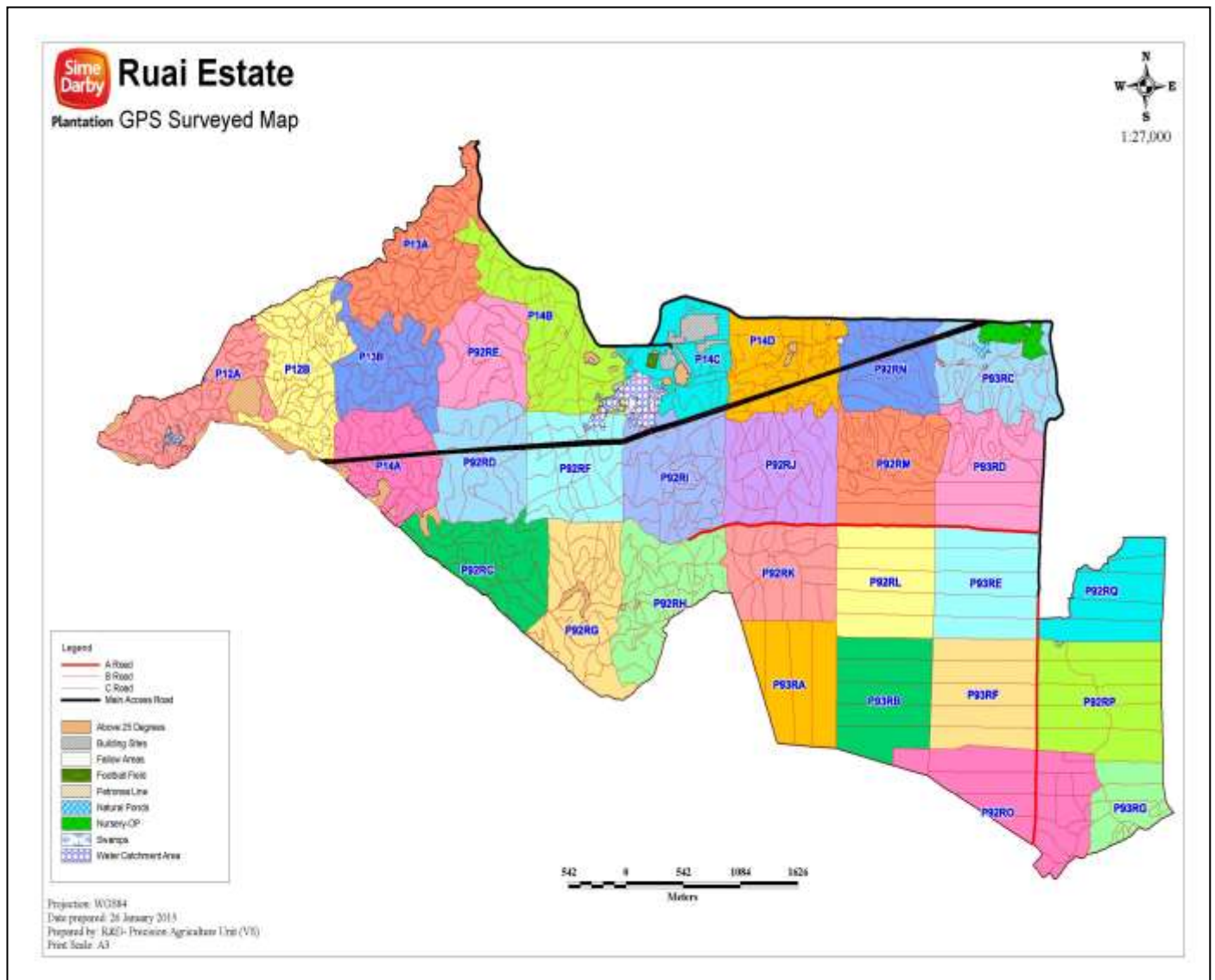


Figure 4. Operational Map of Dulang Estate

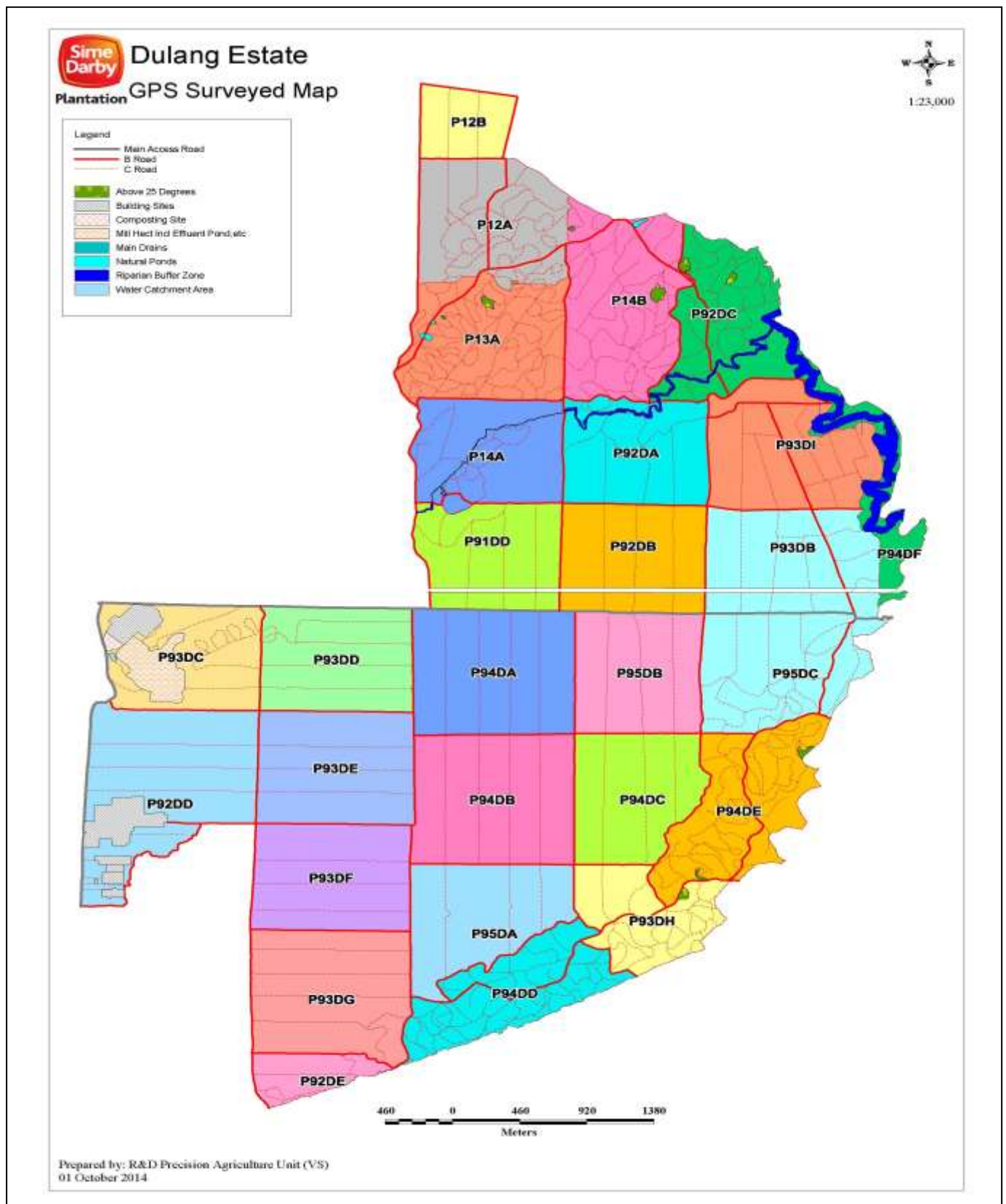


Figure 5. Operational Map of Paroh Estate

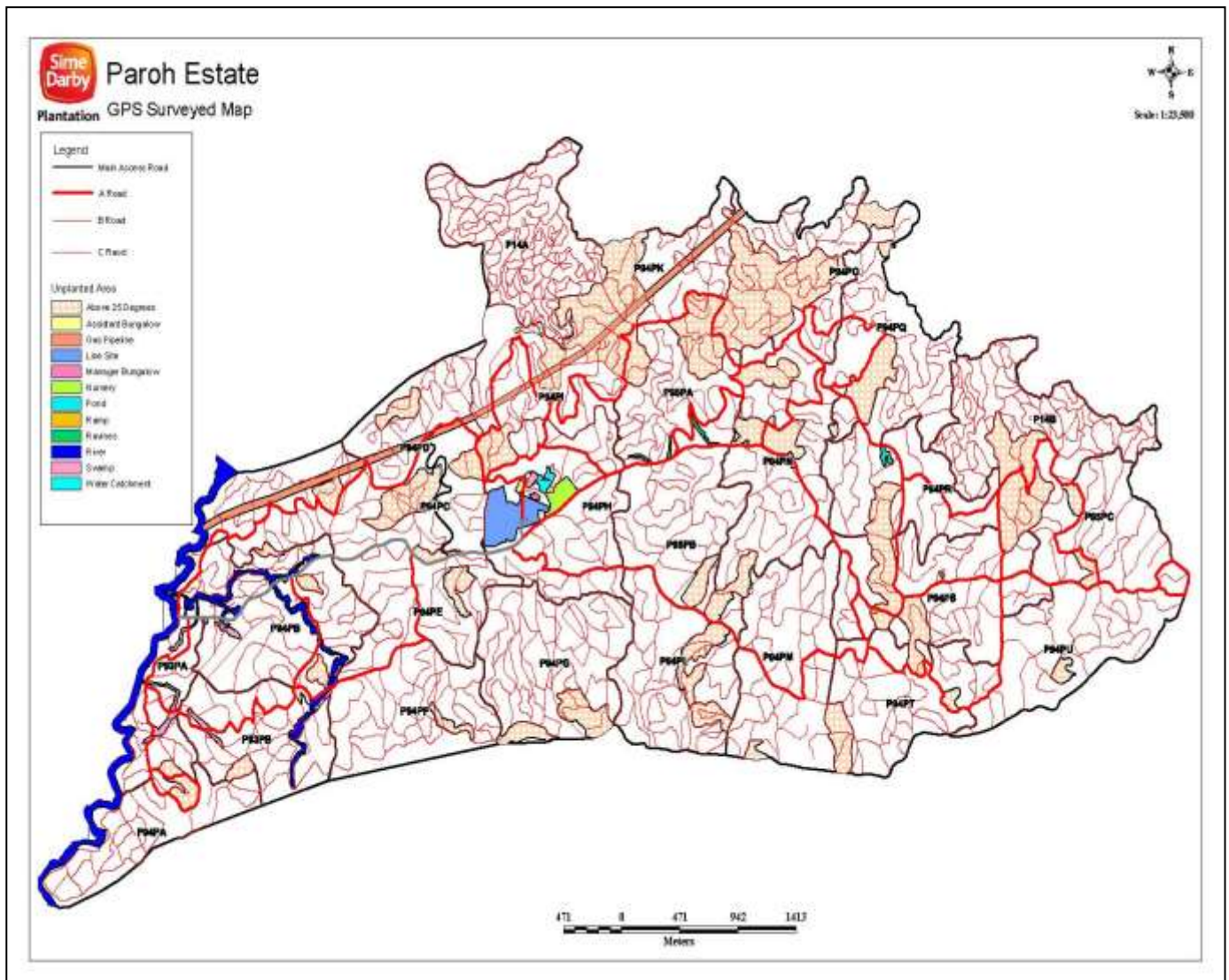
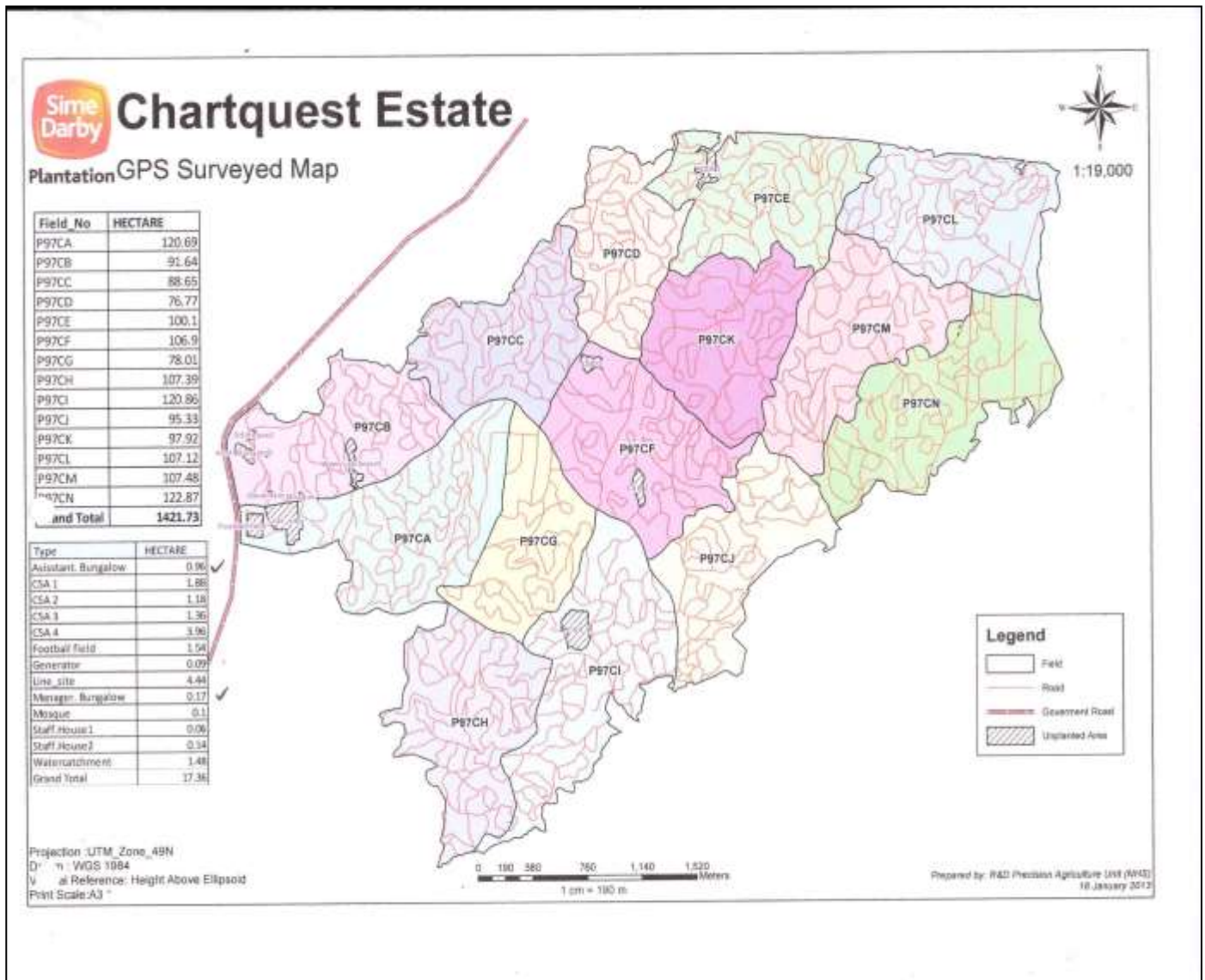


Figure 6. Operational Map of Charquest Estate



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"> • <i>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.</i> • <i>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)</i> 	
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@sime-darby.com	
1.2.7	Web page address	www.sime-darby.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
	Pekaka Oil Mill	Dulang Estate, Sarawak	N 3° 36' 38" E 113° 39' 42"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Pekaka	Pekaka, Sarawak	N 3° 36' 03" E 113° 38' 41"
	Ruai	Ruai, Sarawak	N 3° 26' 45" E 113° 39' 03"
	Dulang	Dulang, Sarawak	N 3° 35' 23" E 113° 43' 11"
	Paroh	Paroh, Sarawak	N 3° 35' 23" E 113° 42' 25"
	Chartquest	Chartquest, Sarawak	N 3° 37' 24" E 113° 37' 11"
1.5	Description of Area Statement		
1.5.1	Tenure		
	• Private (Freehold land title)	11, 711.11	Ha

	<ul style="list-style-type: none">State	N/A				Ha	
	<ul style="list-style-type: none">Community	N/A				Ha	
1.5.2	Area Statement						
	<ul style="list-style-type: none">Total area	11,711.71				Ha	
	<ul style="list-style-type: none">Mature area	8,768.61				Ha	
	<ul style="list-style-type: none">Immature area	2,079.66				Ha	
	<ul style="list-style-type: none">Mill	5.25				Ha	
	<ul style="list-style-type: none">Emplishment	-				Ha	
	<ul style="list-style-type: none">Infrastructure	609.87				Ha	
	<ul style="list-style-type: none">Nursery	12.98				Ha	
	<ul style="list-style-type: none">Occupation	-				Ha	
	<ul style="list-style-type: none">Others area	59.87				Ha	
	<ul style="list-style-type: none">HCV	175.47				Ha	
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Pekaka (Ha)	Chartquest (Ha)	Ruai (Ha)	Dulang(Ha)	Paroh (Ha)	Total (Ha)
	1990	275.72					275.72
	1991	865.84					865.84
	1992	191.83		929.12	296.94		1,417.89
	1993	62.97		518.58	677.90	158.17	1,417.62
	1994				482.00	1,712.75	2,194.75
	1995				250.00	324.25	574.25
	1997		1321.30				1,321.3
	2011			148.37			148.37
	2012	322.84		158.92			481.76
	2013	309.11		290.31		193.38	792.8
	2014	184.14		273.12			457.26
	2015	325.59			575.12		900.71
	TOTAL	2,538.04	1,321.30	2,318.42	2,281.96	2,388.55	10,848.27
1.6.2	New Planting area after January 2010		-			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 (%)
	Pekaka Oil Mill	60	133,893.2	26,016.10	19.43	6,534.87	4.88
	*Production data source from 12 months before assessment						

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)	%
	Pekaka	2,626.14	2,538.04	26,787.64	10.55	26,787.64	100
	Ruai	2,460.96	2,318.42	24,168.51	10.42	24,168.51	100
	Dulang	2,548.00	2,281.96	22,914.46	10.04	22,914.46	100
	Paroh	2,627.90	2,388.55	32,053.56	13.42	32,053.56	100
	Chartquest	1,448.71	1,321.30	27,969.05	21.17	27,969.05	100
	TOTAL	11,711.71	10,848.27	133,893.22	12.34	133,893.22	100
*Production data source from January 2015 – October 2015							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location		Supplied to Mill		
					FFB (tonnes/year)		
	No Outsides Crop						
*Source Production Data on 12 months before assessment							
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			159,258.53		133,893.2	
	• CPO Production			34,240.58		26,016.10	
	• Palm Kernel (PK) Production			8,759.22		6,534.87	
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Pekaka	2,626.14	2,538.04	35,647	14.05		
	Ruai	2,460.96	2,318.42	31,106	13.42		
	Dulang	2,548.00	2,281.96	42,524	18.63		
	Paroh	2,627.90	2,388.55	33,203	13.90		
	Chartquest	1,448.71	1,321.30	30,019	22.72		
	TOTAL	11,711.71	10,848.27	172,499	15.90		
	*Projected FFB production January 2016 – December 2016						
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 (%)
	Pekaka Oil Mill	60	172,499	37,087.29	21.50	9,487.45	5.50
*Projected CSPO and CSPK production from January 2016 – December 2016							

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

MALAYSIAN 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	Tennamaram	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				
	There are no smallholders supplying FFB to this mill				
2.0	ASSESSMENT PROCESS				
2.1	Assessment Team				
ASA 03	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				

	<p>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.</p>
	<p>2. Tony Arifiarachman (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.</p>
	<p>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.</p>
	<p>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).</p>
	<p>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).</p>
	<p>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).</p>
ASA 04	<p>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</p>

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
 Number of auditors : 7 auditors
 Number of days for **ASA-03** at site : 3 days
 Number of working days for **ASA-03** at site: 21 Working days

2.2.2 Assessment Process

ASA 04
 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).

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.

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 Pekaka Palm Oil Mill and 5 (five) estates (Pekaka Estate, Ruai Estate, Dulang Estate, Paroh Estate & Carthquest Estate).

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.

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).

The assessment program please find Appendix 2.

2.2.3 Locations of Assessment

ASA 04
 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. The supply bases visited, in addition to the palm oil mill were:

1. Dulang Estate and
2. Chartquest Estate

Detail of visited locations such as:

Pekaka POM

- **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.

- **Central Workshop** : Maintenance activities observed such as cutting and welding. Sufficient PPE observed.
- **Kernel Plant** : No operation running during the field audit. Sufficient signage observed.
- **Boiler Area** : Boiler process assessed. Interviewed with Boilerman, Mr Hasbie and Mr Diong. Sufficient PPE observed.
- **Chemical Store** : Proper chemical store observed. Sufficient label and CSDS available at the chemical store.
- **Sterilization Area** : Sterilization process assessed. Good safety practice in place. All sterilizers observed with certificate of fitness.
- **Oxidation Pond/Final discharge** : Compliance, final discharge within limit standards
- **Resting room/ BOD20 storage** : Require proper signage and labeling – immediately rectified
- **Chemical Storage : MSDS, Emergency wash**. There's oil residue near sump in front of storage area. (Sump for rain culvert)

Dulang Estate

- **Harvesting activity: Block 26, 94DD** : Workers were using safety helmets and rubber shoes. Training was given prior to do harvesting. Workers have good knowledge about harvesting worked.
- **Boundary Stone** : At Block 18 (Dulang Estate) : Between P97CA, P97CG, P97CH. River at 2 rivers crossing the estate namely Sungai Paroh (main) and Sungai Belenga (tributary), Sungai Dulang crossing estate at P97CI- clearly marked with buffer zone signages and marking on the palm oil.
- **Manuring Activity: Block 10** : PPE provided: Helmet, rubber boot, hand gloves, apron, face mask. PPE was replace on regular basis. First aid box was available on site.
- **Paroh river (main) & Belenga river (tributary)**, observation of buffer zone area
- **Workers housing and facilities** : Block 26 / 94 DD Workers were interviewed regarding the welfare issues. Block 10 / 93 DI - Workers were interviewed regarding the welfare issues.(Community Hall) Dewan Sri Dulang - Community hall are in good condition. Surau Al Ikhlas : Surau are in good condition. Block 2 / 97 CB - Workers were interviewed regarding the welfare issues

Chartquest Estate

- **Blok 2, 97CB** : Manuring activity observed. Worker interviewed for manuring process : Mr Fahmi and Mr Mahsum. Spraying activity observed. Interviewed Ms Siti Ahmid Yanto, Ms Karena, Ms Masliana and Ms Neny Widiani. Sufficient PPE observed
- **Agri-chemical Store** : The store was properly constructed with rack and signages. 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 97CB** : 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.
- **Manuring Work:Field 97CB** : PPE provided: Helmet, rubber boot, hand gloves, apron, face mask. PPE was replaced on regular basis. Workers have basic knowledge about fertiliser name and handling. Training were provided by estate management
- **Dulang river** , observation of buffer zone area
- **Workshop** : Compliance, brief interview – aware of waste codes and handling, training
- **Nest** : was provided as a nursery for foreign workers children.
- **Groceries** - Variety of goods are sell in this shop.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA 04	Consultation of stakeholders was held by: 1. Public announcement at 09 October 2015 on MUTU Website

	<ol style="list-style-type: none"> 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 27 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 four (4) opportunity(s) 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 Pekaka POM – SOU 34, *Sime Darby Plantation Sdn Bhd* complied with the *National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production, Endorsed by RSPO Board of Governors 6 March 2015 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014.*

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>From the observation at Mills and estate, the complex has maintaining the record of request information according their Standard operating procedure (Sime Darby Plantation QMS) system. There is accessible to document related environmental, social and legal issues available at the mills office and estate requesting to that particular field.</p> <p>There was sighted logbook available at the estate regarding their incoming and outgoing letter of request information and feedback from estate and mill management. The response of complain book towards an issue at the estate was available at the estate and being recently updated by the management.</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 are publicly available the document related to the criteria at both mills and estate. The document were keep in a folder at the management office and the policy were clearly available at both mills and estate office.</p> <p>The procedure of complain regarding the social issue was made available at mills and estate in a form of flow chart and clearly stated the person in charged be dealing for. There were also impact assessment related to social and environment being done at the mills and estate on 1st July 2013. The OSH plan document sighted at the mills and estate according to their SOP. Human rights policy was made available at the management office.</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 purposes The Code of Business Conduct also available at the mills as one of the guideline for the workers and staff of Pekaka POM (Sime Darby Plantation Berhad). The COBC will covering the way management will handle the stakeholder and hows 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.

MILLS

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 license, 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.

Consideration to review the legal compliance evaluation process to ensure the legal compliance effectively evaluated. Legal requirement registered are LORR register FY 2013/2014: OSHA, EQA, General Acts, Sime Darby GPA, Jadual Pematuhan DOE, MPOB. Latest update 2015. Copies were available in the office. Updating of information was done by PSQM/Group Compliance, Sime Darby HQ. Mechanism of checking was done by Group Corporate Assurance Report (GCAD). LORR tracking system was done via eGRC by governance risk compliance tracking by Group of Compliance

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 Pekaka 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. Boundary stones were observed at Block 18 (Dulang Estate) : Between P97CA, P97CG, P97CH. The SOP for maintenance the boundary pole was available. 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.

Based on document verification, field visit observed and stakeholder consultation, there is no native customer rights involved within the estates land. The HCV identification was conducted on June 2009 for each estate, there is no native customer rights was identified.

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 Pekaka 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. The replanting programme is differ from each individual estate, for example 2016 to 2023 for Dulang and 2015 – 2019 for Chartquest.

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.

Different SOPs developed for relevant production section:

- Reception Station
- Fruit Handling Station
- Sterilization Station
- Threshing Station
- Pressing Station

- Clarification Station

Process details defined for each production processes. Good control of production processes observed.

Monitoring of QOHSE system conducted by daily monitoring by mill engineer and internal audit conducted on periodical basis.

Estate Quality Management System established for whole Sime Darby Plantation. Quality management manual date 1/11/2008, rev 01 observed with relevant SOP developed:

- Seed Planting
- Watering
- Spraying
- Pruning
- Manuring
- Harvesting

Occupational Safety & Health System established with OSH Manual documented together with relevant SOPs:

- HIRADC
- Workplace Inspection
- Chemical Safety
- Permit To Work
- Accident Investigation & Reporting
- Training
- Safety Performance

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, flow meter 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 leafs 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 fertiliser and natural cover by legume cover crop planting which act as erosion protection as well as recycling the nutrient.

There was sighted an example document:

Dulang Estate:

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

Chartquest 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.	
<p>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.</p> <p>There was sighted document for control erosion and degradation:</p> <p>a. Planting on slope policy – slope & river protection policy.</p> <p>b. Replanting SOP in ARM & EQMS.</p>	
<p>The auditor was observed of slopes planting area was done by terracing and drainage system & cover crop planting in estate of Dulang and Chartquest.</p>	
	Status: Compliance
4.4	
Practices maintain the quality and availability of surface and ground water.	
<p>Water management Plan was available to supply clean water to staff and workers. 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.</p> <p>At the Mill, the effluent is treated accordingly and the sample result complied with the standard limit stipulated in the licence. Water consumption per CPO and FFB processed are recorded and tabulated on monthly basis.</p>	
	Status: Compliance
4.5	
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	
<p>SOP for IPM is a chapter in ARM. Pest identified were rat, back worm and <i>ganoderma</i>. Pest survey was conducted and action implemented was rat baiting and biological control via introduction of predators attraction plants (<i>Antigonon leptopus</i>, <i>Casia covenensi</i>, <i>Tunera subulata</i>, <i>Uphorbia heterophylla</i>) were planted and visible on field. Proper training was provided to management staff and workers who handle Integrated Pest Management (IPM).</p>	
	Status: Compliance
4.6	
Pesticides are used in ways that do not endanger health or the environment	
<p>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. <i>Paraquat</i> has been banned. <i>Pesticided</i> 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.</p>	
	Status: Compliance
4.7	
An occupational health and safety plan is documented, effectively communicated and implemented.	
<p>Occupation Safety and Health Policy observed. Communication of policy performed thru tool box meeting.</p> <p>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.</p>	

Relevant programme implemented on periodically basis:

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

Relevant type of test such as audiogram test, medical surveillance, CHRA performed according to legal requirement. Sufficient actions observed following the test results. HIRADC procedure developed with proper criteria attached for risk assessment at mill & estates. All mill and estates activities covered for HIRADC 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 Lost Time Accident 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 firefighting 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. 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.

Status: Compliance

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.

There was sighted an example of document:

- Aspect & Impact Identification FILE NO. SM/5.2/EIE (9/1/2015)
- Waste Management Action Plan in Dulang Estate and Chartquest Estate
- Aspects and impacts were well documented and implemented within the estate
- Environmental Management Plan in each estate
- Sime Darby Plantation Estate Quality Management System Form Code: MR-03/QSHEP

Aspects and impacts were well documented and implemented within the estate was observed by auditor.

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 Assessment was conducted on June 2009 for each estate. Action Plan FY 2014/2015 to identify the HCV issues and action to be taken.



Document has been observed are:

- Biodiversity Baseline Assessment Report for SOU 34 2014. **June 2009**
- Biodiversity Action Plan Estate: Chartquest

Based on field visit in Pekaka Estate and Chartquest Estate that shows of signboard was installed in buffer zone 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 its discharge being monitored

Dulang

Document available is:

* Waste Management Action Plan **2015/2016** Dulang Estate

Chartquest

Document available is:

Waste Management Action Plan **2015/2016** Chartquest Estate

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. There was sighted document of "Diesel/CPO & FFB – FY 2015/2016 for Pekaka POM. The document identifying Diesel/CPO, Diesel used and CPO/Production are recorded monthly. The document of Fibre, Shell and EFB/CPO & FFB for Pekaka POM was also furnished. Monthly EFB, Fibre and shell per tonne FFB are tabulated. Also Monthly EFB, Fibre and shell per tonne CPO are tabulated.

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

Dulang

Document available is:

Sime Darby Plantation Estate Quality Management System Level 3 SOP Section B2, Version 1 01/11/2008. Latest Replanting of 2 Dulang Estate fields was done covering 156.12 ha in March 2015.

Chartquest

Document available is:

Sime Darby Plantation Estate Quality Management System Level 3 SOP Section B2, Version 1 01/11/2008. No replanting has been undertaken thus far.

Based on field visit sampling in Pekaka and Chartquest Estate was sighted there is no open burning activities.

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 reply. No GHG report submitted as yet.

Dulang

Document available is:

Reporting of GHG emission already submitted to RSPO board pending the technical advice by RSPO Reduction and Emission working group.

Chartquest

Document available is:

Reporting of GHG emission already submitted to RSPO board pending the technical advice by RSPO Reduction and Emission working group.

Regular reporting on GHG progress was not submitted to RSPO. **NCR 2015.01**

5.6.3 Status: Non Compliance with Minor Indicator

Open

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), 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 FY 2015/2016 Social Impact Assessment Dulang and Chartquest 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 Dulang and Chartquest 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.

Sustainable Plantation Management System Section 1 part 1.1.1 Policy and Objective of transparency, and appendix 5 described of Flow chart and procedure handling social issues. 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 an appointment letter for RSPO Communication Officer (Appoiment Letter for Person-In-Charge in handling Social Issues for Dulang Estate, Norhaizan bin Rosli Dated 1st July 2015). There is an appointment letter for RSPO Communication Officer (Appoiment Letter for Person-In-Charge in handling Social Issues for Chartquest Estate, Zulhaidi Zain Dated 1st February 2015)

The person in charge are appointed to handling social related issues in Dulang and Chartquest Estate cevering gender based issues, community issues or workers related issues. Based on the field interviewed, manuring (Dulang Estate) and harvesting workers (Chartquest Estate) (Indonesian Workers) are aware and know the nominated person is the key persons to refer when there is a problem raises. There is a list of stakeholders in Dulang and Chartquest Estate, included the information of the internal and external stakeholders including organization name, Contact Number and address, Email / Contact Number.

The stakeholder list including External and internal such as :- Statutory Bodies, Indigenous People, Local Communities, Workers Organizations, Small holders, Independent Suppliers and services, Local NGO's and National NGO's.

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 company has have a Grievance Redressal Procedure for communication and consultation in clearing up misunderstanding / conflict / grievances or raising any issues with Dulang 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 Chartquest 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 Dulang and Chartquest 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 Dulang and Chartquest 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 labor 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 Labor Ordinance (Sarawak CAP. 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 Dulang 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 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 at Dulang Estate there is a two groceries (Kedai Runcit), Community Hall (Dewan Sri Dulang) .Surau Al Ikhlas, Reini Canteen. At Chartquest Estate there is a groceries (Kedai Runcit), Surau Darul Ridzuan,Canteen and Nest. 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 (ACT A1237) 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 Dulang and Chartquest Estate.</p> <p>Based o interview of the few workers that knows if they feel not urgent for join in trade unions as long as they can working properly with supporting facilities by the company and get the enough payment regarding to Government standard.</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 Dulang and Chartquest 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. Based on stakeholder consultation and field visit observed, there is no indicate of child workers.</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. Form the audit, the local people are employed to work at the Dulang Estate (Iban Tribe)</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 (7 years working) that knows there is no issues found for discrimination for local and foreign workers. Workers at Dulang and Estate is happy with the way the company is treating them and no issues raises. 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. 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 Dulang and Estate. Asmah bt Madani 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 in 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.

Gender committee has have a specific mechanism is established with the procedure and process flow to channel the complaint, but there is no complaint are been made. Based on field visit and interview the workers on Block 2, Division 97 CB, was sighted that the company has implemented to protect women right and already communicate to them.

Status: Compliance

6.10

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

The Pekaka POM did not buy FFB from outsider. Until Surveillance 4, the processed FFB in Pekaka Oil Mill is supply from own estate of SOU 34 Sime Darby, Plantation which is from Pekaka Estate, Ruai Estate, Dulang Estate, Paroh Estate and Chartquest Estate.

There was sighted an evidence of Agreement (Number 6362-A, dated 01 January 2015) between Sime Darby Plantation Sdn.Bhd (Pekaka POM) and Osman Bin Mohd. Hassan (Local Contractor) for hired one unit school van, dated 01 January and effective until 21 November 2015. In this contract was explained about payment mechanism and fulfill the safety requirement. If the contactor fails to fulfill the requirement, mill management will issues the stop work order until the thing was in order. There was sighted also an evidence of Payment voucher sample from Pekaka POM to Osman Bin Mohd. Hassan (Local Contractor) related to hired one unit school van. These payment voucher was refer to the payment mechanism as described in Agreement (Number 6362-A, dated 01 January 2015) and Transfer Slip via Maybank Bintulu Serawak.

Status: Compliance

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

There was sighted recorded of company contribution to local development, for example:

- An evidence of Memorandum of Agreement (MOA), between Sime Darby Plantations Sdn Bhd at Dulang Estate with Jeffrey Anak Atut.
- Aid to Sport Day for Dayak People (Sukan Gawai Dayak 2015)
- Aid for Student Parents and Teacher Committee, 23 Mai 2015.
- Payment are made promptly by Dulang Estate to Jeffrey Anak Atut through Payment Voucher no 90001017081. Latest on 30/09/2015.
- The payment to supplier is confirmed that all payments have been made in a timely manner.

- A contribution towards local communities has been made by the Dulang Estate for supplying the manpower for gardening at Clinic Suai Bridge as per request letter dated on 5th October 2015.

Status: Compliance	
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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 (Dulang 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.

Workers is kept the copy of the passport, and according to the interviewed (Abdul Hadi, Anton) 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).

There was sighted evidence sample of Work Agreement of Foreign Worker (Kontrak Pekerjaan Tenaga Kerja Asing Malaysia Timur – Sarawak), Number 647766-V, dated 05 August 2015 between Sime darby Plantation Sdn.Bhd with Foreign Worker from Indonesia (Number Passport AS 026683). The document was signed by Manager of Chartquest Estate, the worker and the Witness.

Based on Interview of foreign worker at Block 2, Division 97 CB (Foreman & Worker from Indonesia) indicated that there is no contract substitution and the worker understood their job description and amount of payment.

Status: Compliance	
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6.13
Growers and millers respect human rights

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. These document explain about commitment of Sime Darby Plantation management to protect of human right and avoid of human abuse. There was sighted evidence of socialization of Human Rights and Sime Darby Plantation Commitment, for example:

Pekaka Mill

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

Chartquest Estate

- Attendant list of Socialization for operational workers level
- Picture of socialization process

The company was provided a primary school for children of foreign workers namely Community Learning Center (CLC) in Pekaka estate. These program is initiation and manage by Sime Darby Plantation.

Status: Compliance	
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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	
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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 34 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: Complied	
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:	
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:	
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:	
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:	
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.		
Effort to reduce <i>paraquat</i> usage was recorded through internal directive from HQ. Paraquat used has been banned for quite some time. Purchasing of chemicals was made centralized by HQ and only class II & III were used. Pollution		

prevention plan (FY 2014/15, 1st July 2014) was available

Dulang

Documents available are:-

- Dulang Estate Quality / Safety / Environment Management Programs for Financial Year 2015/16
- Pollution Prevention Plan
- Reporting of GHG emission already submitted to RSPO board pending the technical advice by RSPO Reduction and Emission working group. (En. Saiful)

Chartquest

Documents available are:-

- Aspect & Impact Identification FILE NO. SM/5.2/EAI Chartquest Estate FY: 2015/2016
- EIA Evaluation Form FILE NO. SM/5.2/EIE Estate:Chartquest FY: 2015/2016
- Waste Management Action Plan **2015/2016** Chartquest Estate
- Environmental Management Plan For Chartquest Oil Palm Plantation **31 March 1998**
- Baseline Social Impact Assessment (SIA) Sarawak Zone SOU 34
- 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.

Status: Compliance	
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3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	MODULE D – CPO MILLS: IDENTITY PRESERVED														
1	Definition														
1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.														
ST-1															
ST-2															
S-1															
S-2															
S-3															
S-4	<p>Until Annual Surveillance Audit 4, the processed FFB in Pekaka Oil Mill is supply from own estate of SOU 34 Sime Darby, which is from Pekaka Estate, Ruai Estate, Dulang Estate, Paroh Estate and Chartquest Estate. The products is claimed as certified CPO and PKO. The table below is certified FFB recorded based on summary monthly FFB received from January until 25 October 2015.</p> <table border="1"> <thead> <tr> <th>FFB</th><th>Number (Ton)</th></tr> </thead> <tbody> <tr> <td>Pekaka Estate</td><td>26,787.64</td></tr> <tr> <td>Ruai Estate</td><td>24,168.51</td></tr> <tr> <td>Chartquest Estate</td><td>22,914.46</td></tr> <tr> <td>Dulang Estate</td><td>32,053.56</td></tr> <tr> <td>Paroh Estate</td><td>27,969.05</td></tr> <tr> <td>Total</td><td>133,893.22</td></tr> </tbody> </table>	FFB	Number (Ton)	Pekaka Estate	26,787.64	Ruai Estate	24,168.51	Chartquest Estate	22,914.46	Dulang Estate	32,053.56	Paroh Estate	27,969.05	Total	133,893.22
FFB	Number (Ton)														
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Ruai Estate	24,168.51														
Chartquest Estate	22,914.46														
Dulang Estate	32,053.56														
Paroh Estate	27,969.05														
Total	133,893.22														
	Status : Comply														
2	Explanation														
2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (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 shall then be recorded in each subsequent annual surveillance report.														
ST-1															
ST-2															
S-1															
S-2															
S-3															

S-4	<p>The Pekaka Palm Oil Mill is only supply from own estate of SOU 34 Sime Darby, which is from Pekaka Estate, Ruai Estate, Dulang Estate, Paroh Estate and Chartquest Estate. 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><tr><td></td><td>Actual certified products Period of January until 25 October 2015 (tonnes/year)</td><td>Estimation of Certified Products (tonnes/year)</td></tr><tr><td>CPO</td><td>26,016.10</td><td>34,240.58</td></tr><tr><td>PK</td><td>6,534.87</td><td>8,759.22</td></tr></table>		Actual certified products Period of January until 25 October 2015 (tonnes/year)	Estimation of Certified Products (tonnes/year)	CPO	26,016.10	34,240.58	PK	6,534.87	8,759.22
	Actual certified products Period of January until 25 October 2015 (tonnes/year)	Estimation of Certified Products (tonnes/year)								
CPO	26,016.10	34,240.58								
PK	6,534.87	8,759.22								
	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	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 Pekaka POM SoU 34 Sime Darby was registered in RSPO eTrace with ID Number RSPO_PO 100000303 , Expire 29 December 2015									
	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 role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.										
ST-1										
ST-2										
S-1										
S-2										
S-3										
S-4	The Pekaka Oil Mill SoU 34 - Sime Darby Plantation has work procedure as guideline to ensure the implementation for the entire required elements. The procedure is Standard Operating Procedure for Traceability (SD/SDP/PSQM/001 revision version, dated 01/03/2015). These procedure is aim to identifying									

	<p>product's traceability with supply chain Identity Preserve Model. Persons in charge to ensure the operation of mill based on the applicable procedure is Assistant Engineer Pekaka Oil Mill also as an RSPO/ISCC representative for Palm Oil Mill (Kilang Kelapa Sawit) 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
3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	
ST-1	
ST-2	
S-1	
S-2	
S-3	
S-4	<p>The Pekaka Palm Oil Mill SoU 34 was RSPO certified since 30 December 2011. The mill has have work procedure as guideline to ensure the implementation of SCCS for the entire required elements. The procedure is Standard Operating Procedure for Traceability (SD/SDP/PSQM/001 revision version, dated 01/03/2015). It is aim for identifying product's traceability with supply chain Identity Preserve (IP) Model. Until Annual Surveillance Audit 4, the processed FFB in Pekaka Oil Mill is supply from own estate of SOU 34 Sime Darby Plantation, which is from Pekaka Estate, Ruai Estate, Dulang Estate, Paroh Estate and Chartquest Estate. All the processed FFB and generated product is entirely product that can be claimed as RSPO Certified product. Company has have a mechanism for loading ramp, which is by requiring driver to show fruit delivery note from each estate namely FFB Consignment Note and FFB Receive Ticket (after FFB is checked in weighbridge). These documents are contain of information about origin of fruit, quantity, total bunches, driver's name, vehicle number and driver Identity Card.</p>
	Status : Comply
4	Purchasing and goods in
4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	
ST-1	
ST-2	
S-1	
S-2	
S-3	
S-4	<p>Until Annual Surveillance Audit 4, the processed FFB in Pekaka Palm Oil Mill is supply from own estate of SOU 34 which is from Pekaka Estate, Ruai Estate, Dulang Estate, Paroh Estate and Chartquest Estate. All the processed FFB and generated product is entirely product claimed as RSPO Certified product.</p>

	<p>Company has have a mechanism for loading ramp, which is by requiring driver to show fruit delivery note from each estate namely FFB Delivery Note and Weighbridge Ticket (after FFB is checked in weighbridge). Sample of records such as:</p> <p><u>Dulang Estate</u></p> <ul style="list-style-type: none"> • FFB Consignment Note (No.052052) on 26th October 2015, vehicle number TF 015, driver's name is Mamet with number of bunches is 473 with weigh estimation is 6.62 Ton (estate weigh before recheck at mill weighbridge). • FFB Receive Ticket (No 174839) on 30th 26th October 2015, vehicle number TF 015, driver's name is Mamet with number of bunches is 473 with net weight is 7.24 Ton (after recheck at mill weighbridge) <p><u>Chartquest Estate</u></p> <ul style="list-style-type: none"> • FFB Consignment Note (No. 240568) on 26th October 2015, vehicle number TG 4419, driver's name is Tingan with number of bunches is 640 with weigh estimation is 9.59 Ton (estate weigh before recheck at mill weighbridge). • FFB Receive Ticket (No 174844) on 26th October 2015, vehicle number TG 4419, driver's name is Tingan with number of bunches is 473 with net weight is 11 Ton (after recheck at mill weighbridge)
	Status : Comply
4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	
ST-1	
ST-2	
S-1	
S-2	
S-3	
S-4	<p>The Pekaka POM SoU 34 - Sime Darby Plantation has have work procedure as guideline to ensure the implementation for the entire required elements. The procedure is Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System. Based on Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System of Pekaka Oil Mill (SOU 34-Sime Darby) was stated that will management unit will inform to Certification Body if there is an over-production than the projected production.</p> <p>Based on verification data of FFB's processed in period of January till October 2015 was knows that the actual production of CPO 26,016 ton and PK 6,535 ton. These total number of product claimed does not over the projected one, which is CPO 35.420 ton and PK 9.495 ton (Based on annex Certificate ASA3).</p>
	Status: Comply
5	Record keeping
5.1 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.	
ST-1	
ST-2	
S-1	
S-2	
S-3	
S-4	The Pekaka Palm Oil Mill – Sime Darby Plantation has have a Monthly Report of RSPO Certified of FFB, CPO

& PK. The table below are description of RSPO production of Pekaka POM year of 2015 in three month basis.

Month (2015)	Amount (Ton)		
	FFB	CPO	PK
January - March	38,954.32	7,627.77	1,977.47
April - Juny	39,041.70	7,838.97	2,039.21
July - September	43,143.30	8,474.41	2,084.40
October	12,753.90	2,074.95	433.79
Total	133,893.22	26,016.10	6,534.87

Based on Mill manager interviewed, since Annual Surveillance Audit (ASA 3) until ASA 4, there is no demand and transaction of RSPO certified product in Pekaka Palm Oil Mill.

Status : Comply

6 Processing

6.1

The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.

ST-1

ST-2

S-1

S-2

S-3

S-4

Based on document verification has been showed, the Pekaka Palm Oil Mill SoU 34-Sime Darby Plantation has have work procedure as guideline to ensure the implementation for the entire required elements. The procedure is Standard Operating Procedure for Traceability (SD/SDP/PSQM/001 revision version, dated 01/03/2015). These procedure is aim to identifying product's traceability with supply chain Identity Preserve (IP) Model. All of the FFB was supplied by own estate (five Estates) was certified since December 2011. Until Surveillance 4 the FFB processed at Pekaka Mil was supply from own estate. There was available sampling of FFB Delivery Note and Weighbridge Ticket (after FFB is checked in weighbridge).

Dulang Estate

- FFB Consignment Note (No.052052) on 26th October 2015, vehicle number TF 015, driver's name is Mamet with number of bunches is 473 with weigh estimation is 6.62 Ton (estate weigh before recheck at mill weighbridge).
- FFB Receive Ticket (No 174839) on 30th 26th October 2015, vehicle number TF 015, driver's name is Mamet with number of bunches is 473 with net weight is 7.24 Ton (after recheck at mill weighbridge)

Chartquest Estate

- FFB Consignment Note (No. 240568) on 26th October 2015, vehicle number TG 4419, driver's name is Tingan with number of bunches is 640 with weigh estimation is 9.59 Ton (estate weigh before recheck at mill weighbridge).
- FFB Receive Ticket (No 174844) on 26th October 2015, vehicle number TG 4419, driver's name is

	Tingan with number of bunches is 473 with net weight is 11 Ton (after recheck at mill weighbridge)
	Status : Comply
6.2 The objective is for 100 % segregated material to be reached.	
ST-1	
ST-2	
S-1	
S-2	
S-3	
S-4	Based on document verification and Mill was observed and interview with personnel in charge for SCC implementation, that indicated the Pekaka Palm Mill only processed FFB being CPO and PK is 100 % of FFB was supplied from own estate of SoU 34 (five estate).
	Status: Comply

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√
S-4	Pekaka POM – SOU 34 has had approval / permit the use of the certificate with the number Certificate MUTU – RSPO/054	
	Status: Full Compliance	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
S-4	Pekaka POM – SOU 34 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√
S-4	Pekaka POM – SOU 34 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√
S-4		
	Status: Not Applicable	

3.4. Summary of RSPO Partial Certification.
Summary:

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.

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.

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**.

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√
	Legal ownership of land and its land use is available for all operating units and demonstrated through the respective land titles.	
	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√
	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.	
	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√
	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	

	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	Regular reporting on GHG Progress. Regular reporting on GHG progress was not submitted to RSPO.	POM and Estates	Minor	Re Certification	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>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)</p> <p>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</p> <p>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.</p> <p>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.</p> <p>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
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.	regarding to the price with groceries under Lavang compound. 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.	
Gender Committee Representative (Lavang & Pekaka) <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. 	Wages salary revised based on Sarawak Labour Ordinance and estate practice is following the rate given.	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.
Retailer <ul style="list-style-type: none"> Thanks to Sime Darby management to provide space for sale the miscellaneous need for the workers 	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	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.

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> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>Pekaka POM – SOU 34 Management Representative</p>  <p>Name <u>WAH MAHADI WAN YAACOB</u> 30 October 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u> 30 October 2015</p> </div> </div>

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 Kuala Lumpur	• OR
12.00 – 17.00		Kuala Lumpur → Serawak, Bintulu Serawak → Pekaka & Lavang complex	• All Auditors
Monday, 26 October 2015			
08.00 - 08.30		Opening Meeting	• All Auditors
08.30 – 12.30		Document review and Review of Previous Visit Non-conformance (Surveillance-3) Field observation to PEKAKA POM. WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management Document review and Review of Previous Visit Non-conformance (Surveillance-3) Field Observation to DULANG Estate • 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	• YCH / KA/OR • NZ / HR/MS/EHS
12.30 – 13.30		BREAK	
13.30 – 17.00		Continuing of Field observation to PEKAKA POM. WWTP, Mill Operational, Safety and Health, Supply Chain, Hazardous Waste Management Continuing of Field Observation to DULANG Estate • 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	• OR/YCH / KA • NZ/MS/HR/EHS
Tuesday, 27 October 2015			
08.00 - 12.30		Field Observation to CHARTQUEST Estate • 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	• OR/YCH / KA • NZ/MS/HR/EHS

DATE		26 – 30 October 2015	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.30 – 13.30		BREAK	
13.30 – 15.00		Continuing of Field Observation to CHARTQUEST 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 • NZ/MS/HR/EHS
Friday, 30 October 2014			
10.00 - 10.00		Closing Meeting	• All Auditors
14.00 – 15.00		Travel to Bintulu Airport & Return to Kuala Lumpur	• All Auditors