

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

[✓] Surveillance

Name of Management Organisation : Kerdau Palm Oil Mill – SOU 11, Sime Darby Plantation Bhd
 Plantation Name : SOU 11 : Kerdau Estate, Jentar Estate, Sungai Mai Estate, Mentakab Estate, Chenor Estate.
 Location : 28010 Temerloh, Pahang, Malaysia
 Certificate Code : **MUTU-RSPO/094**
 Date of Certificate Issue : 07 July 2016 Date of License Issue : 07 July 2019
 Date of Certificate Expiry : 06 July 2021 Date of License Expiry : 06 July 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.3	08 to 12 April 2019	Andi Pratama Pasaribu (Lead Auditor), Ebnu Holdoon, Yap Chin Hung	Octo H.P.N. Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.3	14 June 2019

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Figure 1. Location Map of SOU 11

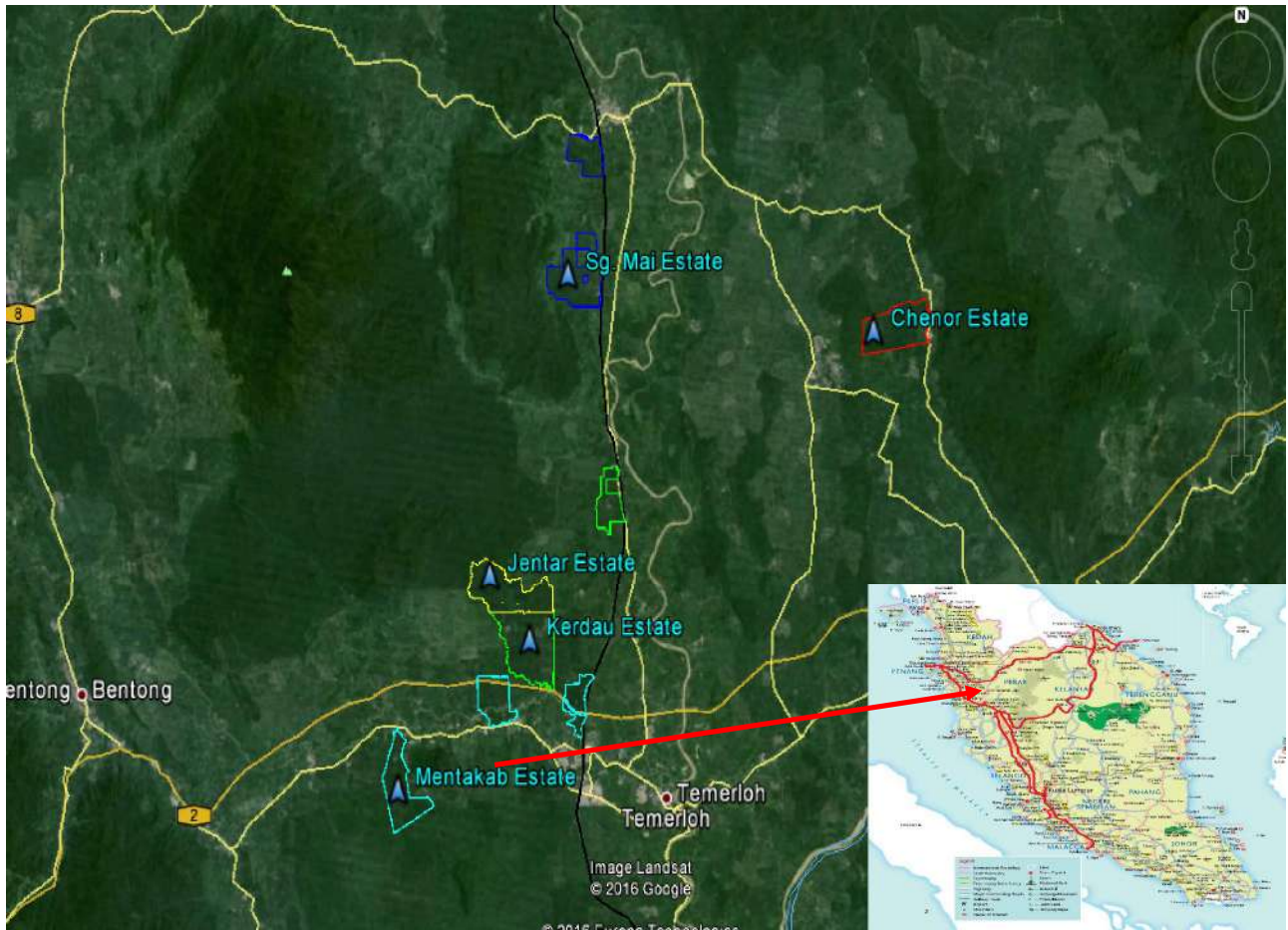


Figure 2. Operational Map of Kerdau Estate

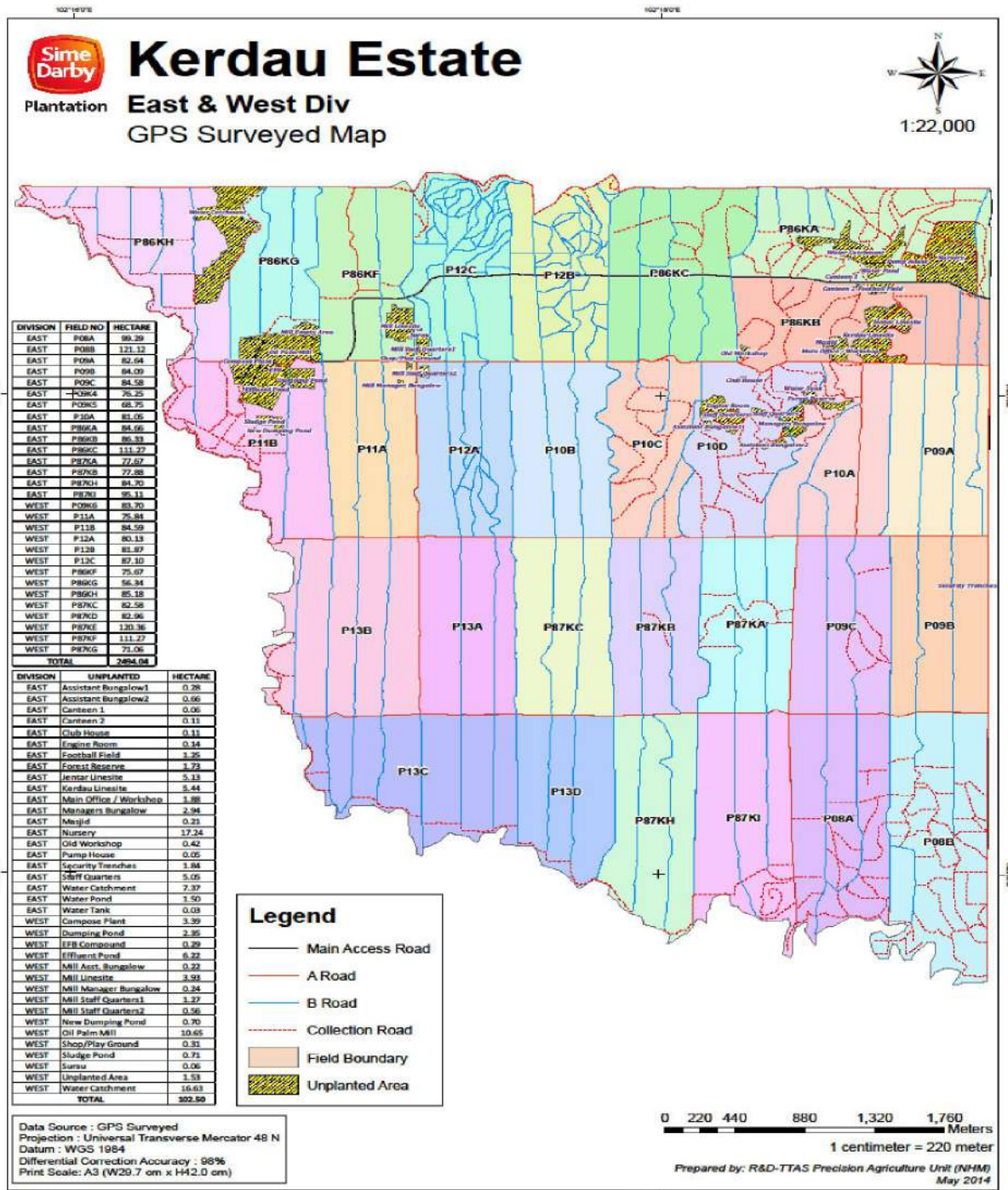


Figure 2.1 Operational Map of Kerdau Estate (Sg Tekal Division)

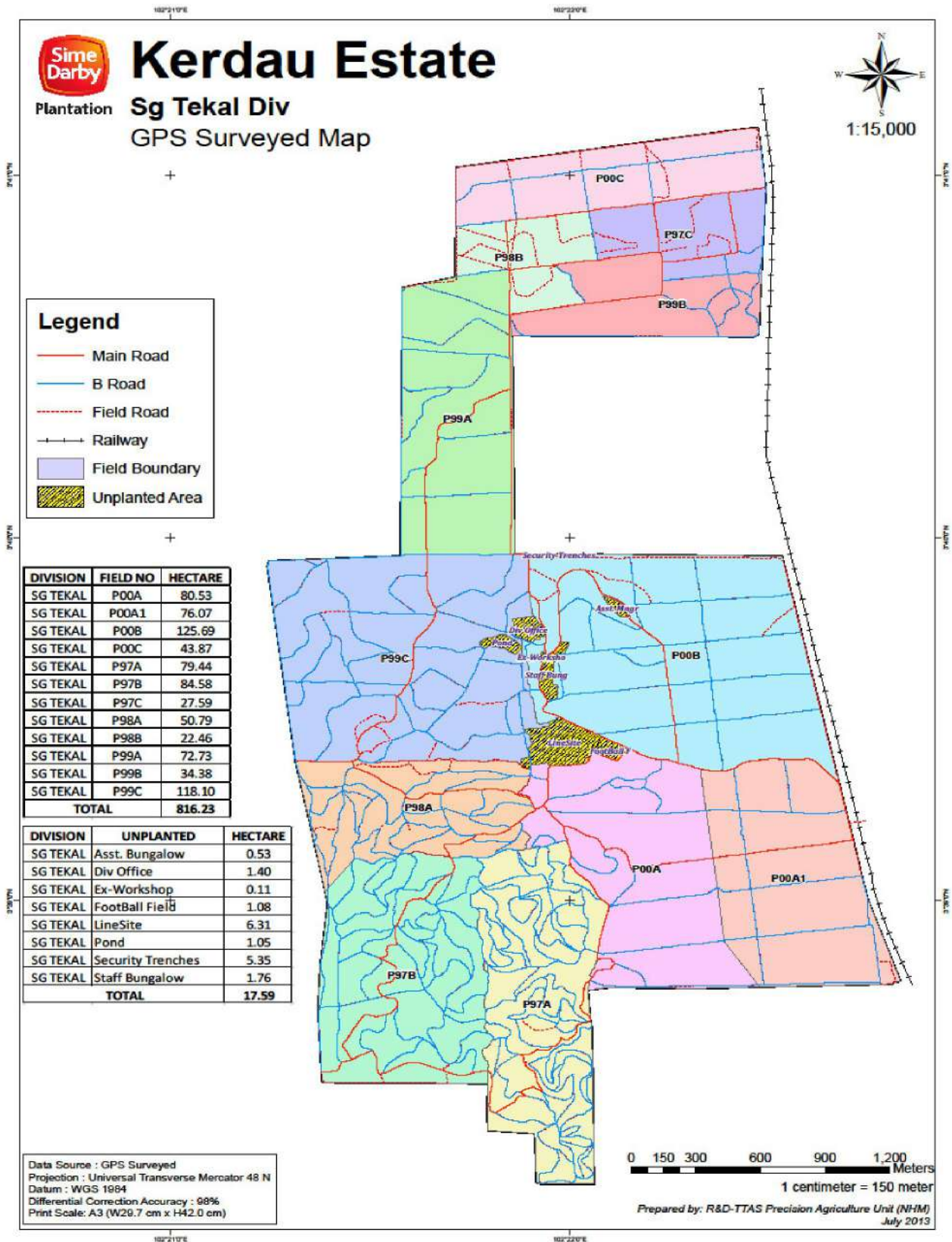


Figure 3. Operational Map of Jentar Estate

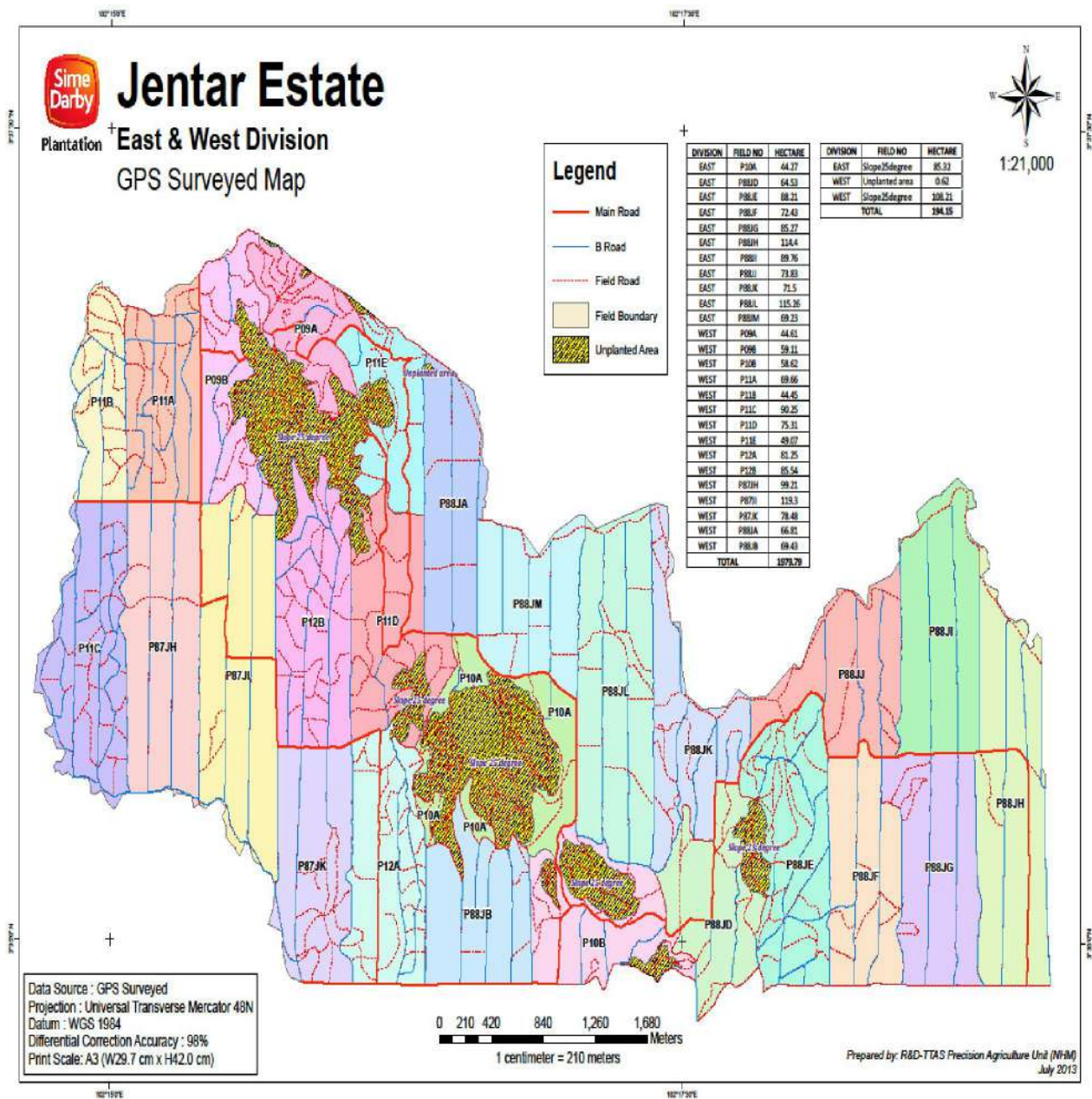


Figure 4. Operational Map of Chenor Estate

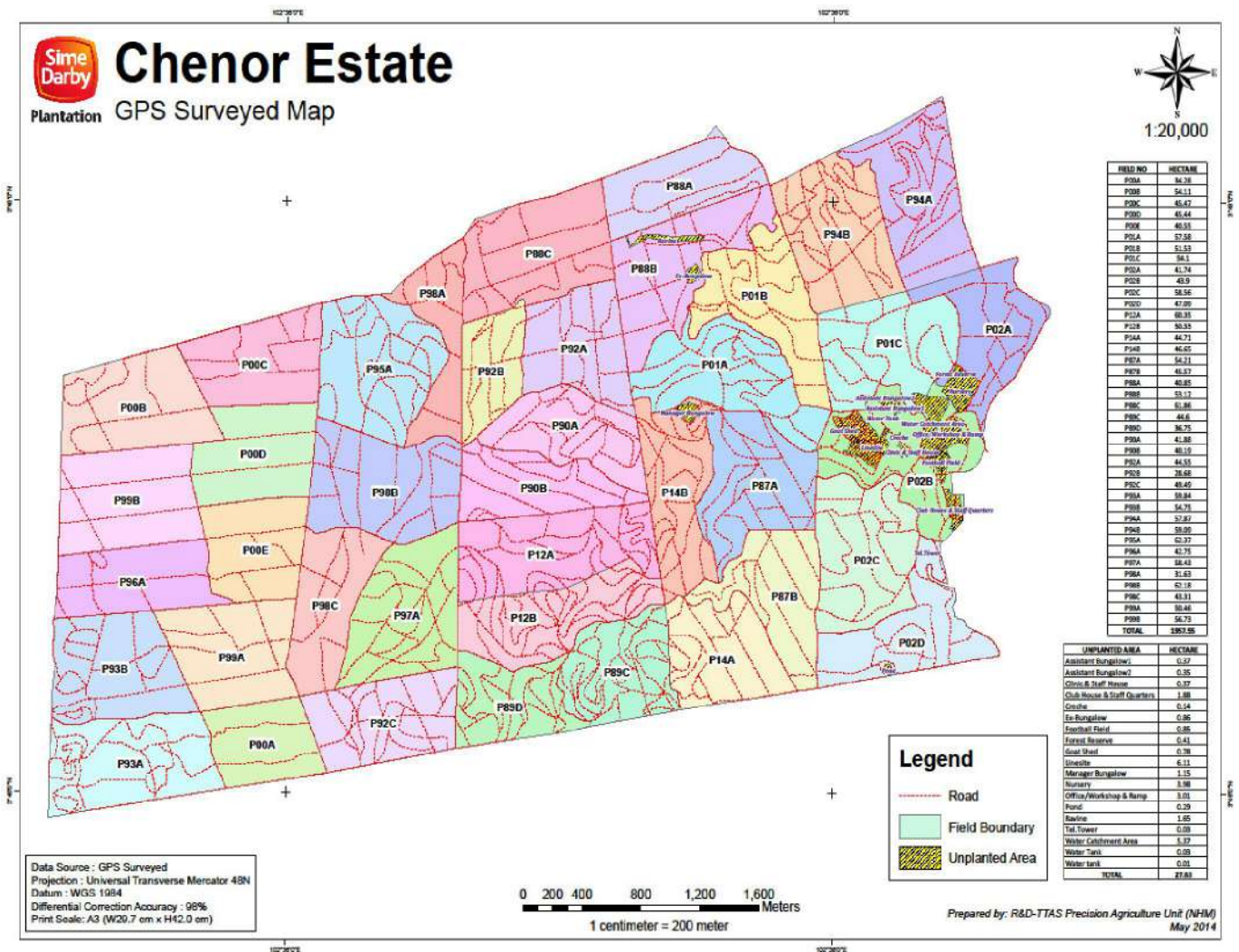


Figure 5. Operational Map of Sungai Mai Estate (Main Division)

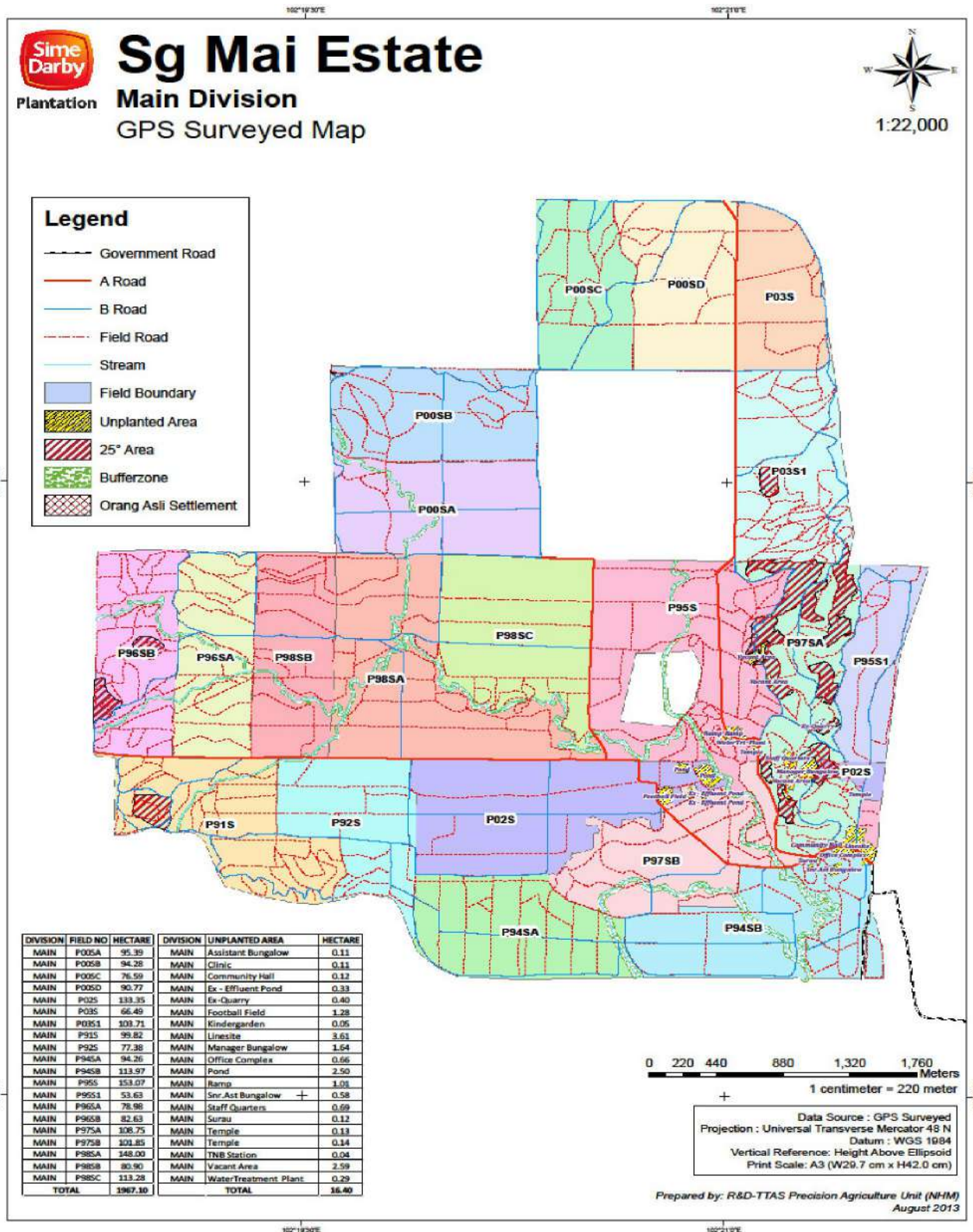


Figure 5.1 Operational Map of Sungai Mai Estate (Jerantut Division)

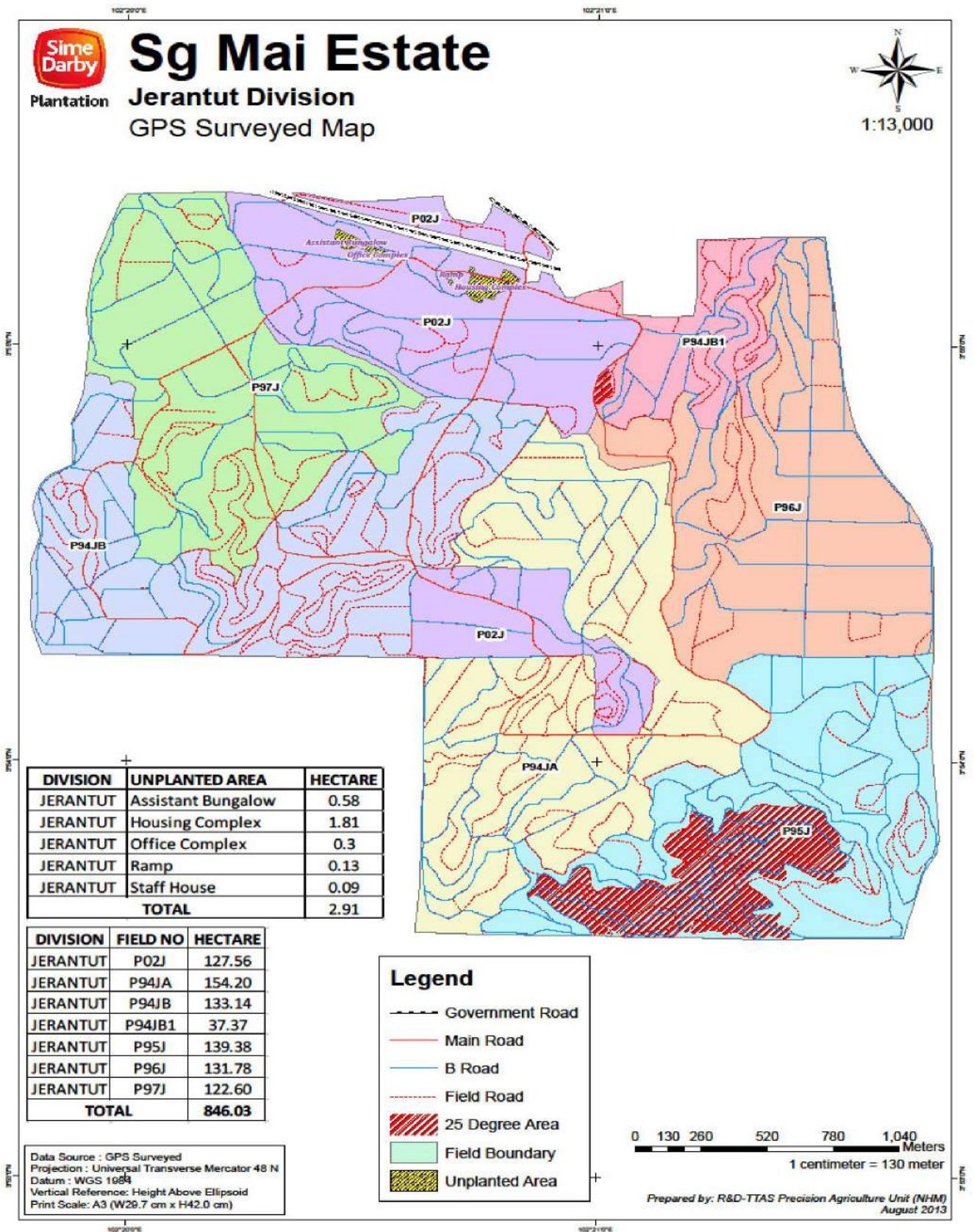


Figure 6. Operational Map of Mentakab Estate (Lanchang Division)

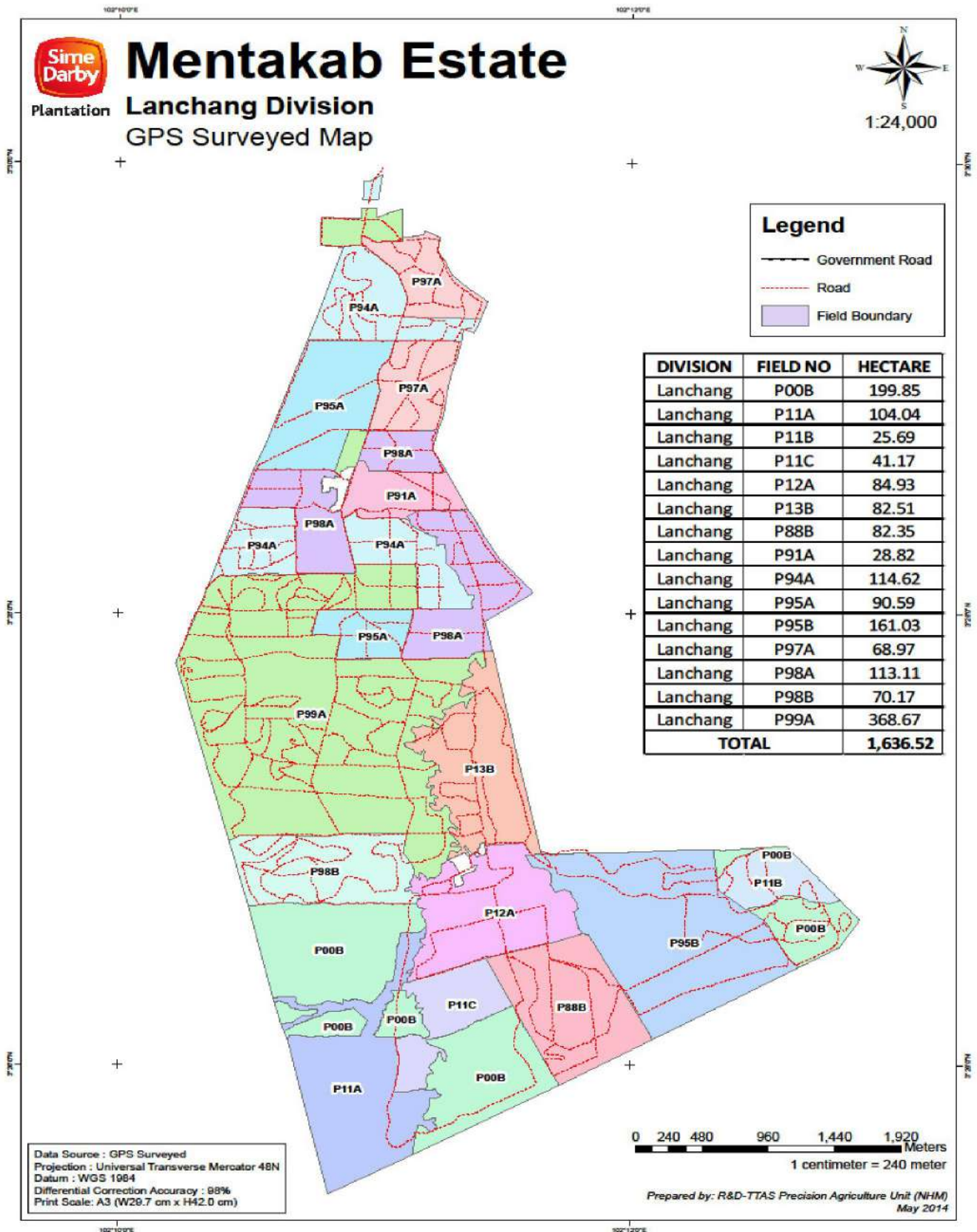


Figure 6.1 Operational Map of Mentakab Estate (Mentakab Division)

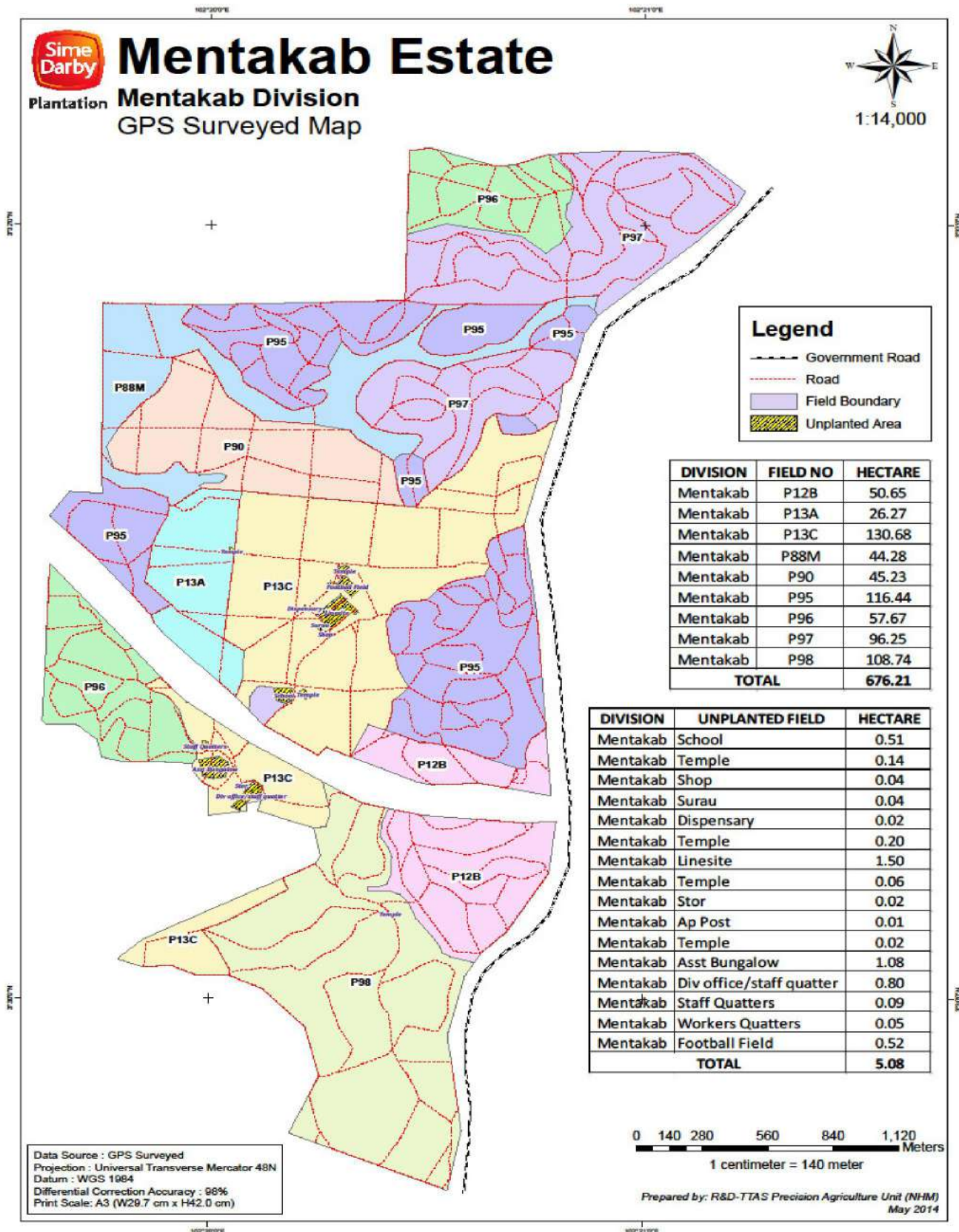
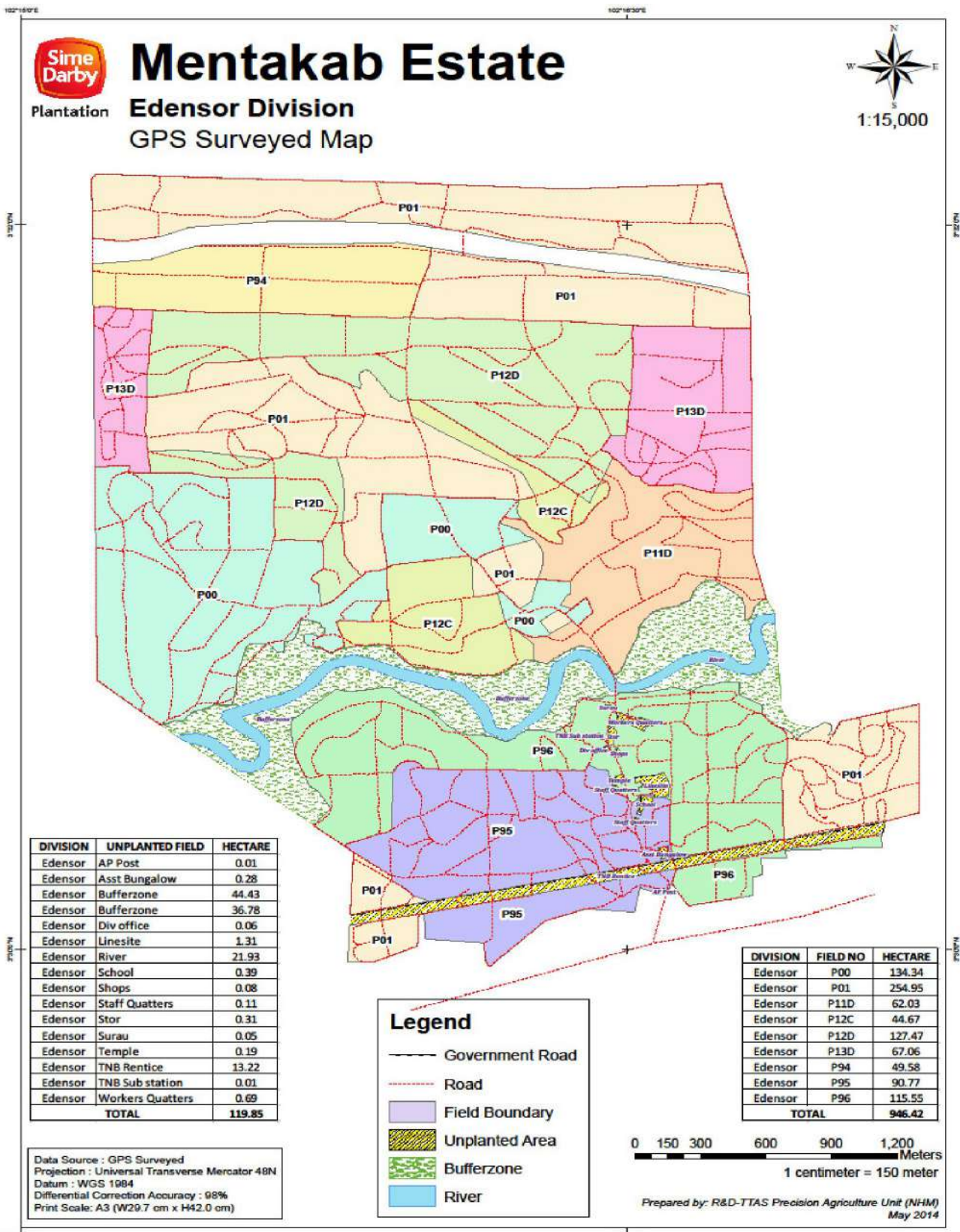


Figure 6.2 Operational Map of Mentakab Estate (Edensor Division)



Abbreviations Used

ARM	: Agriculture Reference Manual	NCR	: Non Conformance Report
ASA	: Annual Surveillance Assessment	NPP	: New Planting Procedure
BOB	: Barn Owl Box		
BOD	: Biological Oxygen Demand	NWSDM	: National Council of Welfare & Social Development Malaysia
FFB	: Fresh Fruit Bunch	NUPW	: National Union Plantation Workers
CePPOME	: Certified Environmental Professional in the Treatment of POME	OFI	: Opportunity For Improvement
CEMS	: Continous Emission Monitoring System	OHS	: Occupational Health and Safety
CPO	: Crude Palm Oil	OHSA	: Occupational Health and Safety Assessment
CHRA	: Chemical Hazard Risk Assessment	OER	: Oil Extraction Rate
CLC	: Child Learning Centre	PANAP	: Pesticide Action Network Asia and the Pacific
CSA	: Conservation Site Area	PK	: Palm Kernel
CSR	: Corporate Social Responsibility	PPE	: Personal Protective Equipment
COBC	: Code of Business Conduct	POME	: Palm Oil Mill Effluent
COD	: Chemical Oxygen Demand	POM	: Palm Oil Mill
DOE	: Department Of Environmental	PSQM	: Plantation Services Quality Management
DOSH	: Department of Occupation Safety and Health	SPAN	: Suruhanjaya Perkhidmatan Air Negara (Malaysian National Water Services)
EFB	: Empty Fruit Bunch	PSS	: Pictorial Safety Standard
EMS	: Environment Management System	QHSE	: Quality Health Safety and Environment
EPSM	: Environmental Protection Society Malaysia	RHB	: Rashid Husin Bank
EQMS	: Environment Quality Management System	RSPO	: Roundtable on Sustainable on Palm Oil
FY	: Financial Year	RTE	: Rare, Threatened or Endangered
FPIC	: Free Prior and Informed Consent	SCCS	: Supply Chain Certification System
GHG	: Green House Gases	SDP	: Sime Darby Plantation
GPS	: Global Positioning System	SIA	: Social Impact Assessment
HCV	: High Conservation Value	SJKC	: Sekolah Jenis Kebangsaan C
HIRAC	: Hazard Identification and Risk Assessment Control (HIRAC)	SOP	: Standard Operating Procedure
HSE	: Health Safety and Environment	SOM	: Standard Operation Manual
HQ	: Head Quarter	SPMS	: Sustainable Plantation Management System
IUCN	: International Union for Conservation of Nature	SOCSO	: Social Security Organization
KER	: Kernel Extraction Rate	SOU	: Strategic Operating Unit
KKS (POM)	: Kilang Kelapa Sawit (Palm Oil Mill)	SW	: Schedule Waste
LC	: Land Clearing	TQEM	: Total Quality Environmental Management
LCC	: Legium Cover Crop	WTP	: Water Treatment Plan
LOTO	: Log Out and Tag Out		
LTA	: Lost Time Accident		
MPOB	: Malaysian Palm Oil Board		
MSDS	: Material Safety Data Sheet		
MYNI	: Malaysian National Interpretation		

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
	<ul style="list-style-type: none"> Malaysia National Interpretation - RSPO MY-NIWG of Principles and Criteria (P & C) for Sustainable Palm Oil Production. Endorsed by RSPO Board of Governors 6 March 2015. RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised 14 June 2017 (Module D / E for CPO Mill) 		
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	SOU 11 - Sime Darby Plantation Sdn Bhd	
1.2.2	Contact person	Shylaja Devi VasudevanNair	
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) 78484379	
1.2.5	Fax	+(603) 7848 4363	
1.2.6	E-mail	shylaja.vasudevan@simedarby.com	
1.2.7	Web page address	www.simedarbyplantation.com	
1.2.8	Management Representative who completed the application for certification	Shylaja Devi Vasudevan Nair	
1.2.9	Registered as RSPO member	1-0008-04-000-00, 7 September 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	Single Date of Certificate validity was 7 July 11 – 6 July 2016, The 2 nd cycle certificate issued by TUV Rheinland Indonesia On 7 July 2016, transferred to PT Mutuagung Lestari on 19 June 2017.	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Kerdau Oil Mill	Kerdau Palm Oil Mill, 28010 Temerloh Pahang, Malaysia	03° 34' 10" N 102° 16' 42" E
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Kerdau Estate	Ladang Kerdau, Wakil Pos Kerdau 28010 Temerloh, Pahang, Malaysia	03° 34' 03" N 102° 17' 07" E
	Jentar Estate	Ladang Jentar, Wakil Pos Kerdau, 28010 Temerloh , Pahang, Malaysia	03° 35' 44" N 102° 17' 01" E
	Mentakab Estate	Ladang Mentakab/ Lanchang/ Edensor, c/o Lanchang Division, 28500 Lanchang, Pahang Darul Makmur, Malaysia	03° 30' 47" N 102° 20' 10" E
	Sg Mai Estate	Ladang Sungai Mai, 27000 Jerantut,	03° 48' 03" N 102° 21' 24" E

	Pahang, Malaysia						
Chenor Estate	Ladang Chenor (KT), Sungai Jerik, 26400 Bandar Pusat Jengka, Pahang, Malaysia	03° 46 '05" N	102° 38'14" E				
1.5	Description of Area Statement						
1.5.1	Tenure						
	• Private (Freehold land title)		13,619.55 Ha				
	• State		0 Ha				
	• Community		0 Ha				
1.5.2	Area Statement						
	• Total area		13,619.55 Ha				
	• Mature area		9,922.88 Ha				
	• Immature area		2,580.64 Ha				
	• Mill/building/road/trenches		738.72 Ha				
	• Unplantable: Riparian, low land, swamp area, cemetery, football field, public facilities		192.72 Ha				
	• Nursery		26.95 Ha				
	• HCV		157.64 Ha				
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Kerdu	Sg Mai	Mentakab	Chenor	Jentar	Total
	1994		227.69			0	227.69
	1995		291.74	84.44		0	376.18
	1996		275.85	151.88		0	427.73
	1997	175.04	274.82	138.35		0	588.21
	1998	68.13	324.90	267.59	130.9	0	791.52
	1999	214.17		332.95	103.47	0	650.59
	2000	313.35	347.14	294.52	212.39	0	1,167.40
	2001			254.74	154.29	0	409.03
	2002		250.33		181.50	0	431.83
	2003		163.66		104.42	0	268.08
	2004				86.75	0	86.75
	2005				94.00	0	94.00
	2006				225.57	0	225.57
	2007				276.62	0	276.62
	2008	216.16			137.32	0	353.48
	2009	243.74			155.49	101.55	500.78
	2010	302.15				100.00	402.15

2011	157.49		72.72		316.82	547.03
2012	233.93		271.79		0	505.72
2013			393.72		161.13	554.85
2014	605.6		119.10		312.97	1,037.67
Total Mature Area	2,529.76	2,156.13	2,381.80	1,862.72	992.47	9,922.88
2015	258.45		139.67		154.69	552.81
2016	235.87	167.00	167.22		505.56	1,075.65
2017	161.5	126.52	131.37		159.56	578.95
2018		147.31	114.86		111.06	373.23
Total Immature Area	655.82	440.83	553.12	0	930.87	2,580.64
TOTAL	3,185.58	2,596.96	2,934.92	1,862.72	1,923.34	12,503.52

1.6.2 New Planting area after January 2010 0 Ha

1.6.3 Planting Cycle 2nd 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	
			Output (tonnes)	Extraction (%)	Output (tonnes)	Extraction (%)
Kerdau Mill	60	227,715	46,442	20.39	10,170	4.46

**Production data source from 12 months before assessment (April 2018 – March 2019)*

**Kerdau Mill received 265 tonnes FFB from Bukit Puteri Estate (RSPO certified estate under Sime Darby Plantation Bhd)*

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)	%
Kerdau Estate	3,310.97	3,185.58	42,984	14.65	42,984	100
Jentar Estate	2,207.30	1,923.34	21,143	10.99	21,143	100
Mentakab Estate	3,266.49	2,934.92	39,644	15.27	39,644	100
Sungai Mai Estate	2,835.04	2,596.96	36,792	19.75	36,792	100
Chenor Estate	1,999.75	1,862.72	19,808	6.22	19,808	100
TOTAL	13,619.55	12,503.52	160,371	12.81	160,371	100

**Production data source from 12 months before assessment (April 2018 – March 2019)*

1.7.3 FFB description from other source

Name of sources	Organisation	Location	Supplied to Mill
			FFB (tonnes/year)
Bukit Puteri Estate	Certified estate under Sime Darby Plantation Bhd	Kuala Lipis Pahang, Malaysia	265
Sri Kerdau Commodities	Independent FFB Supplier	Jalan Besar Kerdau, 28010 Temerloh, Pahang	21,993
Pro Island Enterprise	Independent FFB Supplier	Pahang, Malaysia	2,669

	Bakti Mas Bina Sdn Bhd	Independent FFB Supplier	Pahang, Malaysia	34,269			
	Golden Horse Plantation	Independent FFB Supplier	Jalan Kemayan-Triang, 28380 Kemayan, Bera Pahang	290			
	SCL Commodities Sdn Bhd	Independent FFB Supplier	Pahang, Malaysia	8,123			
	TOTAL			67,344			
	<i>*Production data source from 12 months before assessment (April 2018 – March 2019)</i>						
1.7.4	Product categories		FFB, CPO, PK				
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)	Last year actual certified product (tonnes/year)			
	• FFB Production		204,316	160,636			
	• CPO Production		42,906	32,782			
	• Palm Kernel (PK) Production		10,216	7,077			
1.8.2	Product selling						
	Tonnage of selling product		Period of actual selling product last year				
	• CSPO sold as RSPO certified product		-				
	• CSPK sold as RSPO certified product		-				
	• CSPO sold under other scheme		-				
	• CSPK sold under other scheme		-				
	• CSPO sold as conventional		32,006				
	• CSPK sold as conventional		6,650				
1.8.3	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Kerdau Estate	3,310.97	3,185.58	45,133	14.17		
	Jentar Estate	2,207.30	1,923.34	22,200	11.54		
	Mentakab Estate	3,266.49	2,934.92	41,627	14.18		
	Sungai Mai Estate	2,835.04	2,596.96	38,632	14.88		
	Chenor Estate	1,999.75	1,862.72	20,798	11.17		
	TOTAL	13,619.55	12,503.52	168,390	13.47		
	<i>*Projected FFB production for 12 months of certificate (April 2019 – May 2020)</i>						
1.8.4	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 (%)
	Kerdau Mill	60	168,390	35,362	21.00	7,578	4.50
	<i>*Projected CSPO and CSPK production for 12 months of certificate (April 2019 – May 2020)</i>						
1.9	Other Certifications						
	MSPO		Certified on 2017				

1.10 Time Bound Plan						
1.10.1 Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time bound				
INDONESIA						
1	Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
			Seruyan	2010		Certified
2	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified
			Manggala 2	2010		Certified
			Manggala 3	2010		Certified
3	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District –West Kalimantan	Certified
			West (HGU on process)	2019		-
			East	2010		Certified
			East (HGU on process)	2019		-
			East Plasma	2010		Certified
			West Plasma	2010		Certified
			Sei Mawang	2019		-
4	Teluk Siak. PT. Aneka Inti Persada	2011	Teluk Siak	2011	Siak District – Riau	Certified
			Pinang Sebatang	2011		Certified
			Aneka Persada	2011		Certified
5	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
			Sungai Pinang (HGU on process)	2020		-
			Bukit Pinang	2012		Certified
			Bukit Pinang (HGU on process)	2020		-
6	Pemantang. PT. Teguh Sempurna	2011	Pemantang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Kawan Batu	2011		Certified
			Hatan Tiring	2011		Certified
			Batang Garing	2011		Certified
7	Alur Dumai. PT. Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
8	Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
			Nusa Perkasa	2011		Certified
			Nusa Lestari	2011		Certified
9	Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
			Rotan Semelur	2011		Certified
10	Angsana. PT. Ladangrumpun	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
			Gunung Sari	2011		Certified

	Suburabadi		Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
			KKPA-4 PT.SHE	2013		Certified
11	Mustika. PT Sajang Heulang	2013	Mustika	2013	Tanah Bumbu District – South Kalimantan	Certified
			KKPA-2 PT.SHE	2013		Certified
			KKPA-3 PT.SHE	2013		Certified
			KKPA-5 PT.SHE	2013		Certified
			SAP 1	2020		-
12	Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
			Gunung Kemasam	2011		Certified
			Laut Timur	2011		Certified
			Pantai Timur	2011		Certified
			KKPA BSS	2020		-
13	Bebunga. PT. Langgeng Muaramakmur	2011	Bebunga	2011	Kotabaru District – South Kalimantan	Certified
			Bakau	2011		Certified
			Sungai Cengal	2011		Certified
14	Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Sapiri	2011		Certified
			Barasdanum	2011		Certified
			Kuala Kuayan	2011		Certified
15	Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
			Pondok Labu	2012		Certified
			Rampa	2012		Certified
			Sesulung	2012		Certified
16	Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
			Matalok	2012		Certified
			KKPA Sungai Cengal (1,382 SH)	2014		Certified
			Selabak (PT SAA)	2012		Certified
			Randi (PT SAA)	2012		Certified
			Sangkoh (PT SAA)	2012		Certified
			Lanting (PT LMR)	2012		Certified
17	Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
			Sekayu	2012		Certified
18	Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
			Plasma TGK	2020		-
19	Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
			Ladang Panjang (HGU on process)	2020		-
			Plasma BGR	2020		-

20	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
			Rantau Panjang (HGU on process)	2020		-
			Bumi Ayu	2012		Certified
			Karang Ringin	2012		Certified
			Napal	2012		Certified
			Napal (HGU on process)	2020		-
			Mangun Jaya	2012		Certified
			Mangun Jaya (HGU on process)	2020		-
			Sungai Jernih	2020		-
			GPI KKPA	2020		-
21	Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
22	MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2019	Sanggau District – West Kalimantan	-
			MAS 1	2019		-
			MAS 1	2019		-
			Plasma MAS	2020		-
23	Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
			Awatan	2014		Certified
			Karya Palma	2019		-
			KKPA SNP	2020		-
			Pelanjau (PT BAL)	2019		IC
			Sungai Putih (PT BAL)	2019		-
			Baturus (PT BAL)	2019		-
			KKPA BAL	2020		-
MALAYSIA						
1	Sg Dingin SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
			Padang Buluh	2010		Certified
			Bukit Selangor	2010		Certified
			Sg Dingin	2010		Certified
			Jentayu	2010		Certified
			Anak Kuli	2010		Certified
			Somme	2010		Certified
2	Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
			Holyrood	2011		Certified
			Kalumpang	2011		Certified

			Tali Ayer	2011		Certified
3	Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
			Elphil	2011		Certified
			Kamuning	2011		Certified
4	Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
			Bagan Datoh	2011		Certified
			Sabak Bernam	2011		Certified
			Sg Samak	2011		Certified
5	Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
			Sabrang	2011		Certified
			Sg Wangi	2011		Certified
			Sogomana (Main Division)	2011		Certified
6	Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
			Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
			Bikam	2011		Certified
			Clumy	2011		Certified
7	Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
8	Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified
			Bkt Cherakah	2011		Certified
			Bkt Rajah	2011		Certified
			Bkt Lagong	2011		Certified
			Elmina	2011		Certified
9	East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
			Dusun Durian	2010		Certified
			Sepang	2010		Certified
10	West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
11	Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
12	Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
			Jentar	2011		Certified
			Mentakab	2011		Certified
			Sg Mai	2011		Certified
			Chenor	2011		Certified
13	Jabor - SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
14	Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
			New Labu	2011		Certified

			Bradwall	2011		Certified
15	Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
			Sua Betong	2010		Certified
			Bukit Pelandok	2010		Certified
16	Sua Betong SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
			Sengkang	2014		Certified
			Siliau	2014		Certified
			PD Lukut	2014		Certified
			Sungai Baru	2014		Certified
			Tampin Linggi	2014		Certified
17	Kok Foh SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
			Kok Foh	2011		Certified
			Muar River	2011		Certified
			St. Helier	2011		Certified
			Pertang	2011		Certified
			Sg Gemas	2011		Certified
			Sg Sebaling	2011		Certified
			Sg Senarut	2011		Certified
18	Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
			Kemuning	2010		Certified
			Tangkah	2010		Certified
19	Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
			Diamond Jubilee	2011		Certified
			Serkam	2011		Certified
20	Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
			Lanadron	2014		Certified
			Pengkalan Bukit	2014		Certified
			Welch	2014		Certified
21	Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
			Cha'ah	2010		Certified
			Sg Simpang Kiri	2010		Certified
22	Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
			Kempas Klebang	2010		Certified
			Bukit Paloh	2010		Certified
			Yong Peng	2010		Certified
23	Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
			CEP Niyor	2011		Certified
			Lambak / Elaeis	2011		Certified
24	Ulu Remis	2011	Pekan	2011	Layang-layang, Johor	Certified

	SOU 23		Sembrong	2011		Certified
			Tun Dr. Ismail	2011		Certified
			Ulu Remis	2011		Certified
			Bukit Badak	2011		Certified
			Cenas	2011		Certified
25	Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
			Kulai	2011		Certified
			Layang	2011		Certified
			Seri Pulai	2011		Certified
26	Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
			Tunku	2008		Certified
			Tigowis	2008		Certified
			Sentosa	2008		Certified
			Saguliud	2008		Certified
27	Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
			Sapong	2011		Certified
28	Binuang SOU 28	2009	Tingkeyu	2009	Kunak, Sabah	Certified
			Sungang	2009		Certified
			Jelata Bumi	2009		Certified
			Binuang	2009		Certified
29	Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
			Giram	2009		Certified
30	Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
			Merotai	2009		Certified
			Table	2009		Certified
			Tiger	2009		Certified
31	Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
			Chartquest	2011		Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
32	Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified

			Bayu	2011		Certified
33	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
LIBERIA						
1	Grand Cape Mount	2018	Matambo	2018	Grand Cape Mount, Liberia	IC
			Grand Cape Mount	2018		IC
			Zodua	2018		IC
			Bomi	2018	Bomi, Liberia	IC
			Lofa	2018		IC
P & G (New Britain Palm Oil)						
1	Poliamba	2012	Kara	2012	Keviang, New Ireland Province, P&G	Certified
			West Coast	2012		Certified
			Nalik	2012		Certified
			Noatsi	2012		Certified
			Madak	2012		Certified
			North (Smallholders)	2012		Certified
			South (Smallholders)	2012		Certified
			West (Smallholders)	2012		Certified
2	Tetere	2011	Tetere	2011	Gudaicanal, Slomon Island	Certified
			Ngalimbiu	2011		Certified
			Mbalisuna	2011		Certified
			West Zone (Smallholders)	2011		Certified
			Central Zone (Smallholders)	2011		Certified
			MBA East (Smallholders)	2011		Certified
			MBA West (Smallholders)	2011		Certified
3	Sangara, Sambiripa & Mamba	2013	Sangara	2013	Higaturu, Popondetta, Oro, P&G	Certified
			Sumberipa	2013		Certified
			Ambogo	2013		Certified
			Embi	2013		Certified
			Mamba	2013		Certified
			Sorovi (smallholders)	2013		Certified
			Igora (smallholders)	2013		Certified
				Saiho (smallholders)		2013
		Aeka (smallholders)		2013	Certified	

4	Gusap	2010	lilimo (smallholders)	2013	Madang, P&G	Certified
			Dumpu	2010		Certified
			Surinam	2010		Certified
			Jephcott	2010		Certified
			Gusap	2010		Certified
			Paddox	2010		Certified
			Ngaru	2010		Certified
			Madang VOP (smallholders)	2010		Certified
Morobe VOP (smallholders)	2010	Certified				
5	Hagita	2013	Giligili	2013	Milne Bay, P&G	Certified
			Hagita	2013		Certified
			Waigani	2013		Certified
			Sagarai	2013		Certified
			Padipadi	2013		Certified
			Mariawatte	2013		Certified
			East Gurney	2013		Certified
			West Gurney	2013		Certified
			East Sagarai	2013		Certified
			West Sagarai	2013		Certified
6	Mosa Kumbango Kapiura Namumdo Waraston	2008	Bebere	2008	West New Britain	Certified
			Kumbango	2008		Certified
			Togulo	2008		Certified
			Dami	2008		Certified
			Waisisi	2008		Certified
			Kautu	2008		Certified
			Karausu	2008		Certified
			Moroa	2008		Certified
			Bilomi	2008		Certified
			Loata	2008		Certified
			Haella	2008		Certified
			Garu	2008		Certified
			Daliavu	2008		Certified
			Sapuri	2008		Certified
			Malilimi	2008		Certified
			Rigula	2008		Certified
			Nomundo	2008		Certified
		Navarai / Karato ME	2008	Certified		
Volupai . Lotomgam /	2008	Certified				

		Natupi / Goruru		
		Lolokoru	2008	Certified
		Silovoti	2008	Certified
		LSS Hoskin (1,877 Smallholders)	2008	Certified
		VOP East (1,815 Smallholders)	2008	Certified
		VOP Central (1,958 Smallholders)	2008	Certified
		VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008	Certified
		LSS Kapiura (847 Smallholders)	2008	Certified
		VOP Kapiura (551 Smallholders)	2008	Certified
	<p>Sime Darby has achieved 34 management units in Malaysia, 25 mmanagement units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in P&G. In the year of 2016 & 2017 there are three Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO. The mills are:</p> <ol style="list-style-type: none"> 1. Angsana Mini Mill, PT Sajang Heulang: Mill stop operate since 2016 and the supply bases is transfer to Angsana POM, PT Ladangrumpun Subur Abadi. 2. Selabak Mill, PT Swadaya Andhika: Mill stop operate since.2017 and the supply bases is transfer to Rantau POM, PT Laguna Mandiri 3. Pekaka, SOU 34: Mill stop operate since 2017 and the supply bases is transfer to Lavang, SOU 31 <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed on 2018.</p> <p>There was change of the Time Bound Plan under Sime Darby on April 2019 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the <i>Serikat Petani Kelapa Sawit</i> (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>			
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard.			
	There is no smmalholders scheme			

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.3	<p>1. Andi Pratama Pasaribu (Lead Auditor), Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS, lead auditor RSPO supply chain by BMTRADA etc. He has some experiences of RSPO and ISPO audit in Indonesia and Malaysia palm oil plantation especially in best management practices, land legality, environmental, social, worker welfare aspect and supply chain. During this audit, he verify best management practices and supply chain aspect.</p> <p>2. Ebnu Holdoon Shawal (Auditor). Malaysian citizen (Fluent in Local Language) 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 since 2015. During this audit he has been assigned to verify the Transparencies, HCV, GHG and Environmental aspect.</p> <p>3. Yap Chin Hung (Auditor) Malaysian citizen (Fluent in Local Language) 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, and ISO 22000 & OHSAS 18001. During this audit he has been assigned to verify the Legal, and OHS aspect.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.3	<p>Number of auditors : 3 auditors Number of days for ASA-1.3 at site : 5 days Number of working days for ASA-1.3 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-1.3	<p>The assessment was conducted by measuring the sufficiency of implementation and consistency of the SOU 11 – Sime Darby Plantations to the requirements of Malaysian National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO MYNI, March 2015 and Supply Chain Requirement for CPO Mill 2014).</p> <p>The assessment was conducted in three methods: (1) document review, aiming at observe the sufficiency of types or substances from required documents; (2) interview with management and stakeholders, aiming at obtaining more detailed information and information cross check; and (3) field observation, aiming at observe directly the sufficiency of implementation on site.</p> <p>Number of units in this certification activity is 5 (five) estates (Kerdau Estate, Jentar Estate, Sungai Mai Estate, Mentakab Estate & Chenor Estate), which supply the raw material (FFB) to 1 (one) palm oil mill (Kerdau POM). In conducting the assessment, the team of auditors used the $(0.8\sqrt{y}) \times (z)$ 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 Kerdau Palm Oil Mill and 3 (three) estates (Kerdau Estate, Sungai Mai Estate & Mentakab Estate).</p> <p>Notes: due to time and location limitation, auditor only visited one division which is Sungai Mai Division in Sungai Mai</p>

Estate and Lancang Division in Mentakab Estate (Jerantut Division in Sungai Mai Estate, Edensor and Mentakab Division in Mentakab Estate will visited in next assessment).

Some opportunities for improvement as the results of ASA-1.3 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 main assesment findings were observed by auditors at this ASA-1.3. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU International).

The assessment program please find Appendix 2. The assessment program please find Appendix 2.

2.2.3 Locations of Assessment

ASA-1.3

Kerdau Estate

1. **Harvesting, Field 2009B.** Observation and interview with harvester and supervisor regarding to harvesting procedure, safety working procedure, payments, worker welfare, complaint mechanism etc.
2. **Nursery, Field 2017A.** Observation of planting material and beneficial plant such as *Euphorbia heterophylla* management.
3. **Store and Workshop area:** Proper labelling on schedule waste store, record and inventory available. Pescticide and herbicide stacked together and proper pallets to store fertilizer
4. **Water Catchment (HCV Area), Field 2017A.** Observation of HCV management.
5. **Legal boundary, Field 2008A.** Observation of availability and maintenance of boundary poles as a demarcation marking.
6. **Linesite:** Proper linesite / workers quarters available. Sighted the 3 rooms with 3 people / peoples living in the area. Clean and proper housing area with a worker dedicated to clean the housing area.

Kerdau POM

7. **Weighbridge.** Observation and interview with weighbridge operator regarding of receive and dispatch procedure, certified and noncertified product recapitulation etc.
8. **Water treatment plant:** proper treatment plant for domestic usage and mill usage (boiler). Sighted water management plan during drought season. Proper store available to store the chemical.
9. **Schedule waste Store:** proper store observed with fencing and air circulation. Record of sipping at the mill office.

Sungai Mai Estate

10. **Harvesting and FFB Loading, Field 2005D.** Observation and interview with harvester, supervisor and motor farm operator regarding to harvesting and FFB loading using motor farm grabber procedure, safety working procedure, payments, worker welfare, complaint mechanism etc.
11. **Barn Owl Box, Field 2005C.** Observation of IPM program using natural predator to control rat infestation.
12. **Legal boundary, Field 2005C.** Observation of availability and maintenance of boundary poles as a demarcation marking.
13. **Local Cemetery (HCV Area), Field 1995S.** Observation of HCV management.
14. **EFB Application, Field 1995S.** Observation of EFB application to maintain soil fertility.
15. **Slope Area, Field 2016A.** Observation of planting management in slope area by using terrace, planting LCC and EFB enhancement to reduce soil degradation risk. There also slope area with more than 25% degrees that left and not replanted and stipulated as conservation area.
16. **Landfill :** Landfill at 99A – 3 km form the linesite , proper landfill observed with closed and opening date
17. **Water Catchment :** Proper water catchment observed with fencing area

Mentakab Estate

18. **Harvesting and FFB Loading, Field 1998AC.** Observation and interview with harvester, supervisor and motor farm operator regarding to harvesting and FFB loading using motor farm grabber procedure, safety working procedure, payments, worker welfare, complaint mechanism etc.

19. **Interview with pesticide applicator, Field 1998AC.** During the audit, there is no pesticide application due to dry wheater season so auditor only conducted an interview with pesticide applicator regarding to safety working procedure, PPE usage, medical examination, salary and complaint mechanism.
20. **Barn Owl Box, Field 1998A2.** Observation of IPM program using natural predator to control rat infestation.
21. **EFB Application, Field 1999A.** Observation of EFB application to maintain soil fertility.
22. **Store area/ workshop:** Proper store available, however PPE store does not have enough PPE and construction of oil sump at the workshop is not connected to the servicing area.

Interview with external and internal stakeholders (Workers) on field observation

23. Kerdau Estate:
 - Harvesting: 3 Indonesian and 1 Nepalese worker.
 - Nursery: 1 Nepalese worker.
 - HCV Area: 1 Indonesian worker.
24. Kerdau Mill: 1 weighbridge operator,
25. Sungai Mai Estate:
 - Harvesting: 3 Indonesian.
26. Mentakab Estate:
 - Harvesting: 4 Indonesian and 1 India worker.
 - Pesticide applicator: 2 Indian worker.
27. 1 village head/local communities near Sungai Mai Estate.
28. Interview with foreign workers Kerdau estate: been 4 years working in Sime Darby and the company treat the workers well by providing housing and social welfare.
29. Interview Local workers in Kerdau POM: 10 Years working, promoted form General worker to Store Keeper.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.3	<p>Consultation of stakeholders for SOU 11, Sime Darby Plantation Sdn Bhd was held by:</p> <ol style="list-style-type: none"> 1. Public Notification on Mutu certification website on 16 April 2018. 2. Letter sent to related agencies and NGO in Malaysia, dated 21 April 2018 3. Interview of local contractor, teachers, goverments institution and communities representtive of Sg Jerik in Kerdau POM, Chenor estate and Jentar estate, held on 2 May, 3 May and 4 May 2018 4. Internal stakeholders representatives (worker union and gender committee and local/foreign workers) , held during field visit 2-4 April 2018 <p>Numbers of input from stakeholders were verified by auditors through field observation and document verification.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next ASA – 1.4 will be carry out on April to June 2020

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Kerdau POM, SOU 11 – Sime Darby Plantation Sdn Bhd operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were no nonconformity assigned against Major Compliance Indicator(s) and one (1) nonconformity assigned against Minor Compliance, and one (1) nonconformity against supply chain requirement for mill and four (4) opportunity for improvements identified.

Further explanation of the non-conformities raised and corrective actions taken by the certification unit are provided in section 3.5.

MUTUAGUNG LESTARI found that Kerdau POM, SOU 11 – Sime Darby Plantation Bhd complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, MYIWG .

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

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>1.1.1 During the audit at Sime Darby Plantations Mill and estate, the company had shown the latest stakeholder list at the estate and the frequency of updating stakeholder list yearly for Kerdau Mill, Mentakab, Kerdau and Sungai Mai estate. Stakeholder list been updated together with the stakeholder meeting and the verification of stakeholder meeting has been done by manager of each estate and mill. During the annual stakeholder meeting, all the latest information regarding the company policy, information related to estate and mill activities, social and environmental issues has been publicly discussed with related stakeholders. The stakeholder can voice out their concern regarding the management operations and the issues during the meeting and the matters had been taking into account by the management unit. Based on the SOP of Sime Darby management, the manager are the responsible person to update and approved all the request and communicate externally to the stakeholders. However the personnel in charge also been appointed for each estate and mill in accordance to Sime Darby procedure. Sighted the letter appointment for each estate to handle grievances and complains. Amongst the stakeholders invited to the meeting is managers of all estate and mill, village leaders, auxiliary police, NUPW personnel and representative, contractors, local community leaders from nearby villages, vendors and supplier of the company.</p> <p>1.1.2 The Company had provide and SOP of constructive responses to the stakeholders kept in the management office unit entitled 'Standard Operating Manual' – Communication procedure. The manager of the estate will be the responsible person to communicate with external stakeholder upon request of information and for internal communication will be handled by the assistant manager of each estate and mill. As for internal communication, the company had provide a dedicated complaint book internally and external complaint book for handling complain and request by stakeholders and</p>	

workers and most recent request made by the workers of mill dated 8th March 2019 regarding the repair of their house. Based on the observation made, the company had timely as per procedure to repair the faulty equipment and the response from management had been made on the same day of complain made.

Status: Comply

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.

The management has made publicly available the related document listed by the standard. It includes the Land title of the management unit (mill and supply bases), OSH plan of the mill and estate, risk assessment, mitigation plan (HIRARC document), Environmental Impact evaluation (EIE) and Environmental Management Plan (EMP) were made available at the estate and mill.

Sime Darby Plantation SOU 11 Kerdu had also documented the Social Impact Assessment (SIA) at estate and mill accordingly, together with HCV document for the wildlife and water catchment area, Pollution Prevention Plan (PPR), communication procedure to internal and external parties, and also including the Human right policy that made available at all estate and management unit of Sime Darby as per field visit and document verification.

Status: Comply

1.3

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

The company had updated the latest booklet Code of Business Conduct (COBC) for year 2019 and being distributed to all the workers and staff management of Sime Darby SOU Kerdu and estates under the management. Record of handing booklet also made available at the estate management in which all the personnel that receive the booklet will signed a form of acceptance and the record kept in the office. Record of booklet signed and attendance sighted at the office estate dated 4th January 2019 and the company had brief the all workers and staff accordingly during muster morning and training period. All together mill and estates personnel including the general workers had signed the form of booklet acceptance during their employment and keep it in their own personal file.

The COBC booklet has been made into slideshow presentation and has been brief to all the workers and management staff. The booklet included the element of 'prohibition any kind of corruption 'and' zero tolerance towards bribery and corruption or else not influencing other parties to practice the corruption in the company management unit. Stated the clause regarding guarding against bribery and corruption which are the group take a zero approach towards bribery and corruption and is committed behaving professionally , fairly and with integrity in all our businesses dealing and relationship wherever the Group operate and implementing and enforcing effective system to counter bribery and corruption. The contractor has been provided the booklet when they signing the contract and the elements key point of the booklet has been inserted together with the contract.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1 & 2.1.2

Scheduled waste disposal and notification record audited and found compliance with legal and regulations.

A Legal Register covering the applicable local and international laws and regulations is available at the mill and estates.

The identified legislations were regarding to safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management, employment, building, etc.

Relevant required licensing and document such as MPOB license, DOE license, Competence driver license, DOSH Certificate of fitness, SPAN license, etc observed.

Based on the site assessment, interviews and evidence checking at the mill and estate, there were evidences of compliance with the relevant laws, regulations, local and International laws:

- a) Steam boiler observed with valid certificate of fitness
- b) Boundary noise monitoring performed and within permissible limit.
- c) CHRA conducted as per requirement and relevant suggestions implemented.
- d) Audiometric test performed as per requirement and appropriate actions observed.
- e) Medical surveillance test performed.
- f) Proper scheduled management practice observed.
- g) Air emission monitoring performed.
- h) Safety Data Sheet available at the point of use.

Auditor also checked work permit of foreign workers checked during evaluation of worker insurance. Validity of work permit tally with worker compensation scheme.

2.1.3

There were no cases of any violation or actions imposed by relevant authorities. Evaluation of compliance performed and found compliance with relevant requirements.

2.1.4

Yearly review of legal compliance observed. Specific personnel appointed for legal and other requirement person in charge. Tracking of law changes system defined.

Status: OFI

2.2

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

2.2.1

Relevant documents showing legal ownership such as land title, land use agreement, etc available. The original copies are maintained by the Corporate Head office.

2.2.2

During field visit, few boundary markers area sampled. Sighted boundary marker mapping observed with all available boundary markers identified. The estate is adjoining to other estate separated by trenches and identified by boundary markers. The estates is maintaining an estate map with locations of boundary stones and GPS references.

2.2.3, 2.2.4, 2.2.5 & 2.2.6

No land right dispute observed for the POM and estates.

Status: Comply

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

2.3.1

The factory and estates land use observed in relevant legal documents.

2.3.2, 2.3.3 & 2.3.4

No land dispute observed as no other user right affected. There is a written explanation from the Sime Darby Land Department dated on 25/05/16 stating all the terms are permissible condition for oil palm cultivation. During filed visit sighted the original boundary stones are well marked and visible. Aside there also boundary markers seen at field visited area. Sampled boundary stone's GPS which border to smallholders and no discrepancy found. Both estates are maintaining estate map with locations of boundary stones and GPS references. This POM is on the land of Kerdu Estate, and both sampled estates were previously developed by Golden Hope Plantation and therefore, no communities nor individual has any implications for the legal status of their land or have been disputes.

Status: Comply

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.

3.1.1

Certificate holder has set a long term business plan for 2019 – 2023. The long term plan including land area statement, estimated of FFB production, extraction (OER/KER), cost, price forecast, financial indicator replanting programme etc. This document was proposed by Estate Manager, evaluated by General Manager and Chief Executive Officer every year based on actual condition and to be then approved by the Head of Plantation Sustainability Quality Management (PSQM).

3.1.2

Based on in document verification and interview with estate manager, there is only Sungai Mai and Metakab Estate that had replanting programme for the next 5 years. Sungai Mai has 1,108.66 Ha replanting within 2019 – 2024 and Mentakab has 794.54 Ha within 2020 – 2024.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

Certificate holder has had the SOP on Oil Palm Cultivation and the SOP on Oil Palm Processing.

- The SOP on oil palm cultivation covering agricultural fom land clearing, planting, upkeep, plant protection, harvesting until rainfall recording documented in Sime Darby Agricultural Reference Manual (last revised on July 2011).
- The SOP of palm oil processing covering FFB reception until dispatch of CPO and PK documented in Quality, Environmental and Occupational Health & Safety Procedure.

Certificate holder also had some procedure to control performance used annual review of unit head (manager). Those review will be a part of consideration for contract renewal.

Those procedure above are available in mill and estate for referral in any cases and has been made into bilingual (English and Malay). There are related training towards the SOP has been made available and evidence sighted as per signature and attendant list. Based on field observation in Kerdu, Sungai Mai and Mentakab Estate known that the workers have understood the procedures and can demonstrated a good work practices accordingly.

4.1.2, 4.1.3

Certificate holder has a several instrument (internal audit) to control and monitoring any operational activity is comply with the procedure. Some of instrument such as Plantation/Mill Advisory, Structure Crop Recovery Assessments (SCRA) for estate, Structure Oil Recovery Assessments (SORA) for mill, Group Corporate Assurance so on. Auditor has verify some evidence of internal audit report such as:

1. Kerdu Estate: PA Report No. SOU11/KDE/01/1718 visit dated 9th – 11th April 2019 by Tuan Haji Ahmad Fawzi for area 2,454.19 Ha mature and 737.15 Ha immature area.
2. Sungai Mai Estate: has shown the Structure Crop Recovery Assessments (SCRA) report that held on 17 to 22

January 2019 conducted by GSQM Department. The assessment parameter of crop quality (unripe, under ripe, ripe, empty, long stalk, contamination) and freshness (PQ crop same day, overnight, old crop).

3. Mentakab Estate: Group Corporate Assurance Report (GCAD) Ref. No. PL_1617_M006_SOU11PZ_KOT dated on 16 November 2016 for SOU 11 (Kerdau POM, Mentakab, Sg. Mai, Jentar and Kerdau).
4. Kerdau Mill: There is SORA Report conducted by PSQM dated on 14th – 17th January 2019.

All record of corrective action for each audit are in place.

4.1.4

Kerdau Mill purchasing FFB from independent supplier. In accordance with Standard Operating Procedure for Sustainability Supply Chain and Traceability issued on February 2018, there is a FFB purchasing agreement between mill and supplier. According to Malaysian regulation, FFB pricing mechanism are following MPOB daily price.

Kerdau Mill received FFB from independent supplier as follows:

1. Bakti Mas Bina Sdn Bhd.
2. Pro Island Enterprise.
3. SCL Commodities Sdn Bhd.
4. Sri Kerdau Commodities.
5. Golden Horse Plantation.

Status: Comply

4.2

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

4.2.1

The estates are referencing to “Sime Darby Agricultural Reference Manual – Oil Palm Planting” as part of good agriculture practices. The manual consists of all plantation operation activities, such as planting material, new planting, replanting, palm replacement and chemical controls over pest and disease. The estates conduct regular trainings to field workers and this was evidence through training records. Aside the field Staff, executive and Mandor regularly check the worker’s performance in the field and this is always counter check by estate manager. “Sime Card / Positive Intervention Culture” is being used as part of improve work attitude.

4.2.2, 4.2.3

Records of fertilizer inputs are maintained in manuring application programme as per recommendation from The Agronomist. Records of fertilizer usage per tonne of FFB production is evident in Monitoring Fertilizer Use Per MT/FFB. The fertilizer recommendation which is based on soil and foliar analysis that conducted by principal agronomist Plant Nutrition & Protection Central East Region. Soil analysis conducted every five years (last conducted on October 2014) and annual foliar analysis (last conducted on March 2018). Soil and foliar analysis report are available in each unit.

4.2.4

During the audit, auditor has visited EFB application area in each estate. EFB application has applied with dosage 40 MT/Ha. Based on field visit known that all estate has used EFB to increasing soil fertility.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1, 4.3.2, 4.3.3, 4.3.6

All estate in SOU 11 have Semi Detail Soil Maps scale 1:20,000, prepared by Research & Development Precision Agriculture Unit dated January 2017. Based on these document, it was found that most soil types are moderately deep to deep yellowish brown, brown or reddish sandy clay soils and dominated by rolling slope class (12 – 24 %). There was no significant marginal soils identified and no peatland. Most of the existing land is dominated by rolling slope class (12

- 24 %).

To maintain the slopes area, the certificate holder has set the procedure such through the terracing, EFB application, good fertilizer application and planting cover crop to minimize the soil degradation as found at field visits in Sungai Mai Estate Field 2016A.

4.3.4 & 4.3.5

Based on document review of Semi Detail Soil Maps 2017, interview with management representative and field observation to estate, known that there are no peat soil types in whole estates.

Status: Comply

4.4

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

Indicator 4.4.1

Based on document review, water management plan are explained in Water monitoring procedure (document ID: SD/SDP/PSQM(EHS)/203-EN4 dated 26/02/2015) & Sustainable Plantation Quality Management System / SPQMS Appendix 07 dated 01/11/2008. Water management such as: conduct water river and effluent discharge quality analysis to accredited laboratory according to Quality Standards for Malaysia. Sighted also the reserve / river buffer zone and Slope Protection procedure (SPQMS Appendix 14 dated 01/01/2010). Water management among others is conducted through protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zone or before replanting along the natural waterways within the estate. Based on interview with management representative, there are no changes to procedures related to the water management plan for the estate. However for the mill, due to prolong drought season, the mill harvesting the water from Kerdu Estate water catchment using the tanker provided by the management.

The company has water monitoring procedure with document ID: SD/ SDP/ PSQM (EHS)/ 203-EN4 dated on 26/02/2015 and Sustainable Plantation Quality Management System / SPQMS Appendix 07 dated on 01/11/2008. Water management such as conducted by water river quality analysis to accredited laboratory according to Quality Standards for Malaysia.

The company has conducted water management in accordance with the procedure i.e. conducted water river analysis to accredited laboratory (Sime Darby Research Laboratory Carey Island) with latest record of water result analysis for Kerdu Estate Dated 27th February 2019 :

- i) Raw water PH = 6.6 NTU = 7.9
- ii) Water sample after treatment water PH = 7.1 , NTU = 2.7
- iii) Water sample domestic watetr PH = 8.0, NTU =0.6

Microbs water sample analysis dated 18th February 201919

- i) Raw water E.coli = ND < 2, Total Coliform ND<2
- ii) After treatment ND <2, Total Coliform ND < 2
- iii) Domestic water ND<2 , Total Coliform ND < 2

The test results are in accordance with The Natural Water Quality Standards for Malaysia (NWQS) & Water Quality Index (WQI).

Indicator 4.4.2

The company has Reserve / River Buffer Zone and Slope Protection procedure (SPQMS Appendix 14 dated on 01/01/2010). Water management among others is conducted through protection of water courses and wetlands, including maintaining and restoring appropriate river buffer zone or before replanting along the natural waterways within the estate. The SOP of river buffer as per procedure Sime Darby Plantation in Accordance with Department of Irrigation and Drainage guideline as per below :

River width with river bank	River reserve / river buffer
➤ 40m	50m
• 20-40 m	40m
• 10-20m	20m
• 5-10m	10m
• 3-5m	5m
• <3	-
➤ 3m (sabah)	Buffer zone of 20m shall be maintained, both sides and riverside

Sighted the water catchment at Kerdau estate, Sg Mai Estate [Field 95] and Mentakab estate [Field 95A and 89B] had been protected with bund and fencing all around the catchment with proper signage of no fishing, no spraying and no swimming.

Based on field observation at Sg Chermang Kanan and Sungai Chermang Kiri, it is known that the river buffer zone area are protected by the signages and signboard available in the estate, and as per indication there is no spraying application is permitted at these palms. It was confirmed through interview with sprayers from Sungai Mai Estate and Mentakab Estate that no spraying is applied on these buffer zone area. Estate management has also installed signboard in the field such as in main road, collection road, riparian buffer zone with information mentioned in the signboard regarding river protection from hazardous waste, chemical activity and others types of activities to be avoided .

Indicator 4.4.3

The company has water monitoring procedure with document ID: SD/ SOP/ PSQM (EHS)/ 203-EN4 dated on 26/02/2015. Water management such as conducted by effluent discharge quality analysis to accredited laboratory according to quality standards for malaysia.

The company (Palm Oil Mill) has conducted effluent discharge quality analysis to accredited laboratory (Sime Darby Research Laboratory Carey Island) with latest report sighted on January - March 2017. Based on the document, the test results are in accordance with quality standards for Malaysia (BOD < 100 mg/l).

Based on interview with management representative, it is known that the mill effluent analysis was conducted once a month. And based on the online monitoring report to Department of environment Malaysia, sighted the data send is in line with legal compliance of the mill operation [water course discharge BOD <= 100]

Online Environmental reporting available to DOE : 1st week of March 2019 :

- i) Total discharge : 637m³
- ii) Max discharge (m³) : 66m³
- iii) Temperature c : 25
- iv) PH Value : 8.9
- v) BOD at 30C : 16
- vi) COD :-
- vii) Total Solids : -
- viii) Suspended solids : 219
- ix) Oil and grease : 8
- x) Ammoniacal nitrogen : 1.0
- xi) Total nitrogen : 33.0

Mill has license from DOE to discharge the final effluent to watercourse (Jentar River) with max effluent must less than 1440m³ / day of discharge to watercourse. Sighted the legal compliance of Kerdau Mill [Jadual Pematuhan 004379] validity from 1st July 2018 until 30th June 2019 and the discharged to water course and compost plant. The final discharge on flow meter had been marked 'X' as per DOE regulation and the old signboard had been replaced.

Indicator 4.4.4

The Palm Oil Mill used a treated water from Sungai Jentar for water consumption in the mill together with water catchment from Kerdau Estate during the drought season. In the license is not mentioned the maximum volume that can be used by the factory. But based on Water Treatment Plant Meter Reading and Meter Analysis Record Book, it is known that the water management (efficient use of water) conducted through water consumption in accordance with the budget set up by palm oil mill management. Sighted the record of water usage per ton FFB for year 2019

- i) January 2019 → 20,382.8 Tonne FFB = 0.45 ratio
- ii) February 2019 → 18,894.96 Tonne FFB = 0.50 ratio
- iii) March 2019 → 23,887.83 Tonne FFB= 0.599 ratio

Based on field observation at Water Treatment Plant (WTP) station, it is known that the operator has recorded water consumption through observation at measuring instrument (flow meter).

4.4.3	Status: Comply
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**4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

4.5.1, 4.5.2
Certificate holder has had the procedure of integrated pest management in Sime Darby Agricultural Reference Manual SOP. The detail of pest management procedure in Section 15. Plant Protection and Section 16. Weed Control.

Certificate holder are implementing early detection system to control the pest and disease infestation, such as regularly conduct census and daily visual monitoring. Sighted the document of Sime Darby Agricultural Reference Manual which was issued on 1st July 2011, IPM techniques applied in all estates which is adopting a calendar baiting approach with rat baiting campaigns carried out once every 6 months to suppress rat attacks, whether or not there is visible sign of rat damage, acceptable percentage threshold is <20%. Additional census is only carried out when there is rat damage above the threshold level of 5%. Bagworm/ nettle caterpillar control is carried out according to the company's SOP as per their SDP Agriculture Reference Manual issued 1 July 2011. The SOP specifies the steps for monitoring and surveillance include alert (initial detection of signs of leaves being eaten).

According to the field visit and monthly report found that there is no bagworm or caterpillar attack. There is only rat baiting, barn owl box census, planting beneficial plant and *Oryectes rhinoceros*. However, through the document verification, they has conducted IPM training regularly. The last training as follows:

- Kerdau Estate: 20 December 2018 attended by 12 participant. Training material covering IPM (natural predator, beneficial plant) and bagworm caterpillar attack handling.
- Mentakab Estate: BOB Census on 2 February 2019 in field 99A attended by 8 person (field supervisor, mandor and pesticide operator).

During the audit, auditor has interview pesticide operator that usually applied pesticide to control *Oryectes rhinoceros* attack in immature area. According to his explanation, all immature area spray with cypermetrin to control *Oryectes rhinoceros* attack every 3 month.

	Status: Comply
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**4.6
Pesticides are used in ways that do not endanger health or the environment**

4.6.1

Justification of all chemicals used by SOU11 is contained in a document of oil palm planting section 16 (weed control), describing weed classification, herbicide recommendation and dosage (nursery, immature, mature, selective weeding, circle and path spraying), for ie glyphosate are used to control *Imperata cylindrica*, dosage: 4 L / Ha for selective weeding, 6 L / Ha for immature planting. The company has Safe Use of Chemicals handling, was available in Pictorial Safety Standard (PSS) Chapter 8 regarding to Pesticide Handling.

4.6.2, 4.6.3

Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are in place. Safety officer in coordination with field assistant calculated amount of pesticide usage monthly and documented in monitoring pesticide usage per hectare and per ton FFB production document. This document are available in each estates.

According to the plant protection procedures in ARM document found that chemical usage only used for campaign or in an outbreak situation. Outbreak situation means when the level of pest attack above the economical threshold. During the audit, auditor found there is no record of pesticide usage as prophylactic.

4.6.4, 4.6.5, 4.6.7, 4.6.8, 4.6.9

Sime Darby Plantation Berhad has a commitment to not use Pesticides that are categorized as World Health Organization Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions especially parakuat. During the audit, auditor has observed chemical storage and verified the report of categorized pesticide usage. There is no record of parakuat usage.

According to Malaysian regulation, all estate has passed the regularly Chemical Health Risk Assessment (CHRA). This CHRA describes the aspects of health and safety in the use of chemicals including the appropriate PPE that must be used. The CHRA assessment as follows:

- Kerdau Estate: report of CHRA conducted by Haji Shaari Chin (JKPP HIE 127/171-2(124) dated on 18th to 19th August 2015.
- Sungai Mai Estate: report of CHRA conducted by Haji Shaari Chin JKPP HIE 127 / 171-2 (124) dated on 28th to 29th October 2015.
- Mentakab Estate: report of CHRA conducted Haji Shaari Chin JKPP HIE 127 / 171-2 (124) dated on 24th to 25th November 2015.

Certificate holder has SOP of chemical safety management (SD/SDP/PSQM(ESH)/202-OH4 date issued 26 February 2015: procurement chemicals, transportation of chemicals, receiving of chemicals, storage of chemicals, handling of chemicals (shall be done based on MSDS or any relevant SOP), disposal of chemicals wastes, training (according to national requirements), maintenance of equipment.

According to the CHRA document, the company has provide the prior PPE in accordance with MSDS document. Due to a long dry weather season during the audit, there is no chemical application that held by estates. However, auditor was interviewed the pesticide applicator and concluded they are well-known regarding to pesticide handling and has attended regular training related to safety working procedure of pesticide application.

During the audit found some evidence of pesticide handling training that held by third parties. For example: there is an evidence of safety working training to pesticide applicator on 6th December 2018 conducted by MyCrop (Malaysian OSH trainer) whom attended by 14 participants in Kerdau Estate.

There is no aerial application of pesticide that held in this company.

4.6.6

Certificate holder had developed and SOP for the whole Sime Darby Management unit including SOU Kerdau which document title chemical safety management – document ID SD/SDP/PSQM (ESH) / 202-OH4. The document made stated comprising including all the operation in Sime Darby Unit including chemical and pesticides handling. Sighted the managemet requirement and procedure of chemical handling :

- Selection of chemicals
- Assessment of chemical hazards
- Approval of chemicals
- Selection of chemical supplier
- Transportation of chemical
- Receiving chemicals
- Storage of chemicals:
 - a. Chemicals should be stored in a secured and well ventilated space to which only authorized access is permitted and the container should be preferably be place on skids or on a platform.
 - b. Chemical storage facilities should be designed minimized fire hazard and prevent leakage in the events of spill and the storage area should be bunded
- Chemical handling
- Chemical wastes disposal
- Training on regulatory requirements
- Maintenance of equipment.

Related to the nonconformity at the previous assessment (indicator 5.3.3), the company has trained the store keeper to manage all ex-chemical usage in place. During the field observation concluded that there is no ex-chemical usage has properly disposed of and not used for other purposes.

During the field visit and interview with chemical applicator known that the company has provided prior PPE according to the MSDS and CHRA report. It also found some evidence of pesticide handling training that held by third parties. For example: there is an evidence of safety working training to pesticide applicator on 6th December 2018 conducted by MyCrop (Malaysian OSH trainer) whom attended by 14 participants in Kerdau Estate.

4.6.10

Based on interview with management representative, it is known that the Scheduled Wastes operator have understood the Scheduled Wastes management.SOP proper disposal of waste material that include objective , responsibilities, definitions , task instruction , recycling of paper plastic, glass metal, usage of recycling bins, storage of recyclable, disposal of non-recyclable waste and composting of organic wastes The Sop of handling domestic waste is on Sustainable plantation management system, appendix no 9 [procedure of handling domestic waste]. The operator able to show the Schedule Waste document, such as: Scheduled Waste Inventory, Consignment Noted document period January – March 2019 and work agreement with registered contractor of scheduled waste (Kualiti Alam Sdn Bhd).

4.6.11

Chemical store, mixing area and scheduled waste store visited and found all in proper condition. All relevant staff including storekeeper interviewed and found understand on chemical and waste handling.

List of sprayers available for spraying activity.

Medical surveillance performed for all sprayers according to legal requirement.

Referral letter issued for further checking. Further checking conducted by VMO.

Consideration to improve the follow up for further management of health status. **OFI**

Policy for preventing pregnant and breastfeeding woman from spraying and chemical handling observed and approved by Estate Manager and communicated thru briefing or internal memo

OFI	Status: Comply
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4.7

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

4.7.1

Occupation Safety and Health Policy observed. Policy well communicated through out the organization. Relevant safety

operating procedure (SOP) observed with coverage of overall mill and estate operation process.

Basic Occupational Health & Safety Management System established for mill and estates. OSH Manual and relevant SOPs developed as documentation of OSH management system. Good design of OSH management system observed.

Occupational health and safety plan observed for mill and estates. Progress of health and safety plan monitored and recorded. All planned program performed according to planned schedule. Good implementation of safety & health programme observed which involvement of total staff in the training. Relevant work place inspection performed regularly.

Relevant type of test such as audiogram test, medical surveillance, CHRA performed according to legal requirement.

4.7.2 and 4.7.3

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. Overall implementation of operation controls were at satisfactory level.

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

Consideration to improve the PPE stock control to ensure all PPEs available all the time. **OFI**

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.

4.7.4 and 4.7.5

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.

During the site audit (Kerdau POM), it was observed that the fire hose reel was not in working condition. Nozzle was not attached to fire hose. Furthermore, first aid box was not available at the production area. There is no periodical monitoring performed for readiness of firefighting ever occurrence of fire accident. This is nonconformity against indicator 4.7.5 stating that accident and emergenequipment. Interviewed with production personnel, nozzle stored in the workshop and only retrieved from workshop whency procedures shall exist and instructions shall be clearly understood by all workers and first aid equipment shall be available at worksites.**Nonconformity No. 2019.01 indicator minor.**

1 case accident reported for year 2019 at mill. Other than that, 1 case (Sungai Mai estate), 2 cases (Kerdau estate) and 1 cases (Mentakab) accident reported for year 2018. Submission of accident summary record (JKKP8) to JKKP observed. Accident recorded in LTA term and clearly presented during the audit.

4.7.6 and 4.7.7

Fire drill training conducted at mill and estates for improving of staff and workers awareness on emergency handling. Functionality of firefighting system assessed during the mill observation. Good condition maintained. Sufficient first aider and first aid box observed along the site observation.

Medical insurance provided to all workers. Insurance agreement observed for all workers. Field observation performed and found clinic facility available. Evidence of insurance claim observed.

Minor 4.7.5	Status: Nonconformity No. 2019.01 indicator minor	
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OFI 4.6.11	
4.8 All staff, workers, smallholders and contractors are appropriately trained.	
Formal Training Plan was planned at mill and estates. Relevant training needs observed and cover the whole operation. The training records well kept in mill and estate. Easy access and retrieval of training record (Training Attendance List). Most of the training supported by photo taken during the training session.	
Status: Comply	
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 and impact assessment performed for mill and estates and covered all relevant activities:	
<ul style="list-style-type: none"> i) Nursery ii) Main entrance iii) Compound iv) Road v) Office vi) Store vii) Workshop viii) Petrol diesel usage ix) Schedule waste x) Water treatment xi) Dispensary xii) Creche xiii) FFB transportation xiv) Reception Station xv) Pressing xvi) Kernel Recovery xvii) Power Generation xviii) Laboratory xix) Workshop xx) Water Treatment Plant 	
Pollution prevention plan observed for year 2019 observed for mill and estates. Several proposed action in place:	
<ul style="list-style-type: none"> a) Scheduled maintenance for tractors b) Maintain buffer zone area c) Set up designated disposal area 	
Monitoring for the pollution preventive programme observed and found effective and good completion at the moment.	
Status: Comply	
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

5.2.1

PSQM Department had prepared High Conservation Value (HCV) Re-assessment for Pahang Zone dated March 2016 covering SOU 11. The HCV re-assessment has been conducted against the HCVF Toolkit for Malaysia with local expert on internal Sime Darby team. The HCV assessment has involved public consultation with stakeholders (local community, Government Agency and Management Representative at SOU 11) dated on 29th February 2016. The report describes a total of 157.64 ha of HCV area identified in SOU 11 which comprises HCV 4 and HCV 6 areas as follows:

Estate	Assessment Area	Ha	Present HCV
Sungai Mai Estate	Water catchment	1.95	HCV 4
	River reserve (Sg. Mai)	48.74	
	Jah Hut cemetery	0.01	HCV 6
Mentakab Estate	River reserve (Sg. Chermang Kanan)	0.5	HCCV 4
	River reserve (Sg. Chermang Kiri)	1.2	
	River reserve (Sg. Semantan)	30.0	
Chenor Estate	Water catchment	7.82	HCV 4
Kerdau Estate	Water catchment	7.37	HCV 4
	Pond	1.05	
Jentar Estate	Bukit Kiab	59.0	HCV 4
	Jah Hut cemetery	0.02	HV 6
Total HCV area		157.64	

The report also includes a list of common wildlife identified in the area SOU 11 including their IUCN and WCA 2010 conservation status. There are seven bird species status least concern under IUCN and Total Protected Wildlife under WCA 2010, for example: *Halcyon smyrnensis*, *Acridotheres tristis*, *Spilornis cheela*, *Gallus gallus*, etc. There are five mammals species status least concern under IUCN and Total Protected Wildlife under WCA 2010, for example: *Sus scrofa*, *Macaca fascicularis*, *Prionailurus bengalensis*, etc. There are two Reptiles species status least concern under IUCN and Total Protected Wildlife under WCA 2010, as follow: *Naja naja* and *Varranus salvator*.

5.2.2

The company has conducted monitoring HCV & Conservation areas in accordance with the program plan 2016/2017, including observations at HCV areas for signs of encroachment, wildlife issues, pollution or erosion and other. Based on result of latest monitoring January 2017, it is known that there is no spraying identified, there is no encroachment, there is no hunting, there is no wildlife issues, there is no pollution / erosion issues on the HCV areas.

It was confirmed through interview with sprayers from Sungai Mai Estate, Kerdau Estate and Mentakab Estate that no spraying is carried out at these palms. Based on the HCV report Conducted, the area that has been categorized as HCV as part of the assessment team had been taken care and monitored the progress to ensure the sustainability of the area.

The management unit had prepared the schedule of monitoring the RTE if its available inside the estate. Stated the person In charge of monitoring the RTE , schedule monthly and location of HCV monitoring throughout the year 2019.

5.2.3

HCV assessment has involved public consultation with stakeholders (local community, government agency and management representative) on January 2019 . Sighted the form monitoring of HCV and conservation areas Kerdau Estate dated 30th March 2019 that include :

- i) Date of monitoring / patrolling
- ii) Time

- iii) Person in charge
- iv) Area – water catchment, pond Sg Tekal division
- v) Field no and GPS Coordinate
- vi) Observation – encroachment / sign of trespassing
- vii) Wildlife issues / conflicts / sighting s
- viii) Pollution / erosion issues
- ix) Others
- x) Remarks – maintenance

The Company also has conducted socialization related to prohibiting of chemical application on the HCV area dated 30th March 2019 in Kerdau Estate. It was confirmed through interview with sprayers form Sungai Mai Estate and Mentakab Estate, that they have understood prohibiting of chemical application on the HCV areas, for example river buffer zone on HCV areas and signboard that has been displayed.

Based on field observation to housing complex at Sungai Mai Estate , Kerdau Estate, Mentakap Estate, it was not found activities to have captured, harmed, collected or killed any RTE species.

Indicator 5.2.4

The company has conducted monitoring HCV & Conservation areas in accordance with the program plan 2017/2018 (see 5.2.2). The monitoring results provide recommendations for improvements to the next program.

Indicator 5.2.5

Based on HCV documents review and interviews with local community as well as field observation, there was no identified HCV area overlapping with local community rights.

Status: Comply

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

5.3.1

Sime Darby Plantation SOU Kerdau has made a waste management action plan documented for FY 2019. Based on the document, the information about product and source waste / pollution are available such as :

- i) Waste of batteries
- i) Spent lubricating oil
- ii) Spent hydraulic oil
- iii) Rags plastic, papers
- iv) Wastes from the production , formulation ,trade
- v) Disposed containers, bags , equipment
- vi) Rubbish
- vii) Sewage
- viii) Scrap metal
- ix) Compost
- x) Fertilizer bag
- xi) Medical equipment

Sources of waste such as: workshop, chemical mixing area, schedule waste store, office, store, septic tank, scrap yard, compost plant, clinic, and linesite as per details on January 2019 :

Type pollution	Source pollution	Status
Air	Vehicle exhaust Machinery exhaust Rod condition	January 19

	Pesticide spraying	
Noise	Machinery Vehicles	On going
Water	Pesticide disposal Water retaining rubbish/refuse	January 19
Odour	Garbage disposal	January 19
Replanting	Land erosion	January 19

5.3.2

The company has Scheduled Wastes (Hazardous Waste) Management procedure with document ID: SD/ SDP/ PSQM (EHS)/ 203-EN1 dated on 26/02/2015. The procedure explains that the Scheduled Wastes are stored at Hazardous Waste Storage, then disposal through DOE registered contractor. Containers of scheduled waste shall be clearly labeled in accordance with regulation, Scheduled Wastes generated shall only be in storage for not more than 180 days and the quantity of scheduled waste accumulated on site shall not exceed 20 MT, may apply to State DOE in writing to store above 180 days or more that 20 MT if necessary.

Based on Scheduled Waste Inventory and Consignment Noted document, it is know that the Scheduled Waste kept at Scheduled Waste Store, latest example dated of disposal on 16th march 2019 [Kerdau Estate] :

- i) SW 409 , containers, quantity - 0.052 MT, stored
- ii) SW 410 – 16 March 2019 – Used filters – 0.0064 – stored
- iii) SW 110 – Electrical waste – 0.002 MT date 18 September 2019
- iv) SW 305 – Spent Lubricant – 0.025 MT – 8th September 2018

All Schedule Waste had been disposed less than 180 days and below 20 MT.

Inventory updated in the Mentakab estate (Lanchang Division) :

- i) 9th Feb 2019 → SW 409 : empty Container 5 Pallets
- ii) 23rd February 2019 → SW 409 : Empty Container 5 pallets
- iii) 16th Mac 2019 → SW 409 : empty Container 5 pallets
- iv) 30th Mac 19 → SW 409 : empty container 10 pallets
- v) 2 mac : SW 305 : Lubricant Oil 20 Pallets

Based on interview with management representative, it is known that the Scheduled Wastes are stored at Hazardous Waste Storage, then disposal through DOE registered contractor [Kualiti Alam Sdn Bhd license no. 004996 expred on 30th April 2019] at schedule waste management center Ladang Tanah Merah.

Based on interview with management representative, it is known that the Scheduled Wastes are stored at Hazardous Waste Store, and then submitted to registered contractor (*Kualiti Alam Sdn. Bhd*).

Based on field observation to Scheduled Wastes Store in Sungai Mai Estate, it is known that the empty pesticides / herbicides container stored in Scheduled Waste store which has been equipped with labelled and symbols. Based on the field visit, there is no spillage of pesticide to the land area.

5.3.3

The waste management and disposal plan had been made to avoid reduce pollution as per details Pollution preventive management plan (2018/2019) :

- i) Pollutions source : workshop, linesite , chemical store , genset , diesel storage , landfill, fertiliser application transport
- ii) Specific concerns : oils, lubricant, grease, fuel, solvent and paints
- iii) Means of mitigation : containment via bund, flooring, spillage, etc

- iv) Means of monitoring and action plan : site inspection vy executives and staff regularly
- v) Person in charge : Mr Tahir (Store Keeper)
- vi) Status : On going

Waste management has been implemented in accordance with the management plans, the evidence seen from document review and field observation, for example: Based on field observation to Scheduled Wastes Store in KERDAU Mill and Kerdau Estate, known that the Schedule Waste is managed by collect and record all listed schedule waste, Schedule Waste were stored in the Schedule Waste Store, label with proper labelling, monitor of Schedule Waste inventory, and dispose off the item through registered contractor by DOE (180 days / 20 Mt whichever come first).Based on field observation to Housing Complex, verified that the domestic waste (rubbish) is managed by collecting of domestic waste and disposed at Landfill area.

Based on field observation to Housing Complex, it was not found the domestic waste (rubbish) burning activities. Domestic waste (rubbish) is managed by disposed at Landfill area.

Status: Comply

5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

The company has monitored the use of renewable energy came from fiber and shell. Kerdau Mill has record of energy used from fossil fuel and renewable energy. Renewable energy used came from shell and fiber. Records are available from period of January – March 2019, i.e:

Shell and fibre used per ton FFB;

- i) Shell and fibre used → January 19 = 9489.39, February = 8805.05, March = 11131.52
- ii) FFB production → January 2019 = 20382.8, February 2019 = 18894.96 and March 2019 = 23,887.4
- iii) Shell + fibre / FFB = 0.47, 0.47 , 0.47 (respectively ratio)

Fossil fuel per ton FFB:

- i) January 19 → diesel usage(litres) = 4016, FFB Production = 20382.01 → Diesel / Ton FFB = 0.20, CPO = 4213.05
- ii) February 2019 → diesel usage (litres) 2257, FFB Production =18894.96, 3867.24 → Diesel / ton FFB = 0.12
- iii) March 2019 → diesel usage (litres) 14255, FFB Production = 23887.37, 4706.9 → Diesel / ton FFB = 0.60

Sighted also the details of Electricity usage per KWH as recorded from Kerdau Mill:

Month	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18
Electric	248422.2	317892.8	441519.1	519215.14	433953.5
FFB production	12400.63	17463.16	20123.8	21645.26	21039.23
Electric	20.03	18.2	21.94	23.99	20.63
CPO	2616.14	3656.61	4014.65	4387.91	4330.66

Status: Comply

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.

Sime Darby Plantation Berhad has a policy to not use fire during land preparation. During the audit, there is no replanting activity was found. However, based on interview with local communities surrounded the estate area informed there is no evidence of fire usage in replanting in past of the year. All replanting is only in mechanization using heavy

equipment (felling, chipping, holing, lining etc). So there is no need to fulfill with '*Guidelines for the Implementation of the ASEAN Policy on Zero Burning*' 2003.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1

Identification of emission sources are described in Pollution Prevention Plan FY 2018/2019. Sources of pollution are: vehicle exhaust, machinery exhaust, road condition (road grading and road maintenance), pesticides spraying, herbicide application, waste dumping area for rubbish and machinery fumes. Types of pollution are Air, Noise, Water, and Odor.

5.6.2

Mill and Estate has record of management plan to reduce and minimize the emission and pollution including in GHG emission for 2016/2017. The management plan is similar to the previous year and mentioned about activity and reduce and minimize, such as daily monitoring smoke, efficiency energy, and others.

Implementation of emission and pollution including in GHG emission mitigation has been conducted in accordance with the management plan. It can be seen from field observation such as:

- Conducted smoke emissions analysis by accredited laboratory (UTM – A&A Laboratory). Latest analysis on New Boiler for Kerdau Mill The test results in accordance with standard Environmental Quality (Clean Air) Regulation, 1978 part V, for example: Dust Particulate (0.38 g/Nm³), Total Dust Concentration (0.40 g/Nm³) as per regulation of– air pollution monitoring index
- Conducted mill effluent analysis to accredited laboratory (Sime Darby Research Laboratory Carey Island) with latest report sighted on January - March 2017. Based on the document, the test results are in accordance with quality standards for Malaysia (BOD < 100 mg/l). It has been described on indicator 4.4.3
- Fiber and shells was used as fuel for the boiler.
- Enrichment of tress in the river border area and fertilization as recommended.
- Maintenance of the machine periodically.

5.6.3

The company (Kerdau Palm Oil Mill and Supplier) has calculated GHG emissions period 2016 using the RSPO PalmGHG calculator, as follow as:

Emmision per product	tCO2e/tProduct
CPO	1.26
PK	1.26

Production	t/yr
FFB processed	162,163.59
CPO produced	46,114.1
PK produced	10,743.67

Extraction	%
OER	20.18
KER	4.7

Land use	Ha
Planted area	163,13.54

Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0

Summary of field emission and Sinks

Description	Own crop		Group		3 rd party	
	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB
Land conversion	99,685.66	9.79	188.02	0.71	0	0
CO ₂ emissions from fertilizer	11,247.01	1.09	17.03	0.06	0	0
NO ₂ emissions	8,121.79	0.77	10.32	0.04	0	0
Fuel consumption	941.89	0.09	1.71	0.01	0	0
Peat oxidation	0	0	0	0	0	0
Sinks						
Crop sequestration	-94,488.79	-9.28	-178.22	-0.67	0	0
Sequestration in Conservation area	0	0	0	0	0	0
Total	22,507.57	2.47	38.86	0.15	10,571.48	0

Based on the documentation observed in the Kerdu Estate, The Unit had used the PALM GHG Version 3.0 and verification of the data had been made on site with the personal in charge of GHG (Puan Raanon). It was verified that the data input in the palm GHG is tally and correct with final summary of the net GHG emission (tCO₂e/tCPO) figure.

Data of PALM Ghg report for SOU Kerdu had been calculated based on the input from Mill and estate that had been submitted for the past one year into the excel file, extracted and input to the GHG calculator.

Status: Comply

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.

6.1.1

The Certificate Holder has document of Social Impact Assessment Report. The early Social Impact Assessment (SIA) was conducted on August 2013, the scope covered of Kerdu estate, Sungai Mai estate, Jentar Estate, Mentakab Estate, Chenor estate and Kerdu POM. The Stakeholder Meeting had been conducted with employee in each estate, school teacher and the representation of local people for gathering the data. There is management review had been conducted for all the estate and mill which include issues of shortage water supply, social, trash bin management, road condition, warning signboard, safety health and environment of workers, safety in operation, social issues like preventive theft crime, and overtime issues by the workers. Based on the action plan taken by the management, it was sighted that the company had taken the preventive action throughout the year : the management also:

- i) Kerdu Estate : 1st April 2019
- ii) Kerdu POM : 27th November 2018
- iii) Sg Mai Estate : 16th November 2018
- iv) Mentakab Estate : 15th January 2019

Based on the interview and management review document, the company had taken complain and the raising issues

with the surrounding community and record it into the minutes of meeting which include consulted the effected parties regarding the request and matter arising. These management review report covering the health and education facilities, pollution issues, workers union, foreign workers and safety Issues.

6.1.2

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 personnel in charge. They express their views through consultative process which the consultation involving gender committee, contractors and workers, orang asli Sungai Mai, local community heads [Kg. Gong Halt, Kg Batu 100, and Kg Muhibah]. Based on the minutes meeting, continuous on meeting for workers had been done during muster morning, periodic meeting with local community [stakeholder official consultation] and through request by local school and local community head via letter to the office. Based on the external correspondence on the request, it was sighted that the estate management had given a full cooperation in regards to external and internal matters requested.

6.1.3

There is Action Plan made for year 2019 of Social Impact Assessment in all the estate of SOU 11 Kerdu. The Plan to mitigate the negative and positive impacts has been developed and the strategies to resolve the issues are documented. They had improve of living standards of their workers quarters by maintaining periodically, education facilities and cultural and religious values for their workers. There was available Social management plan based on the SIA that been conducted. The Persons in Charge was stated in the appointment letter. The latest plan for 2019 had been updated in each estate and the plan consist of quarterly review [January 2019, April 2019, June 2019 and September 2019]. The attendant list of participant regarding the action plan from management was sighted throughout all the estate.

6.1.4

Sime Darby SOU Kerdu had done Management review On Social Impact Assessment in each estates and mill. There was shown the evidence of meeting with stakeholders yearly and the minutes of meeting had been recorded. Sighted the management review had been done according to the adaptive changes of the situation and request. The request and grievances made had been handled by specific personnel to cater the problem occurred. The company had also developed the tracking and monitoring of SIA action plan and it's documented inside the management review.

6.1.5

Until ASA-01 the SOU 11 Kerdu did not has associated smallholder's scheme.

Status : Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1

The Certificate Holder has the list of stakeholders in every management unit, for example in Kerdu POM, Sungai Mai, Kerdu Estate & Mentakab Estate. The stakeholder was categorized as Contractors, Vendor/Suppliers, Local Community Head, Other Interest Parties (Government Agencies, Schools, and Hospital). These document was update as per year of 2019. All of the management unit of the estate has a Procedure For External Communication (Issued on 01/11/2008). There was observed the record of consultation process between the company with the other party, for example:

- Meeting on 17th January 2019 between Sg Mai Estate Management and Kg Gong Halt
- Stakeholder meeting in Kerdu Club House dated 20th February 2018 between the management of Kerdu Estate and local workers and staff.

6.2.2

The company in each management unit was appointed the responsible person. For example in Kerdu Mill is appointing Mr Husaini (Senior Assistant Engineer). The responsible person and the job description was explained in Estate Manager Decision Letter for the responsible person for communication and consultation with the local communities and other interested parties. The role has clearly shown the appointed person responsibility and task description if there any issues raised in the management unit. The appointment letter had been made clear on 15th April 2018 to Mr Tanapala (Senior Assistant) at Sungai Mai Estate. Sighted the job description :

- i) Investigate any report or matter arising on social issues
- ii) Keeping the record and complain from the complainer and recording the statement
- iii) Giving the advice and counseling to the related party on social matters
- iv) Assisting the estate management to held any program related to social issues.

The procedure has been communicated internally by method of muster morning briefing and training/socialization to the workers and the contractors.

6.2.3

The list of stakeholder has been maintained by the each management unit of estate and POM. The stakeholder was categorized as Contractors, Vendor/Suppliers, Local Community Head, Other Interest Parties (Government Agencies, Schools, Hospital). The company has explain the mechanism of way to communicate with related stakeholder in several event, for instance in meeting with contractor. The auditor was interview with local contractor for FFB supplied [Quanqing trading] to Kerdu POM, Local People in Kampung Gong Halt, at the area of Sungai Mai Estate. Based on those interview process that knew the stakeholder was understand the way to access information from the management unit.

Status: Comply

6.3

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

6.3.1 and 6.3.2

The factory and estates land use observed in relevant legal documents. No land dispute observed as no other user right affected. This estate was previously developed by Golden Hope Plantation and therefore, no communities nor individual has any implications for the legal status of their land or have been disputes.

A compliant log book maintained at all premises. Log book content reviewed and found all incoming complaints well handled and closed accordingly. Based on document verification of Complaint log book, there was no significant complaint by related party. There was several complaint by the workers related to housing facilities. There was shown the Flowchart and Procedure Handling Social Issues and Procedure for External and Internal Communication

Status: Comply

6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

6.4.1, 6.4.2, 6.4.3

The factory and estates land use observed in relevant legal documents. No land dispute observed as no other user right affected. Based on document verification and information by management of representative of SOU 11 Kerdu, there was no land is acquisition by the other party. Field visit observation surround of plantation area, for example in Sungai Mai area, there was any enclave of Kampung Orang Juhut, interview with local people they are aware and understand related to boundaries area between the company and the communities. Both of area the palm oil plantation

and the community was arrange by the Pahang Province in the early.

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1

The company has implemented a hiring agent to hire the foreign workers and for the local workers, the recruitment is through the Manager of the estate and mill. The company had shown a pay slip of several workers that have been interviewed and the payment has been made according to the latest amendment stipulated in [Perintah Gaji Minimum Pindaan 2018 dated 23th November 2018 from Menteri Sumber Manusia – PU (A) 265/2018] in which the company had followed the order of RM 1100.00 minimum wages OR RM 42.31 for 6 working days. Clear observation on the document sighted and there is advance money given earlier to the workers (RM 300.00) for advance payment and cumulative deduction on the pay slip sighted. 4 sampling of pay slip workers interviewed on site has been cross-checked [Mr. Zulkifli from Malaysia, Mr Rahimin from Indonesia, and Mr Jumaid Masud Saleh from Indonesia] and all the sample of workers has reach target of minimum salary as per order of National Wages Consultative Act 2011 [Minimum wages order 2018]. The Pay slip breakdown has been made into :

- i) basic pay
- ii) price bonus
- iii) shift allowance
- iv) normal day overtime
- v) daily expenses
- vi) deduction
- vii) productivity incentive

As per local workers and staff, the breakdown of salary is also include the Employee priving fund (EPF) and also SOCSO Deduction (insurance compulsory for local workers) and based on the document cross check with the management office, the foreign workers insurance had been covered (RHB Insurance). The company had also made reimbursement as per allocated in the contract such as phone reimbursement (RM 5.00) and allocation of 10kg rice bag per 2 months for the foreign workers as part of the agreement on appendix 2 of the contract.

6.5.2

It was sighted during the audit at Kerdu Mill, Sungai Mai estate and Mentakab estate, the company had a records of all the contract signed by the employees [foreign and local workers] and being kept at the each estate and mill management office. The contract has been kept together with the signature of contract understanding in their local language and based on the interviews on site, the workers had been brief of the contract and understood the basic content of the contract agreement between the company and workers. The recruitment of the workers, contract signing and basic training has been done at individual estate and the briefing, certificate of working, signing of passport giving had been done at the estate. During the audit, it was sighted that the contract agreement has been made as per MAPA/AMESU and MAPA / NUPW agreed by both parties between the growers and association. In the cases of receiving the pay slip by each workers, the workers had to sign the attendant list of pay slip acceptance. No complaint has been logged by the workers towards the company based on the interviews and verification of complaint log book. Based on verification on site and interviews, the workers receiving their salary and wages on time every month and no missed paid captured on site.

6.5.3 and 6.5.4

The company had provide decent livings housing and amenities provided at the estate. Its include a line site and housing complex in which the company had provide free water and electricity to the workers. For local workers/ staff, the company had provide a single storey house and for the workers/foreign worker terrace house provided complete with 3

rooms, kitchen and a bathroom. The rate of electricity will be charged accordingly and clean water supplied had been limited to 45 gallons per workers. There is school, temple, and NEST (child care) facilities including football field sighted at the estate area. It is include the free clinic for small injuries cater for all the workers and staff at the estate. As for house repairing and maintenance, the company had shown the maintenance logged and report done by the workers to the management and the repair action has been clearly sighted at the site. Foods and all the groceries are easily accessible to nearby town and villages. There is also a van provided for the workers to go to nearby town as per occasion to buy their own goods and needs. The company had shown good cooperation with the workers including accompanied them to the nearest town for buying groceries.

Status: Comply

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.

6.6.1

There is sighted at the mills and estate, the company allowed the workers and staff to join the workers union and gender committee at the estate and mill. It is also has been stated in the Policy Of Sime Darby related to workers right. It is also sighted that the company had demonstrate the two way communication between the workers and management team as they have a town hall meeting whereby the training, and complaint can be made directly to the management. The association also work closely with the management team regarding any arising issues from the workers aspect including safety, housing and amenities and also working condition related. Sighted the outcome based on the meeting dated 2nd January 2019 as stated :

- i) matter related to the union and workers
- ii) working hours – reminder to the workers that should work on time and the workers that absent without notice
- iii) safety and health of the workers
- iv) the wage increment started on January 19 and the decision of management to change the overtime paid with piece-rated to increase productivity

Based on the documentation verification and interview, any kind of complaint clearly understood by the workers and the channel to voice out the concern can be made through the complaint books. The books related to housing repair has been actively being logged in due to concern on house condition and the action has been taken accordingly.

6.6.2

During the audit, sighted that the company had done the meeting with NUPW representative yearly [latest dated on 2nd January 2019] and the record of attendance has been kept in a logbook named 'NUPW Meeting' books. As per mill the meeting had been done on 22 November 2018. All the minutes of meeting has been documented and the booklet easily accessible at the estate and mill management office. The company had also send the representative NUPW from estate/ mill to the meeting in the state level (State of Pahang) and also into the national level at the main office in Selangor.

Status: Comply

6.7

Children are not employed or exploited.

The company had set a policy of not allowing the children to works at Sime Darby Plantations as per company policy, the children lesser than 18 years old are not allowed to work in the company. The company had also provide the master list of all the workers including the details (Name, Sex , Age and date of start working) including the contract agreement and passport for verification of name list workers available at the estate and mill. Based on site verification at Kerdu Mill, Kerdu Estate, Mentakab and Sungai Mai Estate, it was verified that no child workers and under 18 years old available at the estate and mill. The data had been cross checked with the personal file of each workers and the list of data entry that has been st up by Sime Darby Plantation. All recruitment of migrant workers had been thoroughly checked during the recruitment and hiring process in order to full fill the minimum ages working in the company.

	Status: Comply	
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>6.8.1 and 6.8.2</p> <p>Policy of non discrimination and equal opportunities has been sighted at the mills and estate. The policy has been displayed at the estate management office and mill and also at the muster ground assemblies. The social policy of the company stated that 'all employers should be treated fairly in terms of recruitment, progression, terms and condition of works, regardless of race, caste, nationality and gender' as per company policy. There is no evidence sighted during the audit on discrimination practiced at the mill and estate. Based on the pay slip and condition verified, the company had practice the equal opportunities between the general workers, local and migrant as per contract sighted. All the recruitment process at the estate and mill had complied with the procedures practiced. Based on the interview with Medical Assistant of the estate, the company had shown no discrimination between local and migrant workers in terms of their medical treatment at the clinic.</p> <p>6.8.3</p> <p>The company had maintained the work credential of their workers. Sighted the document from personal file and performance appraisal form period from July 2018 to December 2018 to Mr Zulkifli bin Mohamad [employee no 110473] date joined on 26 January 2015 from Field supervisor grade 3, upstream Malaysia Sime Darby which include the eligibility for promotion as per stated below :</p> <ul style="list-style-type: none"> - Time at level - Qualification - Core executive program - Relevant experience - 6 winning mindsets - Job competence - Performance rating <p>All the works related to workers credential, record, and employment letter has been properly kept at the mill and estate for their references from the management team in order to promote the workers in the future. The promotion of the workers has been monitored by the supervisor/ superior and any recommendation is based on the manager's evaluation and test of related works. The promotion letter has been issued to the related workers related to new job and particular task including the salary increment.</p>		
	Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
<p>Relevant policy established for preventing sexual harassment and violence:</p> <ol style="list-style-type: none"> a) Social policy b) Gender policy c) Social & Humanity Management Policy <p>SDPB Policy briefing conducted for all level of employees. Relevant policy displayed on the relevant strategic area.</p> <p>Gender committee available at each site and meeting conducted according to schedule. Policy to protect the reproductive rights of all, especially of women has been communicated and socialized as per interview gender committee meeting. Thru the interview, the staff awareness on preventing sexual harrasment and other forms of</p>		

violence against woman was at satisfactory level.

Status: Comply

6.10

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

6.10.1 & 6.10.2

According to the Malaysian regulation, FFB price refer to Malaysian Palm Oil Board (MPOB) daily that can be accessed by FFB supplier at MPOB website <http://bepi.mpob.gov.my/admin2/daily.php>. During the field visit, sighted FFB price in weighbridge.

6.10.3

Certificate holder has had several contract with third parties. For Example:

- Mentakab Estate: Transport agreement between Sime Darby Plantation Berhad with SSRJ Enterprise dated on 11 January 2019 regarding to FFB Ad Hoc Transportation Service Contract for Mentakab Estate. (Valid until 31 March 2019). Those contract has been signed by both management and FFB transporter.
- Kerdu Estate: road maintenance with Guang Qing Sdn Bhd with Kerdu Estate. Based on interview concluded that estate has paid this contract according to the agreement in timely manner.

6.10.4

The payment was transferred via bank account by the Head Office, the Management estate only acquired the received from the Head Office when the payment process has been done. The local contractor was informed that the payment process was well implemented.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

There was shown the documented of consultation between the company and the related stakeholder surround of plantation area. For example evidence of meeting record at Kerdu Mill on CSR summay report donation :

- i) 21/2/2019 – distribute black soil – tree planting - Klinik Kesihatan Kerdu
- ii) 13/3/2019 – distribute black soil – tree planting – KK Kerdu : 2 lorries
- iii) 18/3/2019 – distribute black soil – tree planting – KRT Paya Taram : 2 lorries

These evidence contained information about meeting process between representation management unit of Sungai Mai Estate between the community representation (Joint Consult Committee of Gong Halt, Paya Sok and Local People). These meeting is aim to getting input by the community related to facility improvement for the community. There was available the Corporate Social Responsibility Report in each estate and the record of request regarding CSR had been kept at the folder. The auditor was observed several documentation of company contribution to local development:

- Aid for Kindergarten School
- Aid for Local School request on marathon event
- Aid for maintenance of temple Sri Mahariamman
- Aid for flood victim in 2015

6.11.2

There was no independent smallholders for FFB supplied to Kerdu POM. Until now, there was no independent smallholder’s schema by SOU 11.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1 and 6.12.2

The company had provide the policy of trafficked labor documented in the 'Social Policy/ of the company [the company does not condoned force labor or child labor]. The company had a recruitment agency under the 'Workers Management Unit' and all the migrant worker, hiring process are going through the unit under the Human resource department from headquarters. Based on the interview there is no payment requested from the workers. The company is holding the passport for each migrant workers and the evidence of the workers handing over the passport to be kept by the management was sighted at the estate and mill including the attendant list and consent agreement. The migrant workers are provided with the copies of passport and Identification Card of of foreign workers has been provided by the workers to each of them. In case of the workers want to retrieve the passport, they will get it once they want to go back t heir own countries once the contract expired or in case of any special occasion / casualties as per management concern on managers approval and workers management unit. The workers had signed the authorization form to hand over the passport to the management as per details :

- i) Mr Rajabudin Ahmad AV 496291 in Kerdu Estate
- ii) Signature and thumb printed
- iii) Passport , visa, Malaysia visa working

Based on the interviews, there is no restriction from the management team to release the workers to leave the operation area on the concern of management team. Process of retrieving the passport will be from the mandore → clerk → and manager approval.

6.12.3

Sighted on the estate management, there is no contract substitution occurred as the workers only signed a contract and the work related to them has been assigned clearly. Copy of each workers contract has been given to them as for reference and cross check. The company also had familiarized the workers with local requirement in terms of company policy, local safety and health provision, the social aspect of the company and training on particular task on the estate. All the amenities, living conditions, housing facilities and basic paid has been clearly brief to the workers before the contract signing at the unit.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The Certificate Holder has Sime Darby Human Rights Charter, Agreed by Human Right Task Force on 1st January 2013. These policy has been socialized to the workers, the socialization process was conduct on morning briefing and discussion process, and there is a documentation of Human Right Socialization dated 1st January 2019 to all level operation of workers in Kerdu Estate. The documentation consist of Socialization Presentation Point, Attendant List of Participant and Photograph. Based on document verification and interview with related party (workers, local contractor and community surround) there was no significant cases of Human Right violation. The human right had been periodically refreshed and the evidence of human rights socialization and refreshment had been kept in the workers personal file.

6.13.2

Based on document verification and stakeholder consultation with foreign worker, there is no foreign worker bring their family in SOU 11 Refer to document Letter of Employment (For Indonesian Workers – Peninsular Malaysia & Sarawak) was explain in Clause 7.3 (a): If the worker marry a Malaysian or foreign citizen during employ with the company, the work permit will be cancelled as per the recruitment terms and condition stated by the Immigration Department.

	Status: Comply	
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.		
<i>The company has no land expansion since 2010. There was only any replanting program was conducted since 2016.</i>		
	Status: Comply	
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.		
<i>The company has no land expansion since 2010.</i>		
There is available The Semi Detail Soil Maps prepared by R&D Precision Agriculture Unit dated January 2017 scale 1:20,000. Based on the maps known that in CH's area is no peat land. It is also available a slopes maps in scale 1:20,000.		
	Status: Comply	
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.		
Indicator 7.3.1 To ensure that no new plantings in primary forest or HCV areas since November 2005, the Certificate Holder with RSPO membership number has submission the disclosure of liability and LUCA on 2014 to RSPO Compensation. Based on the summary obtained information that the SOU 11 Kerdau does not new planting area after 2005.		
Until ASA-3, the certificate holder was not extend for new plantation area, there was only any replanting program was conducted since 2016.		
Indicator 7.3.2; 7.3.3; 7.3.4; 7.3.5 Until ASA2, the certificate holder was not extend for new plantation area, there was only any replanting program was conducted since 2016.		
Documents HCV, management and monitoring could be seen at indicator 5.2.		
	Status: Comply	
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
<i>The company has no land expansion since 2010. There was only any replanting program was conducted since 2016.</i>		
	Status: Comply	
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.		
Sustainable Plantation Management System Appendix 3 is established for handling of squatters dispute and clearly		

<p>explain the process of handling if there is any land dispute happening. SOP version 1 issue 1 dated 1/11/2008 observed. At the moment, no land dispute being reported.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>Sustainable Plantation Management System Appendix 3 is established for handling of squatters dispute and clearly explain the process of handling if there is any land dispute happening. SOP version 1 issue 1 dated 1/11/2008 observed. At the moment, no land dispute being reported.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>Until ASA-1.3, the certificate holder was not extend for new plantation area, there was only any replanting program was conducted since 2016</p> <p>Sime Darby Plantation Berhad has a policy to not use fire during land preparation. During the audit, there is no replanting activity was found. However, based on interview with local communities surrounded the estate area informed there is no evidence of fire usage in replanting in past of the year. All replanting is only in mechanization using heavy equipment (felling, chipping, holing, lining etc). So there is no need to fulfill with 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.</p>	
<p>Status: Comply</p>	
<p>7.8 New plantation developments are designed to minimise net greenhouse gas emissions.</p>	
<p>The company has no land expansion since 2010. There was only any replanting program was conducted since 2016.</p>	
<p>Status: Comply</p>	
<p>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</p>	
<p>8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p>	
<p>Certificate holder has the action plan for continual improvement, for example:</p> <ul style="list-style-type: none"> • Mill and Estate has awarded MSPO Certificate. • Group Sustainability Quality Management (GSQM) and Regional Sustainability Quality Management (RSQM) has conducted RSPO internal audit on 7th November 2018. All findings has been closed out during the management review of Kerdau Mill on 8 February 2019. • Improvement observed in operation process efficiency towards mechanization. i.e using motor farm grabber to evacuated FFB from field to bin system. • Good Occupational Health & Safety System established at Mentakab estate with few safety good practices in place. • Installation of New boiler at Kerdau Mill with new dust reciprocator to comply with new DOE requirement • Maintaining the HCV 4 (waster catchment) as part of water supply in Kerdau Estate and Sungai Mai. 	
<p>Status: Comply</p>	

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General Chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>Facility has had a physical handling agreement with third parties for CPO transport from mill to bulking. Based on document verification, there is only one transporter listed as CPO transporter on behalf Jasa Bumi Logistics Sdn Bhd (Company No. 1044114-K). There is a valid contract that signed on 19 December 2017 (valid until 30 April 2019).</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>Facility does not buy from any RSPO licensed traders.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>Kerdau POM – SIME DARBY FUTURES TRADING SDN BHD, subsidiary of Sime Darby Plantation Bhd has registered in RSPO membership 1-0008-04-000-00 since 7 September 2004.</p> <p>Kerdau POM has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member Name: Kerdau POM • Account UID: RSPO_AC1000000304 • Core Product: Palm Oil • Member ID: RSPO_PO1000000295 • Type of Business: Oil Mill
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization’s scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>Parent company or site has no processing aids.</p>

	Status: Comply
5.2	Supply chain model
5.2.1	
The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Question: Has the organization applied the Supply Chain Model correctly?	
Facility still received FFB from uncertified area. The consequently is using module E – Mass Balance.	
	Status: Comply
5.2.2	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
Until this surveillance audit, facility using mass balance module only.	
	Status: Comply
5.3	Documented procedures
5.3.1	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following:	
<ul style="list-style-type: none"> o Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. o Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). o Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard. 	
Facility has had Standard Operation Procedure for Sustainability Supply Chain and Traceability (last revised on September 2018). This procedure's objectively is guidelines for estates and palm oil mills to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (Fresh Fruit Bunch, (FFB); Crude Palm Oil, (CPO) and Palm Kernel (PK)).	
This procedure covering of supply chain scope, responsibilities, control of document & records, delivery FFB from estates, receiving FFB at the mill, process monitoring, CPO & PK dispatch, nonconforming product and/or documents, product claims, outsourced contractor, training, reclassification of mill's supply chain model, production volume, conversion factors, internal audit, complaints and management review. It document also equipped with flowchart for crop diversion, list of certification type and supply chain status and rules for determining FFB determination.	
According to the procedure's above, person who have responsibilities in supply chain implementation is:	
<ol style="list-style-type: none"> 1. Head of Operating Unit shall have the overall responsibility for the implementation of this SOP. 2. Head of Operating Unit may assign roles to the relevant personnel or invite personnel from various department where necessary to assist in the implementation of this SOP. 	
During the audit, auditor has visited and interview weighbridge operator and production clerk. Both of them are able to explained and demonstrated supply chain procedures especially in mass balance implementation. Based on interview they said certified FFB stamped with RSPO certified stamp on the FFB delivery notes and registered as FFB certified in database system of weighbridge. All certified palm product dispatch (CPO/PK) shall recorded in contract book.	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	

<p>Question :</p> <p>Documented annual internal audit procedures established and covering all provisions :</p> <p>5) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii) Effectively implements and maintains the standard requirements within its organization.</p>	
<p>According to the section 17.0, Standard Operating Procedure for Sustainability Supply Chain and Traceability, internal audit conducted at least annually. The last audit has been held by Sustainability, Group Sustainability Quality Management (GSQM) and Regional Sustainability Quality Management (RSQM) on 7th November 2018 where 2 findings related to supply chain implementation. Both findings has been closed out during the management review of Kerdu Mill on 8 February 2019.</p>	
	<p>Status: Comply</p>
5.4	<p>Purchasing and goods in</p>
<p>5.4.1</p> <p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p>	
<p>Question :</p> <p>All RSPO product information is provided by suppliers in accordance with :</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; ○ The date on which the documents were issued; ○ A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); ○ The quantity of the products delivered; ○ Any related transport documentation; ○ Supply Chain certificate number of the seller; ○ A unique identification number ○ Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). ○ The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. ○ A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. ○ The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements. 	
<p>Facility has had a potential buyer list of their palm product as follows:</p> <ol style="list-style-type: none"> a. Sime Darby Plantation Berhad – NURI Refinery (Selangor) b. Mewah Oils Sdn Bhd (Selangor) c. Hup LeeOil Mill Sdn Bhd (Selangor) d. Kilang Isi Sawit Sin Huat Hin Sdn Bhd (Selangor) e. Lee Oil Mills Sdn Bhd (Selangor) <p>Those list also completed with buyer address, contact person and position, phone number etc.</p>	
	<p>Status: Comply</p>
<p>5.4.2</p> <p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p>	
<p>Question :</p>	

Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?	
The Procedure/mechanism of handling non conforming products are describe in Standard Operating Procedure for Sustainability Supply Chain and Traceability issued on February 2018. Non conforming products where there is contaminations of RSPO certified materials during receiving, processing, storage and despatch. The Volume of downgraded material are recorded accordingly.	
	Status: Comply
5.5	Outsourcing activities
5.5.1	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Question: Are the outsourcers RSPO certified?	
Facility has had a physical handling agreement with third parties for CPO transport from mill to bulking. Based on document verification, there is only one transporter listed as CPO transporter on behalf Jasa Bumi Logistics Sdn Bhd (Company No. 1044114-K). There is a valid contract that signed on 19 December 2017 (valid until 30 April 2019).	
	Status: Comply
5.5.2	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing	
Based on document verification known that mill had an agreement with CPO transporter as third parties physical handling of palm product. There is a valid contract that signed on 19 December 2017 (valid until 30 April 2019). In Annexure 5: RSPO Supply Chain Certification Standard stated that <i>the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.</i>	
<i>The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</i>	
Based on that statement, the mill and third parties transporter has been agreed to share the information to the CB's if it necessary.	
	Status: Comply
5.5.3	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Question: Has the site maintained names and contact details of all outsourcers?	

Facility has documented stakeholder list including of third parties organization such as potential buyer, FFB supplier, transporter etc.	
	Status: Comply
5.5.4	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
Question: Has MUTU informed about any new outsourcers?	
Facility has informed of all third parties names and contact to the CB's. There is no new third parties contractor since previous assessment.	
	Status: Comply
5.6	Sales and goods out
5.6.1	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
Question :	
All RSPO product information is provided by the organisation in accordance with :	
<ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	
Facility has had a potential buyer list of their palm product as follows:	
<ol style="list-style-type: none"> a. Sime Darby Plantation Berhad – NURI Refinery (Selangor) b. Mewah Oils Sdn Bhd (Selangor) c. Hup LeeOil Mill Sdn Bhd (Selangor) d. Kilang Isi Sawit Sin Huat Hin Sdn Bhd (Selangor) e. Lee Oil Mills Sdn Bhd (Selangor) 	
Those list also completed with buyer address, contact person and position, phone number etc.	
	Status: Comply
5.7	Registration of transactions
5.7.1	
Supply chain actors who:	
<ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
Question :	
Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)	

Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was no RSPO certified product sold. All certified product (CPO/PK) sold as conventionally.

Status: Comply

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

Question :

Did the organization correctly perform the applicable actions on RSPO IT Platform?

During the audit, auditor found:

1. All certified/uncertified FFB received, CPO/PK product, dispatch and mass balance records have been documented by mill on a real-time basis and/or three-monthly basis.
2. According to the transaction report in palm trace, the last notification of transaction report performed by Kerdau POM on 29 August 2017.
3. According to the minutes of management meeting dated on April 2018 stated that the remaining stock will be removed at the end of certification period (at least on early July). However, no evidence of remaining stock removal by Kerdau POM at the end of ASA-1.2 certificate on July 2018.
4. According to the record keeping 12 month before audit (April 2018 – March 2019) found that Kerdau POM has sold CSPO/CSPK as conventional. However, there is no evidence that the mill has removing their certified volumes in RSPO IT platform.
5. There is no specific guidance for removing stock of CSPO/CSPK if any certified product sold under other scheme or as conventional in Standard Operation Procedure for Sustainability Supply Chain and Traceability (last revised on September 2018).

Based on the fact above, it can be concluded that Kerdau POM didn't has a mechanism which can lead them for better recording, updating and monitoring of data in the RSPO IT platform. So it raised as **Nonconformity No.2019.02**.

Status: Nonconformity No.2019.02 indicator major

5.8

Training

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

Question :

Has the organization established RSPO training plan?

According to the RSPO Supply Chain Certification Standard section 13.0 stated that *mill shall have a training plan on RSPO Supply Chain Standard requirement*. Therefore, mill unit has shown the plan for RSPO supply chain training on August 2019.

Based on interview with RSQM staff informed that mill has set the supply chain training annually. The last training has been held in Meeting Room of Kerdau Mill on 8 February 2019 whom attended by 7 participants.

	Status: Comply
<p>5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed</p>	
<p>Question : Has the organization Delivered Effective RSPO training?</p>	
<p>According to the RSPO Supply Chain Certification Standard section 13.0 stated that <i>mill shall have a training plan on RSPO Supply Chain Standard requirement</i>. Therefore, mill unit has shown the plan for RSPO supply chain training on August 2019.</p> <p>Based on interview with RSQM staff informed that mill has set the supply chain training annually. The last training has been held in Meeting Room of Kerdau Mill on 8 February 2019 whom attended by 7 participants.</p> <p>During the audit, auditor has visited and interview weighbridge operator and production clerk. Both of them are able to explained and demonstrated supply chain procedures especially in mass balance implementation. Based on interview they said certified FFB stamped with RSPO certified stamp on the FFB delivery notes and registered as FFB certified in database system of weighbridge. All certified palm product dispatch (CPO/PK) shall recorded in contract book.</p>	
	Status: Comply
5.9	Record keeping
<p>5.9.1 The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</p>	
<p>Question : All records are accurate, complete, up-to-date and accessible?</p>	
<p>Facility has shown the book keeping report in detail that explain the number of FFB certified or noncertified received, amount of CPO/PK certified or noncertified produced and dispatch. All records are accurate, complete, up-to-date and accessible.</p>	
	Status: Comply
<p>5.9.2 Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</p>	
<p>Question : All records are kept for minimum two years and comply with legal and regulatory requirements?</p>	
<p>According to RSPO Supply Chain Certification Standard section 5.0 Control of Documents & Records clause 5.4 stated <i>“for RSPO certified units, records are maintained for a period of two (2) years</i>. Based on interview with weighbridge operator informed that mill kept the document in store.</p> <p>During the audit, auditor has observed the supply chain document such as FFB delivery note, weighbridge ticket, and dispatch document on 29 April 2017.</p>	
	Status: Comply
<p>5.9.3 The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	
<p>Question : For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?</p>	
<p>Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-</p>	

monthly bases. If any overproduction, facility will inform the CB to extend their volume.

Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (April 2018 – March 2019) (MT)	Projected production of the next license period (MT)
FFB	204,316	160,636	214,532
CPO	42,906	32,782	42,906
PK	10,216	7,077	10,727

Source: production data 12 month before audit (April 2018 – March 2019)

Status: Comply

5.10 Conversion factors

5.10.1

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

Question :

Conversion rates applied accurately?

Conversion rate applied to provide a reliable estimate for the amount of certified palm product output available form total FFB input. The conversion rate determine based on monthly productions report and ensure accuracy against actual performance average.

Status: Comply

5.10.2

Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.

Question :

Conversion rates periodically updated?

Conversion rate is determine based on monthly productions report monthly (Oil extraction rate and Kernel extraction rate)

Status: Comply

5.11 Claims

5.11.1

The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.

Question :

Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?

During this certification period, facility does not have any certified CPO/PK transaction. They also does not using RSPO's logo at any communication or in product.

Status: Comply

5.12 Complaints

5.12.1

The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.

Question :

Documented procedures for stakeholders complaints established?

Facility has had the mechanism of Non-Conforming Products And/or Documents in Standard Operating Procedure for

Sustainability Supply Chain and Traceability section 10.0. Those section stated:

- Where there is contamination of RSPO/ MSPO certified material during receiving, processing, storage and dispatch, the mill/estate shall downgrade the materials following the downgrade order;
Identity Preserved → Mass Balance → Non-Certified
- The volume of downgraded material shall be recorded accordingly.
- Mills shall inform GTM accordingly if the downgrade affects the delivery timeline to the customer.
- Overselling of product shall be treated as non-conforming product. PSQM and GTM shall be notified and investigation shall be initiated by mill immediately. Investigation to be recorded in the Corrective & Preventive Action Report in PQMS SOM Sub-Section 8.5.2.
- For materials received with insufficient information for verification, or any error in incoming documents shall be treated as non-conforming documents. The documents shall be investigated, verified and corrected in order to allow processing of material. Authorization of release of such material for processing shall be by the Mill Manager or Assistant Engineer.

Status:

5.13 Management review

5.13.1
 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken

Question :
 Management reviews performed annually at planned intervals?

According to the section 17.0 of Standard Operating Procedure for Sustainability Supply Chain and Traceability clause 17.3 stated *“the outcomes of the internal audits and all actions taken to correct non conformities shall be subject to management review at least annually”*.

Based on interview with operational staff, management review usually conducted after internal audit. Facility has shown their evidence of management review that held in Kerdau Mill dated 8 February 2019. All findings has been closed after the management review meeting.

Status:

5.13.2
 The input to management review shall include information on:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

Question :
 Has all input required above has been included in the management review?

Facility has shown their evidence of management review that held in Kerdau Mill dated 8 February 2019. All findings has been closed after the management review meeting. Recommendations for improvement from preventive and corrective action has been taken

Status: Comply

5.13.3
 The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

Question :
 Has all output required above has been included in the management review?

Facility has shown their evidence of management review that held in Kerdau Mill dated 8 February 2019. All findings has been closed after the management review meeting. Recommendations for improvement from preventive and corrective action has been taken.

Status: Comply

3.2.2 (Module E) CPO Mills – Mass Balance Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																		
E.1	Definition																		
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Kerdau Palm Oil Mill received FFB from five certified estate (Kerdau, Jentar, Sungai Mai, Mentakab & Chenor) and from independent supplier (uncertified supplier) as follows:</p> <ol style="list-style-type: none"> 1. Bakti Mas Bina Sdn Bhd. 2. Pro Island Enterprise. 3. SCL Commodities Sdn Bhd. 4. Sri Kerdau Commodities. 5. Golden Horse Plantation. <p>According to the RSPO supply chain certification standard, mill used the specific module for mill which is Module E – CPO Mills: Mass Balance.</p>																		
	Status: Comply																		
E.2	Explanation																		
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimation of Certified Product (MT)</th> <th>Actual Production 12 Month before audit (April 2018 – March 2019) (MT)</th> <th>Projected production of the next license period (MT)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>204,316</td> <td>160,636</td> <td>214,532</td> </tr> <tr> <td>CPO</td> <td>42,906</td> <td>32,782</td> <td>42,906</td> </tr> <tr> <td>PK</td> <td>10,216</td> <td>7,077</td> <td>10,727</td> </tr> </tbody> </table> <p>Source: production data 12 month before audit (April 2018 – March 2019)</p>			Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (April 2018 – March 2019) (MT)	Projected production of the next license period (MT)	FFB	204,316	160,636	214,532	CPO	42,906	32,782	42,906	PK	10,216	7,077	10,727
Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (April 2018 – March 2019) (MT)	Projected production of the next license period (MT)																
FFB	204,316	160,636	214,532																
CPO	42,906	32,782	42,906																
PK	10,216	7,077	10,727																
	Status: Comply																		
E.2.2	<p>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).</p> <p>Kerdau POM – SIME DARBY FUTURES TRADING SDN BHD, subsidiary of Sime Darby Plantation Bhd has registered in RSPO membership 1-0008-04-000-00 since 7 September 2004.</p> <p>Kerdau POM has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member Name: Kerdau POM • Account UID: RSPO_AC1000000304 • Core Product: Palm Oil 																		

- Member ID: RSPO_PO1000000295
- Type of Business: Oil Mill

Based on document verification, facility does not registered all of their transaction in RSPO IT Platform and has been recorded as nonconformity in general COC indicator 5.7.2

Status: Comply

E.3 Documented procedures

E.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:

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

Facility has had Standard Operation Procedure for Sustainability Supply Chain and Traceability (last revised on September 2018). This procedure's objectively is guidelines for estates and palm oil mills to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (Fresh Fruit Bunch, (FFB); Crude Palm Oil, (CPO) and Palm Kernel (PK)).

This procedure covering of supply chain scope, responsibilities, control of document & records, delivery FFB from estates, receiving FFB at the mill, process monitoring, CPO & PK dispatch, nonconforming product and/or documents, product claims, outsourced contractor, training, reclassification of mill's supply chain model, production volume, conversion factors, internal audit, complaints and management review. It document also equipped with flowchart for crop diversion, list of certification type and supply chain status and rules for determining FFB determination.

According to the procedure's above, person who have responsibilities in supply chain implementation is:

1. Head of Operating Unit shall have the overall responsibility for the implementation of this SOP.
2. Head of Operating Unit may assign roles to the relevant personnel or invite personnel from various department where necessary to assist in the implementation of this SOP.

During the audit, auditor has visited and interview weighbridge operator and production clerk. Both of them are able to explained and demonstrated supply chain procedures especially in mass balance implementation. Based on interview they said certified FFB stamped with RSPO certified stamp on the FFB delivery notes and registered as FFB certified in database system of weighbridge. All certified palm product dispatch (CPO/PK) shall recorded in contract book.

Status: Comply

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Facility has had Standard Operation Procedure for Sustainability Supply Chain and Traceability (last revised on September 2018). This procedure's objectively is guidelines for estates and palm oil mills to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (Fresh Fruit Bunch, (FFB); Crude Palm Oil, (CPO) and Palm Kernel (PK)).

This procedure covering of supply chain scope, responsibilities, control of document & records, delivery FFB from estates, receiving FFB at the mill, process monitoring, CPO & PK dispatch, nonconforming product and/or documents, product claims, outsourced contractor, training, reclassification of mill's supply chain model, production volume, conversion factors, internal audit, complaints and management review. It document also equipped with flowchart for crop diversion, list of certification type and supply chain status and rules for determining FFB determination.

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During the audit, auditor has visited and interview weighbridge operator and production clerk. Both of them are able to explained and demonstrated supply chain procedures especially in mass balance implementation. Based on interview they said certified FFB stamped with RSPO certified stamp on the FFB delivery notes and registered as FFB certified in database system of weighbridge. All certified palm product dispatch (CPO/PK) shall recorded in contract book.

Status: Comply

E.4 Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

Facility has recorded amount of FFB received in daily, monthly and three-monthly bases. The sum of FFB received from certified and uncertified area documented as follows:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
April 2018	15,151	8,147	23,298
May 2018	13,638	4,329	17,967
June 2018	7,684	2,700	10,384
July 2018	8,940	3,565	12,505
August 2018	10,621	6,903	17,524
September 2018	12,948	7,000	19,948
October 2018	13,959	7,431	21,390
November 2018	15,632	5,913	21,545
December 2018	15,668	4,484	20,152
January 2019	15,218	5,262	20,480
February 2019	14,770	4,295	19,065
March 2019	16,406	7,315	23,721
Total	160,636	67,343	227,979

Source: production data 12 month before audit (April 2018 – March 2019)

Status: Comply

E.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (April 2018 – March 2019) (MT)	Projected production of the next license period (MT)
FFB	204,316	160,636	214,532
CPO	42,906	32,782	42,906
PK	10,216	7,077	10,727

Source: production data 12 month before audit (April 2018 – March 2019)

Status: Comply

E.5 Record keeping

E.5.1

a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and

PK on a three-monthly basis.

- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)**

Mill has documented the record and balance of all RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. Based on book keeping data 12 month before audit (April 2018 – March 2019) found that summary of certified/noncertified product sold as follow:

Period	CPO Production (MT)		Total	Cert CPO Dispatch (MT)				Total
	Cert	Non Cert		RSPO	RSPO Credit	Other scheme	Conventional	
April 2018 – March 2019	32,782	13,360	46,142	-	-	-	32,006	32,006

Period	PK Production (MT)		Total	Cert PK Dispatch (MT)				Total
	Cert	Non Cert		RSPO	RSPO Credit	Other scheme	Conventional	
April 2018 – March 2019	7,077	3,039	10,116	-	-	-	6,650	6,650

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√
ASA 1.3	The Kerdau POM – SOU 11 (Sime Darby Plantation) do not use RSPO trademark and CB Logo. Sime Darby Plantation has a trademark license number Trademark License Number RSPO-1106024.	✓
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA 1.3	The Kerdau POM – SOU 11 (Sime Darby Plantation) do not use RSPO trademark and CB Logo. Sime Darby Plantation has a trademark license number Trademark License Number RSPO-1106024.	✓
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA 1.3	The Kerdau POM – SOU 11 (Sime Darby Plantation) do not use RSPO trademark and CB Logo. Sime Darby Plantation has a trademark license number Trademark License Number RSPO-1106024.	✓
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA 1.3	The Kerdau POM – SOU 11 (Sime Darby Plantation) do not use RSPO trademark and CB Logo. Sime Darby Plantation has a trademark license number Trademark License Number RSPO-1106024.	✓
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and</p>

		according to the CB's correspondency with RSPO Remediation and Compensation.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in : <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p>

		<p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>
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3.5. Identification of Findings, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1. Identification of Findings, Corrective Actions and Observations at ASA-1.2

NCR No.	: 2018. 01	Issued by	: Ebnu Holdoon
Date Issued	: 5 th May 2018	Time Limit	: ASA – 1.3
NC Grade	: Minor	Date of Closing	: 10 th April 2019
Standard Ref. & Requirement	: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor)</i></p> <p>The management unit had identified the chemical container, lubricant drums and empty paints container as hazardous waste. The company SOP (SD/SDP/PSQM(EHS)/203-EN1) had briefly explain the disposal method of hazardous waste. The waste shall be disposed to scheduled waste store. However, several lapses found during field observation at mill and estate:</p> <ul style="list-style-type: none"> • 3 pieces of empty drums were observed nearby workshop at Kerdau Mill • 1 pieces of herbicide container was observed at field P02B Chenor Estate • 3 pieces of container paint were observed at scrap yard iron in Jentar estate <p>Based on above evidence, it was observed that the waste management plan was not consistently implemented.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <p>Insufficient monitoring and lack of knowledge/awareness on schedule meeting</p>			
<p>Correction <i>(filled by organization audited):</i></p> <p>All the chemical container, lubricant drums and empty paint container had been collected and kept in the respective chemical storage at mill and estate and disposed in accordance with EQA (Scheduled waste) regulation 2005</p>			
<p>Corrective Action <i>(filled by organization audited):</i></p> <p>RSQM will conduct schedule waste handling training to the person in charge and ensure the schedule waste management comply to EQA Scheduled waste regulation 2005</p>			
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verification on 10th April 2019 :</p> <p>The company had shown the evidence such as :</p> <ul style="list-style-type: none"> • It was verified that the waste had been sent to Kualiti Alam Sdn Bhd (registered waste collector with DOE) as per consignment note date 11th May 2018 which include : • 15 Pallets of herbicides from Chenor Estate - SW 409 • 8 pieces of Drums – SW 409 • Sighted the training on schedule waste conducted on 22 February 2019 in SOU 11 Kerdau. <p>Auditor Conclusion on 10th April 2019 :</p> <p>Based on the evidence shown, this Non Conformity is closed.</p>			
Verified by	: Ebnu Holdoon		

3.5.3. Identification of Findings, Corrective Actions and Observations at ASA-1.3

NCR No.	: 2019.01	Issued by	: Yap Chin Hung
Date Issued	: 12 th April 2019	Time Limit	: ASA-1.4
NC Grade	: Minor	Date of Closing	: 14 June 2019
Standard Ref. & Requirement	4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.		
Evidence observed (filled by auditor): During the site audit (Kerdau POM), it was observed that the fire hose reel was not in working condition. Nozzle was not attached to fire hose. Furthermore, first aid box was not available at the production area. There is no periodical monitoring performed for readiness of firefighting equipment. Interviewed with production personnel, nozzle stored in the workshop and only retrieved from workshop whenever occurrence of fire accident.			
Non-Conformance Description (filled by auditor): This is nonconformity against indicator 4.7.5 stating that accident and emergency procedures shall exist and instructions shall be clearly understood by all workers and first aid equipment shall be available at worksites.			
Root Cause Analysis (filled by organization audited): Incomprehensive training of accident and emergency procedures to the workers.			
Correction (filled by organization audited): To install the hose reel nozzle and follow-up with MA on the First Aid Kit box. A mock emergency evacuation has been conducted to monitor mill performance for readiness of firefighting equipment.			
Corrective Action (filled by organization audited): To re-visit training materials and ensure items related to firefighting equipment (including hose reel and nozzle) and first aid kits are available at site. To monitor the firefighting equipment and First Aid Kit availability and functionality during quarterly workplace inspection.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 28 May 2019 Kerdau POM has shown the corrective action such as: <ul style="list-style-type: none"> • Safety town hall briefing on Monday, 15 April 2019. Attended by 71 participant. • Photos of monthly inspection of first aid kit by medical assistant and refill. • Photos of hose reel. • Check list of first aid kit in working station as per January 2019. 			

- Photos of emergency response team training.

Auditor conclusion on 28 May 2019

Based on document verification, this nonconformity still **open**.

Verification on 12 June 2019

Certificate holder has shown the evidence as follows:

- First aid kit monthly monitoring sheet in main office, mill laboratory, guard house, process station, mechanical and electrical workshop.
- ESH plan year 2019 which indicated inspection of fire extinguisher/firefighting equipment and first aid kit will conducted every 3 months.
- ESH plan year 2019 which indicated the fire drill and firefighting training annually.

There is no evidence that all fire hose point has attached with proper hose and nozzle.

Auditor conclusion on 12 June 2019

Based on document verification, this nonconformity still **open**.

Verification on 14 June 2019

Sighted the service report by certified third party tester (Bestro engineering) related to installation of hose reel at following place dated 12th October 2018. Certificate holder has shown the following evidence related to the proper attachment of hose reel and nozzle at the stations as followed :

- i) Power House station
- ii) Mill Main Store room
- iii) Kernel Bunker Station
- iv) Clarification Station
- v) Biofertilizer Area
- vi) Recovery Station

Hence the Certificate Holder manage to show the evidence that proper installation of fire hose reel and fire nozzle been properly attached accordingly.

Auditor conclusion on 14 June 2019

Based on the document verification , this non conformity is **Closed with observation**.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2019.02	Issued by	: Andi Pratama Pasaribu
Date Issued	: 12 th April 2019	Time Limit	: 10 th July 2019
NC Grade	: Major	Date of Closing	: 20 May 2019
Standard Ref. & Requirement	: 5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as 		

	<p>certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</p> <ul style="list-style-type: none"> • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.
<p>Evidence observed (filled by auditor): During the audit, auditor found:</p> <ol style="list-style-type: none"> 1. All certified/uncertified FFB received, CPO/PK product, dispatch and mass balance records have been documented by mill on a real-time basis and/or three-monthly basis. 2. According to the transaction report in palm trace, the last notification of transaction report performed by Kerdau POM on 29 August 2017. 3. According to the minutes of management meeting dated on April 2018 stated that the remaining stock will be removed at the end of certification period (at least on early July). However, no evidence of remaining stock removal by Kerdau POM at the end of ASA-1.2 certificate on July 2018. 4. According to the record keeping 12 month before audit (April 2018 – March 2019) found that Kerdau POM has sold CSPO/CSPK as conventional. However, there is no evidence that the mill has removing their certified volumes in RSPO IT platform. 5. There is no specific guidance for removing stock of CSPO/CSPK if any certified product sold under other scheme or as conventional in Standard Operation Procedure for Sustainability Supply Chain and Traceability (last revised on September 2018). 	
<p>Non-Conformance Description (filled by auditor): Based on the fact above, it can be concluded that Kerdau POM didn't has a mechanism which can lead them for better recording, updating and monitoring of data in the RSPO IT platform.</p>	
<p>Root Cause Analysis (filled by organization audited): The mechanism to conduct removal of stock is not clearly identified during the meeting in April 2018, where the duration, period were not being discussed/identified in details and not translated to the SOP.</p>	
<p>Correction (filled by organization audited): Discussion between GSQM and Global Trading (GT) and to agree that GT to perform timely removal of CSPO/CSPK stock. (Discussion was done on 22 April 2019).</p>	
<p>Corrective Action (filled by organization audited): To review Standard Operation Procedure for Sustainability Supply Chain and Traceability i.e. to include clause for removal of RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage</p> <p>To request accessibility to the RSPO IT platform for monitoring of RSPO certified volume sold</p>	
<p>Assessor Evaluation and Conclusion (filled by auditor): Verification on 20 May 2019</p>	

- Kerdu POM has revised their Standard Operation Procedure for Sustainability Supply Chain and Traceability on April 2019. This last revised has set the procedure and personnel in charge to control the transaction in RSPO IT Platform especially for certified volume sold under other scheme or conventional (clause 10.4).
“RSPO certified volume sold under other scheme or as conventional, or in case of underproduction, loss of damage shall be updated/removed in RSPO IT Platform by GT within one month before the end of license period taking into consideration license extension period (of maximum 3 months), or as and when necessary/scheduled.”
- PSQM also as proposed 2 personnel of Kerdu POM to have an RSPO IT Platform account.
- Auditor has reviewed the transaction record in RSPO IT Platform where all of certified volume sold (RSPO certified and conventional) has been registered.

Auditor conclusion on 20 May 2019

Based on the evidence shown, this non conformity has been **fulfilled**.

Verified by : **Andi Pratama Pasaribu**

3.5.4. Opportunity for Improvement at ASA-1.3

No	Ref. Std.	Description
1	4.6.11	Consideration to improve the follow up for further management of health surveillance status.
2	4.7.3	Consideration to improve the PPE stock control to ensure all PPEs available all the time.
3	5.1.1	Consideration to improve the oil trap mechanism at the servicing bay at Mentakab Estate (Lanchang Division)
4	5.1.2	Consideration to instil HCV enrichment activity on slope area.

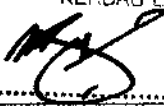
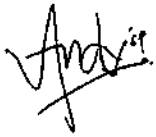
3.5.5. Noteworthy Positive Components at ASA-1 Assessment

No	Description
1	Company’s commitment to implement sustainability.
2	Good Occupational Health & Safety System established at Mentakab estate with few safety good practices in place.
3	Mill and estate has been awarded MSPO certificate.
4	Improvement observed in operation process efficiency towards mechanization.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Contractors of FFB Transport Kerdau Estate (3 Contractors)</p> <p>A local contractor had been interviewed during the audit. He had been in contract with the Kerdau Estate for 12 years and as far from the interview, the payment method, contracting and workers welfare had been a priority concern of Sime Darby Estate management. The method of payment will be done by online banking and payment been made on monthly basis based on the contract available and invoice issuance. Sighted no complain has been logged in towards the estate Management and the contractor are satisfied with SIME DARBY Management handling the contract. SIME DARBY management also giving information to the workers during signing the contract that the workers should obey the company policy, code of conduct (COBC Booklet) and everything had been kept in a booklet send to the contractors and a copy of contract also kept by the contractor. Every single policy and legal requirement are clearly stated in the contract and obeyed by the contractor.</p>	<p>The company will continue to keep a good relation between the contractors and SIME DARBY management and also further engagement will be enhanced from time to time.</p>
<p>Sime Darby Foreign Workers Representative (1 Bangladeshi, 1 Indian and 1 Indonesian)</p> <p>3 workers representative had been interviewed in SIME DARBY estate Kerdau and Sungai Mai. 1 Indian worker, 1 Indonesian workers and 1 Bangladeshi worker had been interviewed. The Bangladeshi worker had been working for 8 year, 2 years and 09 years respectively. They work as harvesters in the estate, spraying and also manuring. They express satisfaction working in the company. Workers representative are from mandora and worker and the mandora had been translator for the new workers into the estate. All of them had expressed a good feeling towards the management and satisfied the way how management treat them in the estate fairly between each other and the local workers. There is few issues related to the estate hostel and report on housing area however the issues had been put into SIA for the further action plan. Sighted also the nearby shop for groceries shopping and the basic amenities had been provided by Sime Darby Management.</p>	<p>Sime Darby Management will keep a good relation especially with the foreign workers representative of SIME DARBY Estate Kerdau, Sungai Mai and Mentakab</p>
<p>Community Head Kg Gong Halt (Sungai Mai Estate)</p> <p>Interview had been done with the local community of the</p>	<p>Sime Darby Management will keep a good relation with Local</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>newarby village. Based on the interview, the representative had expressed their satisfaction with Sungai Mai Estate manager regarding their action of handling the request, grievances and the interaction between the estate management and Sime Darby Plantation. Few of the local community had also working with the estate.</p>	<p>Community from the respected estate and help them in the related matters.</p>
<p>Local teachers (SK Kuala Mai)</p> <p>Based on the interview, the local school is having a good relation with the Esatte management and the manager had also invited during the school day, sports day and contribution to the the nearby school had been recorded [Klinik Kesihatan Kerdau, and SK Kuala Mai].</p>	<p>No issues raised. The local school are satisfied with Sime Darby management in local relation with communities and school teacher.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <p>SOU 11 Sime Darby Plantation Bhd Management Representative</p> <p>SIME DARBY PLANTATION BERHAD (COMPANY NO. 647766-V) KERDAU ESTATE</p> <p> Azri Bin Lahman Monday, 20 May 2019</p> <p>Mutuagung Lestari Lead Auditor</p> <p> Andi Pratama Pasaribu Monday, 20 May 2019</p>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	National Council of Welfare & Social Development Malaysia - NCWSDM	No. 17, Jalan 1/48A, Bandar Baru Sentul, 51000 Kuala Lumpur, Malaysia.	makpem@gmail.com	email	1 April 2019		✓
2	National Union of Plantation Workers (NUPW)	No 2, Jalan Templer, 46000 Petaling Jaya, Selangor	sangkara@mail.tm.net.my	email	1 April 2019		✓
3	TRAFFIC - the wildlife trade monitoring network	Unit 3-2, 1st Floor, Jalan SS23/11, Taman SEA, 47400 Petaling Jaya, Selangor, Malaysia.	tsea@traffic.org	email	1 April 2019		✓
4	Environmental Management and Research Association of Malaysia (ENSEARCH)	30-3, Jalan PJU 5/16, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor	admin@ensearch.org	email	1 April 2019		✓
5	Gender Committee of Sime Darby Kerdu	Malaysia		Interview	8 – 10 April 2019	✓	
6	Contractors of FFB Transportation	Malaysia		Interview	8 – 10 April 2019	✓	
7	Sime Darby Foreign Workers Representative (3 workers)	Malaysia		Interview	8 – 10 April 2019	✓	
8	Processing operator	Malaysia		Interview	11 April 2019	✓	
9	Kerdu Estate: 4 Indonesian worker and 2 Nepalese worker. Sungai Mai Estate: 3 Indonesian worker, Mentakab Estate: 4 Indonesian worker, 3 India worker Store keeper (2 workers) Creche officer (2 workers)	Malaysia		Interview	8 – 11 April 2019	✓	

Appendix 2. Assessment Program

Date	7 – 12 April 2019	
PROGRAM	AUDIT PROCESS	AUDITOR
Sunday, 7 April 2019		
08.50 – 12.00	JAKARTA → KUALA LUMPUR	All Auditor
13.00 – 15.00	KUALA LUMPUR → PAHANG	All Auditor
Monday, 8 April 2019		
08.00 – 09.00	OPENING MEETING Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit, Transparency and Confidentiality Clarification)	All Auditor
09.00 – 12.00	Field Observation KERDAU ESTATE <ul style="list-style-type: none"> • Best agricultural practices (manuring, spraying, harvesting, EFB application etc) • Worker Welfare (payments, complaint mechanism) • Scheduled waste management, worker facilities (housing, health clinic, clean water, etc), land fill, fire fighting facilities, storage, etc. • Legal operational and Conservation Area 	APP/YAP APP/YAP EBN EBN
12.00 – 12.00	BREAK	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> • Interview & FGD with Worker’s Union, Gender Committee, Local Contractor, All Local Communities. • Review of Previous Visit Non-conformance (ASA-1.1); Document Review; Time Bound Plan and Partial Certification Field Observation Verification & Completion of Check List	EBN/YAP APP All Auditor
Tuesday, 9 April 2019		
08.00 – 12.00	Field Observation SUNGAI MAI ESTATE <ul style="list-style-type: none"> • Best agricultural practices (manuring, spraying, harvesting, EFB application etc) • Worker Welfare (payments, complaint mechanism) • Scheduled waste management, worker facilities (housing, health clinic, clean water, etc), land fill, fire fighting facilities, storage, ect. • Legal operational and Conservation Area 	APP/YAP APP/YAP EBN EBN
12.00 – 14.00	BREAK	All Auditor
14.00 – 17.00	Field Observation Verification & Completion of Check List	All Auditor
Wednesday, 10 April 2019		

08.00 – 12.00	Field Observation MENTAKAB ESTATE <ul style="list-style-type: none"> • Best agricultural practices (manuring, spraying, harvesting, EFB application etc) • Worker Welfare (payments, complaint mechanism) • Scheduled waste management, worker facilities (housing, health clinic, clean water, etc), land fill, fire fighting facilities, storage, ect. • Legal operational and Conservation Area 	APP/YAP APP/YAP EBN EBN
12.00 – 12.00	BREAK	All Auditor
14.00 – 17.00	Document Review	All Auditor
Thursday, 11 April 2019		
08.00 – 12.00	Field Observation to KERDAU POM <ul style="list-style-type: none"> • Process Station, Safety Aspect and Worker Welfare (Grading – despatch) • ETP; WTP; scheduled waste store, drainage; collecting place of fiber, water discharge, scheduled warehouse; workshop dan chemical store. • Supply Chain 	YAP EBN APP
12.00 – 12.00	BREAK	All Auditor
14.00 – 17.00	Field Observation Verification & Completion of Check List	All Auditor
Friday, 12 April 2019		
08.00 – 11.00	Closing meeting	All Auditor
11.00 – 14.00	Site → Kuala Lumpur	All Auditor
16.00 – 18.00	Kuala Lumpur → Jakarta	All Auditor