



PUBLIC SUMMARY REPORT

RSPO ANNUAL SURVEILLANCE ASSESSMENT (ASA2)

SIME DARBY PLANTATION Sdn Bhd

Management Unit SOU9

Carey Island, Selangor, Malaysia

Report Author

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SUMMARY

BSi Group Singapore Pte Ltd (BSi) has conducted the second Annual Surveillance Assessment (ASA2) of Sime Darby Plantation Sdn Bhd Management Unit SOU9 (SOU9) operations comprising West Oil Mill, West Estate, support services and infrastructure. BSi concludes that SOU9 operations comply with the requirements of RSPO Principles & Criteria: 2007; the MY-NI Indicators and Guidance : 2010; and the RSPO Supply Chain Certification Standard : November 2011.

BSi recommends the continuation of the approval of SOU9 as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS

AMESU	All Malayan Estates Staff Union
CHRA	Chemical Hazard Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Values
HIRAC	Hazard Identification and Risk Assessment
LTA	Lost Time Accident
MAPA	Malayan Agricultural Producers Association
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers/
OSH	Occupational Safety & Health
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
R&D	Research and Development
SIA	Social Impact Assessment
SOP	Standard Operating Procedures
SOU	Strategic Operating Unit

1.0 SCOPE OF SURVEILLANCE ASSESSMENT

1.1 Identity of Certification Unit

The scope of the assessment is SOU9 West Oil Mill and West Estate, located at Carey Island, Selangor, Malaysia (Figure 1). Additional maps are included (Figures 2 and 3) showing the West Estate location, layout and infrastructure. The GPS location of the Mill is shown in Table 1.

Table 1: Mill GPS Location

MILL	LONGITUDE	LATITUDE
West Mill (50 t/hr capacity)	101° 20' 60"	2° 55' 0"

1.2 Production Volume

The production tonnages for CPO and PK from the start of the Certificate (19/05/2010 – 31/03/2011) and projected for the next twelve months are listed in Table 2. During the 2012-2013 year, replanted palms will mature at West Estate and the quantity of FFB processed at the mill is projected to increase as well as the CPO and PK.

Table 2: Production Tonnages

East Palm Oil Mill	CPO	PK
Estimate at Certification	41,626	11,108
Actual 19/05/10 – 31/03/11	35,596	8,831
Actual 01/03/11 – 29/02/12	44,093	10,356
Projected 01/03/12 – 29/02/13	45,311	12,129

1.3 Certification Details

Sime Darby RSPO Membership No: 035-04(O)
BSi CSPO Certificate No: SPO 543594
Initial Certification Assessment: 28 – 30/01/2009
Date of Certification: 19/05/2010

1.4 Description of Fruit Supply Base

The supply base is mainly from West Estate. Additional supply is from the adjacent East Estate that is part of SOU8, with minor quantities diverted from nearby Sime Darby Estates. West Estate supplied 54.3% of the FFB processed at West Mill. Neighbouring Sime Darby Estates that are RSPO Certified supplied the remainder of the FFB. The FFB production is listed in Table 3.

Table 3: FFB Production

Source	Estimate at Initial Certification	Actual 01/03/11 – 29/02/12	Projected 01/03/12 – 29/02/13
SOU9 Estate West	100,343	117,902	160,462
Adjacent Sime Darby Estates			
East	95,607	98,486	89,053
Dusun Durian	3,201	234	—
Glengowrie	—	9	—
Sepang	—	253	—
Sub-total	98,808	98,982	89,053
OVERALL TOTAL	199,151	216,885	249,515

LOCATION MAP FOR SOU 9

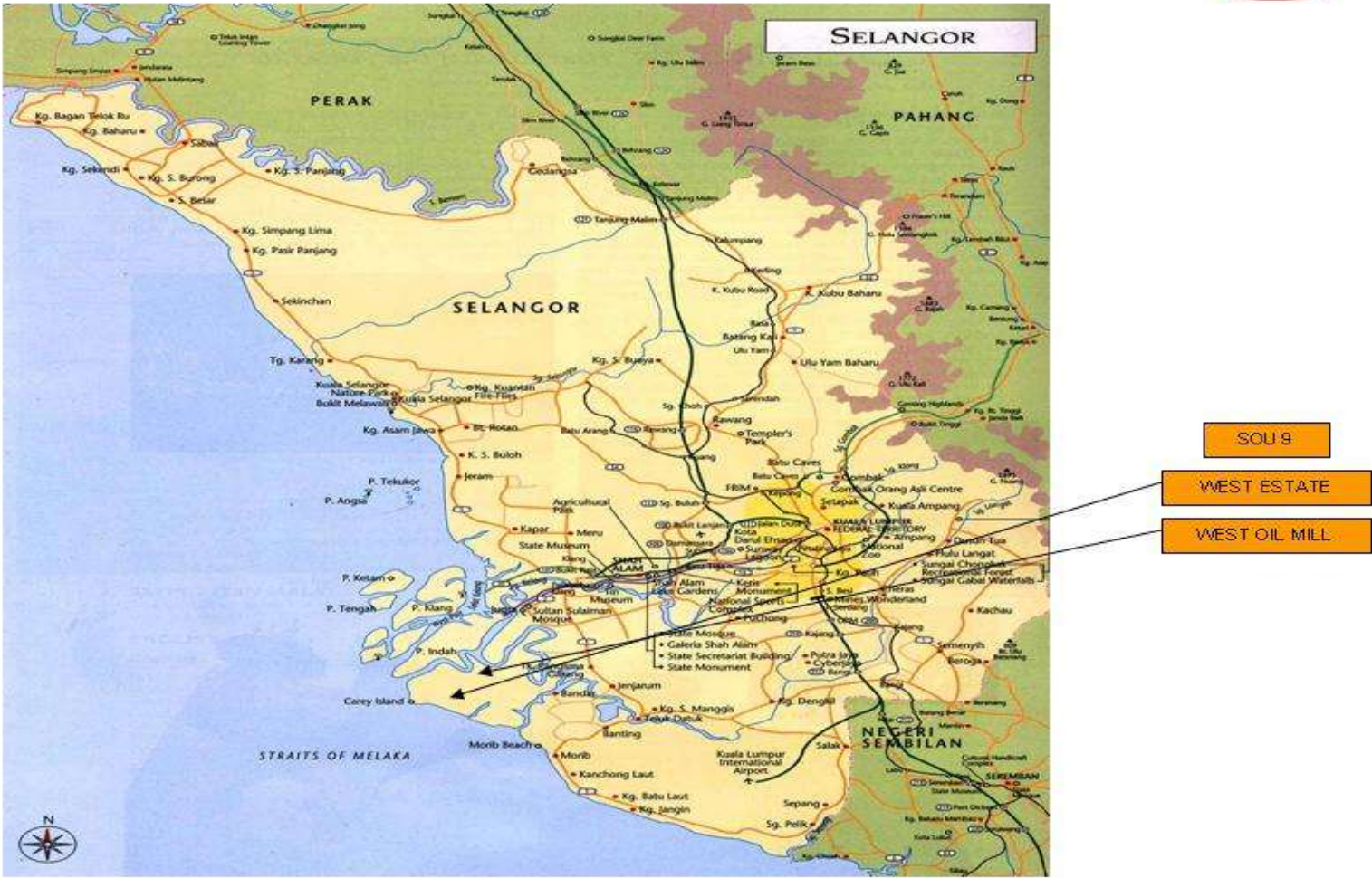


Figure 1: SOU9 Location Map

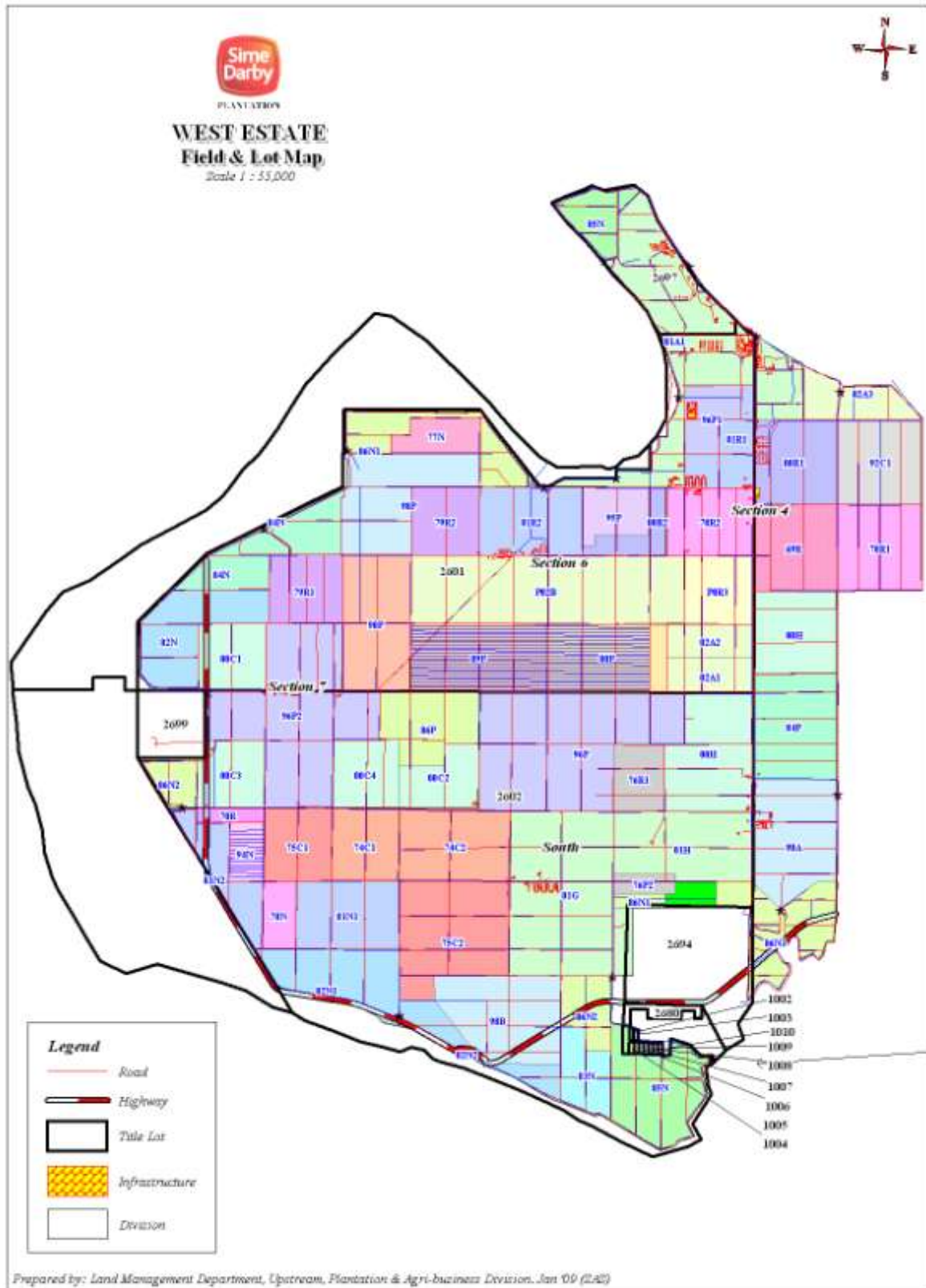


Figure 3: West Estate Layout

The West Estate was developed in the 1940s and planted to rubber and cocoa. Oil palms were first planted in the 1950s and are in the second and third cycle. The age profile of the palms is shown in Table 4a.

Table 4a: Age Profile of SOU9 Palms

AGE (years)	% of PLANTED AREA
0 – 3	8
4-10	45
11 – 20	37
21 – 35	10

The areas planted are shown in Table 4b.

Table 4b: SOU9 Estate and Areas Planted

Estate	Mature (ha)	Immature (ha)	Total
West	4,288	728	5,016

Supply Chain

SOU9 uses the mass balance mechanism for the supply chain. All deliveries of FFB to the Mill are issued with a weighbridge docket that records the details of the supplier, truck registration number, driver's name and the tonnage. The weighbridge system is computerised and the FFB delivery and product despatch records are used as the basis for payment for deliveries and invoicing for shipments, respectively. Inspection of documents confirmed that SOU9 maintains all of the documentation required for verification of implementing the RSPO Supply Chain Certification Standard : November 2011, Mass Balance Mechanism – Refer to Appendix A for details.

1.5 Progress against Time Bound Plan

Sime Darby Time Bound Plan (updated March 2012) is included as Appendix B. Sime Darby has achieved RSPO Certification of all 39 of the Management Units in Malaysia, and 12 of the 23 in Indonesia. Sime Darby has completed the Initial Certification Assessments for the remaining 11 Management Units in Indonesia and the assessment reports are pending review by the RSPO. Upon certification of the remaining 11 Management Units, Sime Darby will have achieved the Time Bound Plan.

BSi has continued involvement with assessments of 14 of the Sime Darby Management Units during the 2011/12 period. During this time, Sime Darby has kept BSi informed of issues and claims made against it, as indicated in Appendix B. At the time of preparation of this Report, BSi is not aware of:

- (1) any unresolved significant land disputes;
- (2) any replacement of primary forest or loss of HCVs;

- (3) any labour disputes that are not being resolved through an agreed process;
- (4) any evidence of noncompliance with any law at any of the landholdings.

BSi considers that Sime Darby meets the RSPO requirements for Partial Certification.

1.6 Progress of Associated Smallholders/ Outgrowers towards RSPO Compliance

West Oil Mill does not process any crop from smallholders or outgrowers.

1.7 Organisational Information / Contact Person

Sime Darby Plantation Sdn Bhd
 Management Unit SOU9
 Carey Island Selangor Malaysia
 Ladang West
 42960 Carey Island
 Selangor Malaysia
 Contact Person: Mr Mohammad Taib Bin Lebai Abu
 Senior Manager West Estate
 Phone: 03-3122 0528
 Fax: 03-3122 0526
 Email: west.Estate@simedarby.com

2.0 ASSESSMENT PROCESS

2.1 Assessment Team Members

Charlie Ross – Lead Assessor RSPO
 B.App.Sc. M.Sc (Env.Studies)
 Lead Auditor EMS RABQSA Cert N^o14370
 Topics assessed: Legal, Environment, Agricultural Practices, Social, Sustainability

Iman Nawireja – Assessor RSPO
 B.Ag.Sc. M.Sc. (Comm)
 Topics assessed: Legal, Environment, Agricultural Practices, Social, Sustainability

Robyn Ross – Social Assessor RSPO
 Topics assessed: Legal, Social, Women and Families, Sustainability

Noryati Hambali – Facilitator (Women and Families)

2.2 Assessment Programme

The ASA2 was carried out 19 and 21 March 2012. The Assessment Programme is included as Appendix C.

The Programme included assessments of West Palm Oil Mill and West Estate against all of the RPSO P&C and applicable indicators, and the Supply Chain for Mills.

The Nonconformities that were assigned and the Observations that were identified during the first Annual

Surveillance Assessment (ASA1) were followed up to check the effectiveness of corrective actions – refer Section 3.3 Page 13.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The ASA2 findings are detailed in Section 3.2 Page 13.

This report is structured to provide a summary for each Principle, together with details for selected indicators. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

Mr Aryo Gustomo, BSi RSPO Scheme Manager, has reviewed this report for conformance with BSi Procedures and the RSPO Certification System requirements.

2.3 Stakeholder Consultation

Internal and external stakeholders were consulted to obtain their views on SOU9 environmental and social performance and any issues of concern that they may have. External stakeholders were interviewed at their premises where practical or they were invited to the Mill or the Estate. Internal stakeholders were interviewed in groups in the workplace or at their housing. Company officers were not present at any of the meetings. A list of stakeholders contacted and interviewed is included at Appendix D.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During this ASA2, no new Nonconformities were assigned. Five (5) Observations/Opportunities for improvement were identified – refer Section 3.2 Page 13 for details.

Review of the nonconformities assigned during previous Assessments found the corrective actions were being effectively and consistently implemented and the nonconformities remain closed. In addition, the Nonconformities that were assigned to Minor Compliance Indicators 4.4.7 and 5.3.2 and the seven (7) observations that were identified during ASA1 were followed up to check the effectiveness of corrective actions. Refer Section 3.3 Page 13 for details.

BSi recommends continuation of Certification for SOU9 as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

SOU9 has maintained its commitment for provision of information to the public on request. SOU9 received

requests for information only from government departments and the responses were found to be done in a timely manner.

Criterion 1.1: Oil palm growers and Millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

The Estate and the Mill maintain separate files for receiving requests for information as well as copies of the responses. The majority of the requests are from Government Departments seeking operational statistical information.

Criterion 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.

Review of policies and documents confirmed these were up to date and SOU9 makes these available to the public on request.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Compliance with regulatory requirements was determined by checking the monitoring and audit results against the Permits held by the company. The Mill Advisor and Plantation Inspector assess legal compliance during internal audits. Inspection of records confirmed that the Mill and the Estate have maintained legal compliance with statutory requirements, such as the Factories & Machinery Act 1967, the OSH Act 1994, the Environmental Quality (Clean Air Regulation) 1978 and the Employment Act 1955. Inspection of a sample of boundary stones confirmed these were clearly marked and maintained. Interview of local community representatives did not identify any land tenure issues.

Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.

The most recent DOSH visit was 13 January 2012 and there are no outstanding actions required. The Mill boiler stack emissions were tested by A&A Scientific Resources Sdn Bhd six-monthly in 2011, with the most recent sampling completed on 07 September 2011. The Mill boiler dust emissions complied with Regulation 25 of the Malaysian Environmental Quality (Clean Air) Regulations, 1978. The boiler smoke density meter was calibrated by LKS (M) Sdn Bhd on 10 January 2012 and inspection confirmed it was operating. Continuous monitoring records confirmed compliance with smoke density regulations. The DOE carried out a visit to the Mill on 28 February 2012 and did not identify any issues requiring attention. Mill effluent is treated in digester tanks then recycled to the palms by land application in furrows. The monthly BOD (Figure 4) complied with the DOE land application licence limit over the past year.

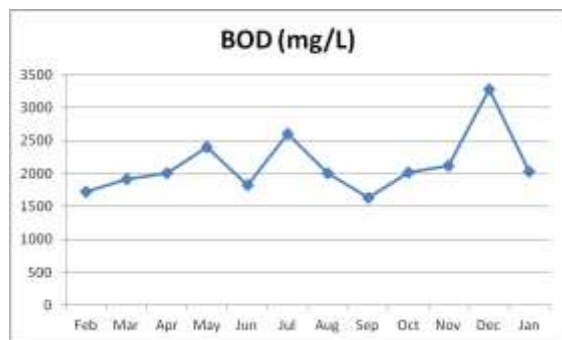


Figure 4: BOD (mg/L) of Treated Mill Effluent February 2011 – January 2012

SOU9 has started a programme for replacing the older housing but this was recently held in abeyance, pending a decision on the construction of a new mill on Carey Island. Drinking water is supplied to housing from the government reticulation system and the quality is suitable for domestic use. Electricity is supplied to housing from the Government system.

The Mill has an extension from Department of Labour for working overtime that expires on 30 November 2013. Inspection of Mill pay records showed that overtime hours worked were consistently within the permitted approval level.

The Mill and Estate hold copies of relevant legislations, eg Pesticides Act, Labour Laws, Industrial Relations Act. In addition, Sime Darby Plantation Sustainability Department maintains an up to date "Legal and Other Requirements Register" that was last updated in November 2011.

Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.

The company operations are on Freehold land. Field inspection confirmed boundary stones are maintained as a concrete marker painted red. Interview of local community representatives confirmed there have been no disputes over SOU9 land boundaries.

Criterion 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.

The SOU9 operations are all on Freehold land, which is undisputed and there are no negotiated agreements.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

Sime Darby has well-established management systems that include regular monitoring and reporting of performance against production, quality and financial targets. The company has a large research department and laboratories located on Carey Island which is adequate demonstration of the commitment to the industry and sustainability. The company also has an

Academy on the island for training graduate cadets and staff.

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

The Estates and the Mill have an annual budget for the current 2011-12 year with projections for three years of production and costs. The replanting programme is reviewed annually, during the budget preparation process, with the last review in June 2011.

PRINCIPLE 4: Use of Appropriate Best Practices by Growers and Millers

The company performance is reviewed through a programme of regular internal audits by Mill Advisors and Plantation Inspectors and Agronomists. The Mill has implemented and maintained ISO 9001 Quality Management System Certification, with the most recent external audit carried out on 22 and 23 August 2011. The Mill OER (Figure 5) has decreased since 2008 due to the emphasis on producing premium quality oil with low free fatty acids, which requires a different ripeness standard. However the FFB yield per hectare has been increasing which has offset the lower OER.

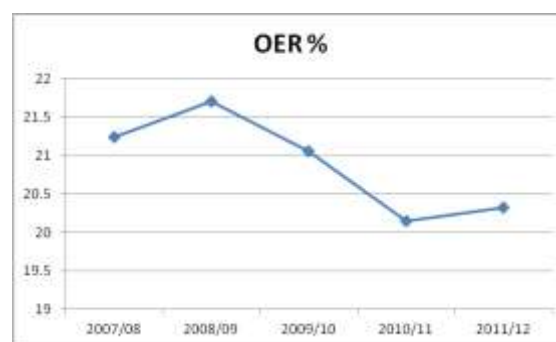


Figure 5: Average Annual Mill OER(%) 2007/08-2011/12

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

West Mill produces Premium Quality oil with FFA<1.2%. This is achieved by processing only FFB. Loose fruits are sent to East oil Mill for processing. The West Mill OER has declined to approximately 20% as a consequence of excluding loose fruits from processing and applying a different ripeness standard since 2009.

The Mill Manager and Assistant Engineers carry out daily checks on Work Instruction implementation. The Mill Advisor carries out inspections approximately six monthly with the most recent 18–20 July 2011. In addition, internal quality management system audits are carried out annually, with the most recent 27–29 December 2011. The Plantation Advisor carries out six monthly inspections together with recommended corrective action. Most recent visit 14-18 February 2012 – report held on file together with Estate Managers

response for implementing improvements. The FFB yield (Figure 6) has increased from 25 t/ha/year in 2007/08 to 28.2 t/ha/year in 2010/11 due to replanted palms reaching maturity and good crop recovery.

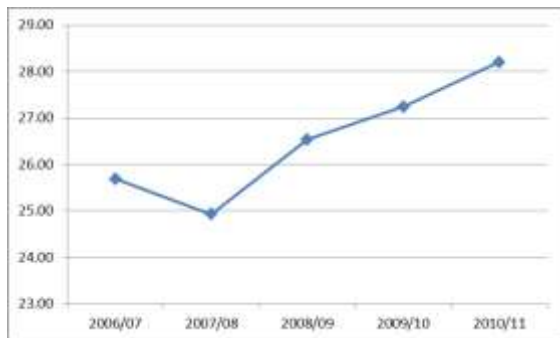


Figure 6: Average Annual FFB Yield (t/ha/yr) 2006 – 2011

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Sime Darby R&D Department carries out visual inspection of palms and leaf tissue sampling each year, with the most recent visit report August 2011. The results are used for assessment of palm nutrition and fertiliser recommendation. Soil sampling was carried out in March 2010 by R&D Department, and the results reported in May that year.

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

Field inspection confirmed the Estate has continued to maintain groundcover vegetation at mature as well as replanted areas through a programme of using rotary slashers for harvesting path maintenance and spraying only palm circles. Estate roads were well maintained and all areas visited were readily accessible.

The company continues to manage the acid sulphate soils by maintaining water levels above the pyrite layer using a system of tide gates, screw gates, sluice gates and weirs. SOU9 achieves consistently good FFB yields from the estate, which is confirmation of the water management program effectiveness.

Criterion 4.4: Practices maintain the quality and availability of surface and groundwater

The Sime Darby R&D Department is collaborating with the Mangrove Research Centre on research associated with mangrove stabilisation of foreshores to prevent erosion. The joint programme has not yet successfully overcome the significant wave action which adversely affects the mangrove establishment rate along the seashore.

West Estate monitors the water quality of outflows from the main drains and tests for pH and conductivity, which are the important parameters for assessment of acidic drainage from acid sulphate soils. The results are entered progressively into a spreadsheet and checked for any significant changes to water quality. Water

monitoring data showed similar quality between drainage water sampled from acid sulphate soil management areas and that sampled from non-acid sulphate soils.

Fresh water is obtained from the Government reticulated water supply and minimising usage is an important cost consideration. Mill water usage is monitored daily and reported monthly against the target of 0.9 t/t FFB. The water usage increased slightly from 0.97 t/t FFB in 2010/11 to 1.04 t/t FFB during the current year due to frequent mill shutdowns.

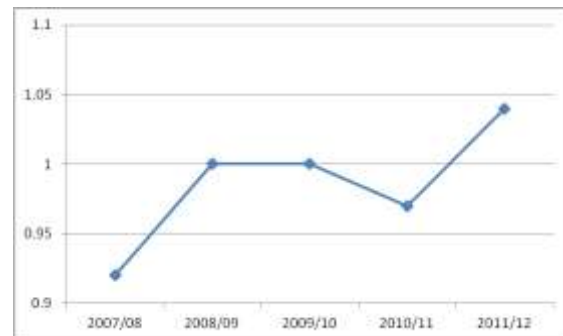


Figure 7: Annual Mill Water Usage (t/t FFB) 2007/08-2011/12

The Estate Water Management Plan involves storage of water in drains during dry periods and release following rainfall and dilution in order to minimise potential effects of acidic drainage. Rainfall runoff from the Mill steriliser and boiler areas is collected and stored in a pond for recycling and use for Mill floor cleaning.

The Mill has a documented Water Management Plan as a component of the Environmental Management Programme and was revised in November 2011. The Plan focuses on the reduction of water consumption and recycling of water.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.

West Estate has continued to implement the IPM program that includes monitoring of pest numbers and the use of triggers for initiation of control measures. The Estate also uses Pheromone traps for control of *Oryctes* in immature palms. The Estate has extensive plantings of *Turnera subulata*, *Cassia cobanensis* and *Antigonon leptopus* along roadsides.

Bagworm is the major palm pest and census is carried out monthly, but more frequently if there is any outbreak. Beneficial plants are being expanded from 10 m to 20 m per hectare to assist with control of bagworm. Census for rat damage is carried out three monthly. Census information is used in relation to triggers to decide whether chemical treatment is necessary.

Pesticide usage and active ingredient per hectare have been calculated since 2007. Methamidophos was used for trunk injection to control an outbreak of bagworm at three blocks, and only 25 ha required treatment.

Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.

SOU9 has followed the Sime Darby policies for management of pesticides, which are based on IPM principles. The Estate obtains approval from the Pesticide Board for the purchase and use of Methamidophos – most recent letter of approval 31 January 2012 (Reference Number SG/METHA(GL)/12/003).

Inspection of the main chemical store and Air Hitam Division Store confirmed that pesticides are stored safely and in accordance with Government regulations.

All chemicals are labelled in Bahasa Malaysia. Work Instructions and safety signage use pictorial symbols to illustrate precautions and safe work practices. Interview of spray operators and observation of spraying confirmed workers understood and were implementing product precautions and safe handling practices. **Observation 01 – Seven of the twelve MSDS were in English and may not be understood by the workers – refer Section 3.2 Page 13.**

Monthly checks for pesticide operators are carried out by a visiting VMO at each division. A CHRA medical surveillance was carried out by Klinik Hartati for all pesticide operators on 20 and 21 June 2011.

The Estate ceased the use of Paraquat in 1990. Inspection of the store confirmed nil stock of Paraquat. Usage of other Class 1 chemicals, such as Methamidophos, is strictly on the basis of pest census

The quantity and area where chemical has been applied are recorded in the daily cost book. Records are held for more than ten years.

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

OSH Policy approved by Top Management April 2011 is displayed prominently at Offices and Muster areas.

A HIRAC has been carried out for all tasks in the Estates and was updated on 22 November 2011.

The Mill carried out an HIRAC for all work stations and tasks and was last updated 11 January 2012. The Mill has a Permit to Work System and Lock-Out-Tag-Out system that includes a risk assessment and safety requirements, including wearing of PPE prior to commencement of any tasks. **Observation 02 – The identification during the audit inspection of a Fall Hazard at the boiler ash storage bunker indicated inadequate attention paid to hazard identification and rectification – refer Section 3.2 Page 13.**

The Estate has prepared an OSHA Training Plan 2011-12. Safety Training for harvesting and FFB collection was

carried out by BAYER for 17 participants on 24 February 2012. The Mill has a documented Training and Awareness Plan 2011/12 to individual worker level. The Mill OSHA Training Plan (2011/12) describes the schedule for safety briefings, training and safety committee meetings. The Mill provides a safety and environmental briefing to contractors at the start of each shift.

Interview of spray operators and observation of tasks confirmed implementation of safe work practices and adherence to product precautions.

Appropriate PPE for each task, for example, Harvester = helmet, sickle cover, gloves, rubber boots; Sprayers = cap, goggles, N95 respirator, nitrile gloves, apron, long sleeved shirt, rubber boots. Appropriate PPE is provided to Mill employees – helmets, safety shoes and ear plugs are compulsory for all workers. In addition, high visibility vests are provided to workers at locations where mobile plant and equipment are used and for those who travel to work by motor cycle or bicycle. The Mill makes checks on wearing of PPE and issues stop work order if noncompliance. **Observation 03 – The wearing of hearing protection at the Mill was not consistent and enforcement is recommended to ensure compliance with company policy – refer Section 3.2 Page 13.**

Two Assistant Managers have been appointed responsible for OSH at the Estate. The Mill Trainee Assistant Engineer is the designated Safety Coordinator.

The Estate holds OSH Meetings quarterly – most recent 24 February 2012, attended by 25 staff, worker representatives and contractors. The topics discussed included safety briefing, action items from previous meeting, accident investigation and training. The Mill holds OSH Meetings quarterly – the most recent was on 10 January 2012, attended by 24 staff and worker representatives.

The Estate Accident and Emergency Procedures include a detailed plan for each Division Office and Housing area for the main emergencies that potentially could occur. Interview of workers and females at housing confirmed they had been trained in emergency procedures, such as fire outbreak.

The Mill has a documented ERP that covers the major emergencies that may occur and was reviewed in January 2012. The Plan includes a description of action to be taken, call out list and a site plan. An emergency drill was carried out on 27 July 2011 for fire, including testing of the fire water pumps. The response time for complete assembly of 5 minutes 30 seconds was longer than the target and corrective actions were developed and implemented for improving the tracking of workers and contractors entering and departing the Mill.

First Aid Training was carried out by the Hospital Assistant on 29 March 2011 for 17 staff and workers from East & West Estates and on 2 April 2011 for 26 Mill staff and workers.

First Aid Kits have been supplied to Estate supervisors. Inspection confirmed stocked First Aid Kits available. There are 7 First Aid Kits located in the Mill and

inspection of a sample confirmed these were appropriately stocked.

The Mill and the Estate maintain records of all accidents, including investigation and follow-up preventive action. Records held on file. The Estate had an LTA on 01 February 2012 due to a falling palm frond.

Malaysian staff and workers are covered by Social Security Organisation (SOCSSO) Insurance. All foreign workers are covered by RHB Insurance under Master Policy D08WFWC8606982KL current to 30/06/2012.

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

The Estate and Mill revise their Training Programme each year for staff and workers using information from a training needs assessment, including safety and quality. Training records are kept of the training course, list of attendees and assessment of their competence and understanding of the training topic.

PRINCIPLE 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity

The Mill Environmental Improvement Plan has focussed on reducing the usage of water. The Estates Improvement Plans included expansion of biological controls, such as barn owls and beneficial plants in the IPM Programme, with the aim of preventing bagworm outbreaks. The Mill has commissioned a biogas plant for generation of electricity for standby power. All Mill and Estate vehicles use biodiesel produced at the Sime Darby Refinery on Carey Island.

Criterion 5.1: Aspects of plantation and Mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

The Estate carried out an EIA using a risk assessment method that was facilitated by Sime Darby Plantation Sustainability Department and revised in January 2011. The Mill reviewed the ISO EMS Aspects and Impacts Register on 12 August 2011.

The Mill and Estate have updated Environmental Improvement Plans (December 2011) with IPM the main priority for the Estate. Two priorities for the Mill are water conservation and sealing the road near the mill entrance to reduce dust, which was completed in November 2011.

Criterion 5.2: The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.

All land within the Estate boundaries was cleared during the early years of development. However part of the Estate is bordered by mangroves, which were assigned HCV 4, while HCV 6 occurs for Orang Asli grave sites. Sime Darby has continued to support the Mangrove Research Centre at West Estate. Sime Darby R&D Department is collaborating with the University of Malaya on research associated with mangrove stabilisation of foreshores to prevent erosion.

The monitoring program is aimed at protecting the mangrove habitat from disturbance and involves daily checks by the water management bund operators.

Signboards prohibiting the disturbance of vegetation, hunting and lighting of fires are located near entrances to the Estate and at mangrove areas. Interview of workers confirmed awareness of the company rules relating to protection of fauna and that information has been communicated to them at Muster briefings.

Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

The Mill and Estate have an Action Plan to improve the separation of wastes at source to reduce the amount needed to be disposed in a landfill. Wastes generally were well controlled at the Mill and the Estate, but control was inconsistent at housing.

DOE licensed contractors are engaged to collect and dispose of pesticide and workshop wastes. West Mill has continued to use contractor (Kualiti Alam Sdn Bhd) DOE Licence Number 000211-000218 issued 28 April 2004 to remove scheduled waste. An example of a recent manifest was 08 February 2012 Serial No 050845-001 for removal of spent lubricant from the Mill. Monthly stock-takes of scheduled wastes were kept up to date, as required under the Environmental Quality Act (1974) and the Environmental quality (Scheduled Wastes) Regulations 2005.

Medical waste is well controlled with clearly labelled "sharps container" and "medical waste storage bags" that are transferred to Clinic Sentosa and records are held on file for the chain of custody of the wastes. Spent lubricating oil was removed by Alvirgo Sdn Bhd on 06 April 2011.

SOU9 has continued to recycle EFB to the field to immature and mature palms. Treated POME is applied to mature palms in furrows. Inspection confirmed land application is well managed. Fibre and nut shell are used as fuel for the Mill boiler, with excess shell sold as fuel.

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.

Renewable and Non-renewable energy use are monitored and reported monthly to top management. A constraint has been the cost of feedwater that is obtained from the government supply. This has had to be balanced against purchasing stand-by electricity from the government supply.

At the time of the site visit, the biogas co-generation plant was not operating due to repair of the effluent digester tank gas containment system. The co-generation plant produces approximately 200 kW of electricity to supplement the Mill supply.

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.

The company has consistently implemented the zero burn policy in relation to the replanting of palms and waste disposal. Felled palms are chipped and placed in a closed end conservation trench for mulching.

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

The Mill constructed a plant to generate electricity from biogas captured from anaerobic digestion of Mill effluent. There have been problems with monitoring and control of the system and the plant has been used only intermittently, producing 200 kW of electricity. When electricity is not being generated, the biogas is flared. The biogas plant reduces the emission of methane and other greenhouse gases associated with anaerobic digestion of Mill effluent. The flaring of biogas reduces the impact of the methane that otherwise would have been emitted.

PRINCIPLE 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

SOU9 has continued to maintain good relationships with employees, contractors and local communities. West has maintained the status quo and allows local people to harvest oil palm on company land which they had overplanted, until the issue is finally settled.

The company has made some improvements for workers' housing and has commenced a programme to replace the older timber houses. The company continues to recognise freedom of association and workers are represented on the Joint consultative committee that meets quarterly and they also can raise issues through their representatives on the Safety committee.

Interviews and inspections of payroll records did not find any evidence of discrimination and there is an active Gender Committee. Interviews of workers and their families indicated they are treated fairly and, similar to previous assessments, there were no issues related to discrimination.

Contractors stated they had a good relationship with the company and that dealings were fair and transparent.

Criterion 6.1: Aspects of plantation and Mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the

positive ones are made, implemented and monitored, to demonstrate continuous improvement.

SOU9 has reviewed and updated the Social Action Plans for the Mill and the Estate and included consultation of internal and external stakeholders. The action plans for the Mill continued to have customer focus, which is related to the quality management system. The Estate concerns were broader and included maintaining good relations with the nearby communities. **Observation 4 – The Mill and Estate Social Action Plans have been reviewed and updated but input from local stakeholders has not been taken into account. The Action Plans could be improved by including more details of the completion of actions from the previous year Plan – refer Section 3.2 Page 13.**

Criterion 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.

Interview of local community representatives confirmed they had a good relationship with the company and communication was adequate. If they have any issues they approach the Mill or Estate Manager informally. The Estate and Mill have kept the list of stakeholders up to date by reviewing contact persons and phone numbers. **Observation 05 – The Mill Complaints Register does not show the actions taken or completion date for addressing the issues raised – refer Section 3.2 Page 13.**

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Enquiry found there was no progress in resolving the overplanting of 1.29 ha of Sime Darby Land by Kampung Sungai Kurau residents. West Estate has maintained the status quo and allows local people to continue to harvest the oil palm in the area until a decision is made by Sime Darby Land Department. SOU9 has continued to follow up the matter with Head Office.

Criterion 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.

The Estate has managed to progress the resolution of the above land issue, but the final settlement is now dependent on the compensation assessment by the corporate land management department of Sime Darby who assess and advise on compensation.

Criterion 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.

Pay and conditions are documented in NUPW/AMESU and MAPA Agreements and inspection of pay records

confirmed payments complied with the current agreements. Similar to previous assessments, interviews of Mill and Estate male and female staff and workers confirmed they understand terms and conditions of employment.

A fair standard of housing is provided for workers and families. In the 2011/12 Financial Year, the Mill has budgeted for construction of 15 units of housing to replace all older houses but finance has not yet been approved. East Estate has approval for the construction of 10 new worker houses 2011/12. A further 10 staff houses have been budgeted 2012/13 but finance has not yet been approved. Water is supplied from the Government reticulation system and is free to all residents. Electricity is from the government supply and workers pay for usage above RM10. Government Primary and Secondary schools are close by – three schools within the Estate – four schools total on the island.

Criterion 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.

The Mill and Estate have continued the practice of maintaining minutes of meetings with Union officials and representatives. SOU9 management held a meeting on 06 March 2012, attended by 13 SOU9 representatives. Issues discussed included deductions, workers' dependents hospital bill reimbursement, clarification on harvester payments, and repairs to workers' quarters.

Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

Age checks are made at the time of hire and confirmed by national ID Card (Malaysia) and by passport (foreign Workers). Similar to previous assessments, no children were observed at any of the locations visited during the ASA2.

Criterion 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.

Similar to previous assessments, interviews of staff and workers and checks of payroll records confirmed there is no discrimination between workers on the basis of ethnicity, religion or gender.

Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

The Gender Committee remains active and, similar to previous assessments, interviews of female Staff and

Workers confirmed awareness of the Sexual Harassment Grievance mechanism but advised they had not had necessity to apply it.

Criterion 6.10: Growers and Mills deal fairly and transparently with smallholders and other local businesses.

The West Mill processes only crop from company owned Estates.

The terms and conditions of contracts are explained to contractors and suppliers before signing. Contracts include requirements to comply with OSHA Act and Environmental Quality Act. Interviews of Contractors confirmed there were no issues and that payments are made in a timely manner.

Criterion 6.11: Growers and Millers contribute to local sustainable development wherever appropriate.

The local communities are well provided with government infrastructure and services, water, electricity supplies, all-weather access roads and schools. The Estate makes contributions to local communities in the form of monetary donations and in kind when requested. For example, funding has been approved to provide the Tamil School with some new computers and also to resurface the main road between the Estate and the school.

Principle 7: Responsible Development of New Plantings

SOU9 has not carried out any new oil palm developments and there are no plans for expansion of plantings. Principle 7 is not applicable to this Assessment.

PRINCIPLE 8: Commitment to Continuous Improvement in Key Areas of Activity

The Mill and Estate have reviewed and updated the Environmental and Social Action Plans to provide targets for performance improvements. Progress has been relatively slow over the past year, following the major improvements made during the process over the past 5 years to implement and achieve RSPO Certification. Small gains continue to be made in relation to the control of point source pollutants as well as in conservation of resources. Social aspects have generally focussed on improving the condition of worker housing and facilities.

Criterion 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.

The Estate has expanded the establishment of beneficial plants as part of the IPM programme for reducing the quantity of pesticides applied. The Use of Class 1 chemicals, such as Methamidophos is tightly controlled and strictly on the basis of pest census information.

The implementation of the biogas plant at the Mill was setback by a lightning strike at the digester tank that resulted in the loss of the membrane due to fire.

The Mill Environmental Management Programme continues to focus on actions to minimise water consumption and to maximise recycling of water from rainwater collection and the effluent treatment plant for use in general cleaning.

The Mill has completed the sealing of the road access to the Mill to reduce dust emission.

The Social Action Plan continued to focus on improvements to worker housing.

3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA2)

No new Nonconformities were assigned during ASA2. Five (5) Observations/Opportunities for Improvement were identified. The progress with the Observations/Opportunities for Improvement will be checked at the next Annual Surveillance Assessment (ASA3).

- 01 (4.6.4)** Seven of the twelve MSDS were in English and may not be understood by the workers.
- 02 (4.7.1)** The identification during the audit inspection of a Fall Hazard at the boiler ash storage bunker indicated inadequate attention paid to Hazard Identification and rectification.
- 03 (4.7.1)** The wearing of hearing protection at the Mill was not consistent and enforcement is recommended to ensure compliance with company policy.
- 04 (6.1.3)** The Mill and Estate Social Action Plans have been reviewed and updated but input from local stakeholders has not been taken into account. The Action Plans could be improved by including more details of the completion of actions from the previous year Plan.
- 05 (6.2.3)** The Mill Complaints Register does not show the actions taken or completion date for issues raised.

Noteworthy Positive Components

- FFB yields have increased to 28.2 t/ha/yr.
- Management and Staff have a good understanding of RSPO requirements as evidenced by compliance with all applicable P&C and Indicators.
- Improved consultation and relations with Internal and External Stakeholders.

3.3 Status of Nonconformities (Major and Minor) Previously Identified

Corrective Actions for the Nonconformity identified during the Initial Certification Assessment (CR01) have been effectively and consistently implemented and the nonconformity remains closed.

CR02: 4.4.7 Evidence of Water Management Plans

A nonconformity was assigned because at the time of the Assessment three leaking taps and two leaking pipes within the Mill indicated inadequate implementation of the Water Management Plan for reducing water usage.

ASA2 Findings: No water leak was found throughout the Mill and all taps had been turned off to prevent water wastage.

The Nonconformity was closed 21/03/2012.

CR03: 5.3.2 Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution.

A nonconformity was assigned because there is inadequate control of Mill boiler ash to prevent it from entering the monsoon drain and discharge offsite into the adjacent field drains.

ASA2 Findings: The Mill had concreted the roadway between the boiler and the product despatch area; concreted a drain along the length of the driveway and installed sediment traps to prevent discharge of ash into the nearby field drains.

The Nonconformity was closed 21/03/2012

Review of Progress with Observations/ Opportunities for Improvement Identified (during ASA1)

- 01 (4.6.3)** There was inadequate marking of 20 Litre pesticide containers used for transporting pre-mixed spray into the field.

ASA2 Findings: The pesticide containers used for spraymix were clearly marked.

- 02 (4.7.1)** At the Mill workshop a damaged face shield was available for use for electric arc welding. When this was pointed out, it was removed immediately and replaced with a new face shield from the central store.

ASA2 Findings: At the Mill workshop only a face shield in good condition was being used.

- 03 (5.2.2)** No progress was reported on the development of a site-specific programme for monitoring mangroves. The establishment of "photo-point" monitoring was discussed as a method of recording changes along the shoreline, particularly relating to erosion.

ASA2 Findings: Mangrove Research Centre advise on method used for monitoring.

- 04 (5.3.2)** Although colour-coded bins are available for recycling, the continued disposal of all refuse at the landfill indicates lack of awareness and commitment to implement segregation at source.

ASA2 Findings: Bins checked within the Mill were found to have the wastes separated correctly by type of waste. A new landfill has been developed and materials appeared well controlled.

05 (5.6.1) The West Estate Central Workshop needs minor improvements of the washdown bay for trapping sediment.

ASA2 Findings: *Inspection confirmed sediment controls have been implemented.*

06 (6.1.3) SOU9 has not updated the Social Action Plan to include specific responsibilities for improvement.

ASA2 Findings: *The Mill SIA Action Plan has been updated and includes the detailed action required, Person Responsible and Completion Date.*

07 (6.5.3) At the Mill housing, drainage repairs had not been carried out at Block "C" and workers had complained that their houses flooded during heavy rain. A Nonconformity was initially issued but Management advised that construction of Block "B" houses has recently been completed and was awaiting approval for handover and the residents will then be moved immediately from block "C".

ASA2 Findings: *Drainage ditches have been excavated to control rainfall runoff. Interview of residents indicated there was no more flooding during high rainfall periods, for which they were very thankful. The older houses that flooded during high rainfall periods have been demolished and residents relocated to other houses.*

The Assessment Team concluded SOU9 had implemented appropriate and effective improvements for each of the Observations identified during ASA1.

3.4 Issues Raised by Stakeholders

The issues raised by stakeholders during ASA1 were followed up during this Assessment and found to have been actioned appropriately by the company.

Stakeholders interviewed during ASA2, both internal and external, had mainly positive comments. Issues raised during the interview process and the Company's response are detailed below.

During interview of Mill workers, a foreign worker asked why local workers received the additional RM200 each month but the foreign workers received a lump sum payment annually.

Company Response: *Workers will be advised how calculation of payment is made.*

A foreign worker asked why his claim for compensation for an accident he had in October 2011 was still outstanding.

Company Response: *Mill will continue to follow up with Head Office and advise worker accordingly.*

Follow-up of the above issues will be carried out during ASA3.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Surveillance Visit

The next Surveillance Assessment (ASA3) will be scheduled within twelve months of RSPO approval of continuation of Certification.

4.2 Date of Closing Nonconformities (Major and Minor)


Table 5: Status of Nonconformities

CAR	CLASS	ISSUED	CLOSED
CR01 5.3.2	Minor	28/01/2009	08/04/2011
CR02 4.4.7	Minor	08/04/2011	Closed 21/03/2012
CR03 5.3.2	Minor	08/04/2011	Closed 21/03/2012

4.3 Sign-off of Surveillance Assessment Findings

SOU9 acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings. SOU9 accepts the responsibility for implementing the corrective actions and addressing the opportunities for improvement detailed in the Assessment Report.

Signed for on behalf of
Sime Darby Plantation Sdn Bhd (SOU9)



.....
Mr Mohammad Taib Bin Lebai Abu
Manager West Estate

Date: 24 April 2012

Signed for on behalf of
BSi Group Singapore Pte Ltd



.....
Mr Charlie Ross
Lead Auditor

Date: 25 April 2012

Appendix “A”

Supply Chain Assessment

APPENDIX A – SUPPLY CHAIN ASSESSMENT REPORT – SOU9 – MASS BALANCE**WEST OIL MILL****Certified Mill Production – 01 March 2011 – 29 February 2012**

MILL	CAPACITY	CPO	PK
West	50 t/hr	44,093	10,356

Sales of Certified Mill Products – 01 March 2011 – 29 February 2012

MILL	CPO	PK
West	44,093	10,356

**Sales of Certified CPO
from 01/03/2011 to 29/02/2012**

Company	Tonnes
Golden Jomalina Food Industries Sdn Bhd	44,093
TOTAL	44,093

**Sales of Certified PK
from 01/03/2011 to 29/02/2012**

Company	Tonnes
Sime Darby Kernel Crushing Plant, Carey Island	10,356
TOTAL	10,356

Certified FFB Received Monthly - 01 March 2011 – 29 February 2012

MONTH	WEST	EAST	SEPANG	DUSUN DURIAN	GLENGOWRIE	TOTAL FFB/ MONTH
Mar	9,794.30	8,795.62	-	-	-	18,589.92
Apr	9,425.96	9,218.23	82.03	14.18	-	18,740.40
May	10,955.53	8,870.97	83.67	122.87	-	20,033.04
Jun	10,662.17	8,712.21	-	-	-	19,374.38
Jul	11,473.83	9,301.58	-	-	-	20,775.41
Aug	10,102.49	7,949.46	9.57	47.93	-	18,109.45
Sep	11,559.19	9,017.41	-	-	-	20,576.60
Oct	10,252.30	8,761.86	-	-	-	19,014.16
Nov	9,360.14	7,675.91	-	-	-	17,036.05
Dec	8,349.69	6,632.18	78.03	49.02	9.41	15,118.33
Jan	7,689.67	6,696.28	-	-	-	14,385.95
Feb	8,277.13	6,853.80	-	-	-	15,130.93
OVERALL TOTAL	117,902.40	98,485.51	253.30	234.00	9.41	216,884.62

Certified Company Details

Sime Darby Plantation Sdn Bhd
Management Unit SOU9
Carey Island Selangor Malaysia
Ladang West
42960 Carey Island
SELANGOR MALAYSIA

Contact Person: Mr Mohammad Taib Bin Lebai Abu
Manager West Estate
Phone: 03-3122 0528
Fax: 03-3122 0526
Email: west.Estate@sime-darby.com

RSPO Membership No: 035-04(O)

RSPO Supply Chain Certification System for Sime Darby Plantation (SDP)

No	Business Unit	RSPO SCCS Certification Y/N	Trading Option	Certification Body	Date of Certification
1	Unimills B.V., Netherlands	Yes	SG, MB	Control Union (CUC)	Interim self assessment in Mac 2009. Certified by CUC on 28 June 2011
3	SD Biodiesel, Malaysia	Yes	SG, MB	SIRIM	Interim self assessment in Mac 2010. Certified by SIRIM on 25 March 2011
4	SD Jomalina, Malaysia	Yes	SG, MB	SIRIM	Certified on 10 March 2011
5	SD Kempas, Malaysia	Yes	MB	SIRIM	Certified on 19 Aug 2011
6	SD Austral, Malaysia	In Progress	MB	SIRIM	Awaiting Certification by CB. Main Assessment carried out in Feb 2012.
7	NURI Edible Oil Refinery, Malaysia	In Progress	MB	SIRIM	Awaiting Certification by CB. Main Assessment carried out in Jan 2012.
8	NURI Edible Oil Kernel Crushing Plant, Malaysia	In Progress	SG, MB	SIRIM	Awaiting Certification by CB. Main Assessment carried out in Jan 2012.

Certification Body Details

BSi Group Singapore Pte Ltd
 (Co. Reg. 1995 02096-N)
 3 Lim Teck Kim Road #10-02
 Genting Centre
 SINGAPORE 088934

Contact Person: Mr Aryo Gustomo
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Summary

A Supply Chain assessment was made at West Oil Mill that is owned and operated by Sime Darby. The assessment included site visits to West Oil Mill and the West Estate, review of records and interviews of staff. The assessor concluded SOU9 has implemented an appropriate management system for controlling the purchase of certified FFB, processing of same and sales of certified CPO and PK. SOU9 maintains adequate records for confirming compliance with the RSPO supply Chain requirements for Mass Balance and staff were able to demonstrate an appropriate knowledge of the requirements.

Conclusion

The SOU9 management system and records meet the requirements of the RSPO supply chain requirements, November 2011 for the Mass Balance mechanism.

Certificate Details

Background to the Report

(a) Report authors

Assessor

Mr Charlie Ross, BSi RSPO Lead Auditor

CB Management Representative

Mr Aryo Gustomo, BSi RSPO Scheme Manager

(b) Previous assessments *Not Applicable*

(c) On-Site Visits

Visit Itinerary

Monday 19 March 2012 – West Oil Mill – Opening Meeting held at Mill Meeting Room; Weighbridge Station; examined weighbridge records; daily records of FFB deliveries, CPO and PK production; CPO Bulk Tank and PK Silo records; shipments of CPO and PK. Closing Meeting 21 March 2012.

People consulted: Mohd Khairudin bin Idris (Mill Manager); Amir Muslimin bin Mohamed (Assistant Engineer); Mohammed Razif bin Sulaiman (Assistant Engineer); Weighbridge Operator.

Scope

The scope of the assessment covered the West Oil Mill and the supply base of Sime Darby owned Estates. The Supply Chain mechanism used is Mass Balance. The SOU9 operations were assessed against the RSPO Supply Chain Standard : November 2011 requirements for Oil Mills and Mass Balance.

Description of Operation's Management System

SOU9 uses the mass balance mechanism for the supply chain. All deliveries of FFB to the Mill are issued with a weighbridge docket that records the name of the supplier, truck registration number, driver's name and the tonnage. The weighbridge system is computerised and delivery records are used as the basis for payment for FFB deliveries. A sample of weighbridge dockets was checked at the Mill against the summaries of FFB deliveries from each Sime Darby Estate supply source. This confirmed the details of the source and quantity of FFB were recorded accurately and could be verified by tracking. The source of the FFB can be traced back to the Estate and the oil palm block from which it was harvested. The Mill summarises and reports daily to Sime Darby Head Office: the quantity of FFB received from the Estates; the tonnage of FFB processed; the tonnages of CPO and PK produced; shipment tonnages; and the quantities of materials held in storage. The Mill and Estates also report the above quantities monthly to Sime Darby Head Office.

Checks of records confirmed 100% of the RSPO Certified CPO produced by the West Mill during the preceding 12 months (01 March 2011 – 29 February 2012) was sold to the Sime Darby owned Golden Jomalina Food Industries Sdn Bhd Refinery. During the same period, 100% of the RSPO Certified PK produced by the West Mill was sold to the Sime Darby owned Kernel Crushing Plant at Carey Island. Inspection of documents confirmed that SOU9 maintains all of the documentation required for supply chain verification (RSPO Supply Chain Standard November 2011).

Certified Volume Purchased and Claimed

The following certified FFB material was received from SOU9 and Sime Darby Estates during the 01 March 2011 – 29 February 2012 year and processed at West Mill: 216,884.62 t/FFB

Main Report Details

1. Documented procedures

- 1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:
- Complete and up to date procedures covering the implementation of all the elements in these requirements. *Complies – Procedures are current and include all elements of the Supply Chain for controlling the receipt, sale and dispatch of palm products. For example, SPMS: 2012 Draft/ Appendix 15 - Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System.*
 - 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 facilities procedures for the implementation of this standard. *Complies – The Mill Manager has responsibility for the Supply Chain aspects of FFB receipts, processing and shipping of palm products. Interview confirmed their knowledge of the RSPO Supply Chain requirements for the respective areas of the operations.*
- 1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFB. *Complies – the Mills Weighbridge SOP covers the receiving of FFB and recording details of the Supplier and Transporter. All deliveries of FFB are subject to verification of documentation and quality checks. For example, MQMS/V1:2008/Level 3/Standard Operating Procedure/Station No. 1/Reception Station/1.3.1:Weighbridge MQMS/V1:2008/Level 3/Standard Operating Procedure/Section V:Introduction/Crop Quality Standards.*

2. Purchasing and goods in

- 2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received. *Complies – the Mill records tonnages received at the weighbridge and these are reported daily to Head Office.*
- 2.2 The facility shall inform the CB immediately if there is a projected overproduction. *Complies – the company has a mechanism for advising the CB of production variations, which are monitored internally.*

3 Record keeping

- 3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements. *Complies – Inspection of records at the Mill confirmed these were updated daily.*
- 3.2 Retention times for all records and reports shall be at least five (5) years. *Complies – Records are archived and stored for > 5 years.*
- 3.3
- The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. *Complies – these are updated monthly and reported to Head Office.*
 - 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. *Complies*
 - The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short. *Complies*
- 3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated. *Complies – The company uses the prefix MB on the Product Code.*
- 3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement. *Complies – The company has signed contracts with Kernel Crushing Mill.*

4. Sales and good out

- 4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:
- The name and address of the buyer;
 - The date on which the invoice was issued;
 - A description of the product, including the applicable supply chain model (Segregated or Mass Balance)
 - The quantity of the products delivered;
 - Reference to related transport documentation.

Complies – all of these items (a-e) are included in the company's invoices to buyers

5 Training

- 5.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems. *Complies – The company maintains records of training. Interviews of Mill Staff and Sales Staff confirm knowledge of the Supply Chain requirements.*

6 Claims

- 6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims. *Complies – To the best of the Assessor's knowledge, the company has not made claims outside of the RSPO rules for Communications and Claims.*

Appendix “B”

Sime Darby Time Bound Plan

RSPO Certification Timebound Plan for Sime Darby Plantation (SDP)

Financial year (July – June)	Targeted	Achieved
June 2008	5 SOUs	Sime Darby Plantation has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment.
2008/2009	20 SOUs (from Malaysia and Indonesia)	
2009/2010	20 SOUs (from Malaysia and Indonesia)	
2010/2011	17 SOUs (from Malaysia and Indonesia)	

As of March 2012, RSPO Certification status in Sime Darby Plantation are as follow:

- I. CSPO: To date (as of 1st March 2012) 51 SOUs have been certified with RSPO (39 Malaysian SOUs and 12 Indonesian SOUs).
- II. RSPO Certified volume as of 1st March 2012: 1,830,674 mt of CPO production claimed & 434,063 mt of kernel production claimed.

Status	Malaysia	Indonesia	Total	Remarks
Certified	39	12	51	• All SOUs in Malaysia have been certified.
RSPO EB Review	0	11	11	• Pending review by RSPO EB.
Assessed/Audited	0	0	0	
Total SOUs	39	23	62	

There were several claims made by NGOs against Sime Darby Plantation (SDP) operations, and SDP has responded to their claims respectively as the media releases and updates as follow:

i) Sime Darby's Response to New York Times Article (Jan 2012)

http://www.simedarbyplantation.com/Sime_Darby's_Response_to_New_York_Times_Article_.aspx

ii) False and Inaccurate Reports on Liberian Operations (Feb 2012)

http://www.simedarbyplantation.com/False_and_Inaccurate_Reports_on_Liberian_Operations.aspx

iii) Sime Darby Plantation's Response To Oxfam's Press Release (Oct 2011)

http://www.simedarbyplantation.com/Sime_Darby_Plantation's_Response_To_Oxfam's_Press_Release.aspx

iv) Complaints by Forest Peoples Programme on New Planting Procedure, Liberia (Oct 2011 – Feb 2012)

Further to a bilateral discussion with the complainants held at site on 17th Dec 2011, the local communities have written a withdrawal letter to RSPO, for SDPL to proceed with any work in Stage III Gbarpolu areas, an official notification from RSPO is sent to complete the said NPP. Sime Darby is progressing with the Stage III new plantings including land development covering 20,000 ha in Gbarpolu County, Rep of Liberia.

Appendix “C”

ASA2 Programme

ASA2 Programme SOU9 – 19 and 21 March 2012

TEAM: CR: Charlie Ross; RR: Robyn Ross; IN: Iman Nawireja; NH: Noryati Hambali

DATE	TIME	ACTIVITY	CR	RR	NH	IN
Monday 19 March 2012	AM	Opening Meeting	√	√	√	√
		Mill Documentation including Supply Chain & Weighbridge	√			
		Interview Contractors/External Stakeholders	√		√	
		Interview Female Office Staff/Workers		√	√	
		Review Pay Documentation		√	√	
	TEAM 1 WEST MILL	PM	Inspect Mill, Effluent Ponds, Landfill, Land Application, Workshop, Stores	√		
		Visit Clinic Interview Staff		√	√	
		Inspect Mill and Estate Housing Interview Residents		√	√	
		Closing Briefing				
TEAM 2 WEST ESTATE	AM	Inspect Estate including any Buffer Zones				√
		Interview Male Fieldworkers				√
		Inspect Workshop, Stores, Landfill				√
		Interview Contractors/External Stakeholders				√
	Inspect Housing				√	
	PM	Estate Documentation				√
		Visit Local Communities associated with both Mill and Estate				√
		Closing Briefing				
Wednesday 21 March	PM	Contact Government Offices DOSH, DOE, Labour Department, NUPW Regional Office, AMESU, NGOs (SOU8 and SOU9) Combined Closing Meeting SOU8 and SOU9				√

Appendix “D”

List of Stakeholders Contacted

LIST OF STAKEHOLDERS CONTACTED SOU9

<p>Internal Stakeholders</p> <p>14 Local and Foreign Male Mill Workers 6 Foreign Male Harvesters 5 Foreign Male Pesticide Operators</p>	<p>Internal Stakeholders</p> <p>7 Female Mill Staff/Workers 3 Residents (Mill Housing) 11 Residents (West Estate Housing)</p>
<p>Contractors</p> <p>Mill FFB Transport Contractor Mill Engineering Contractor Mill Equipment Supplier Estate FFB Transport Contractor Estate General Contractor</p>	<p>Local Communities</p> <p>Kampung Sungai Bumbun Representatives Kampung Kepau Laut Representatives Kampung Sungai Rambai Representatives</p>
<p>Government Departments</p> <p>Department of Labour Lands and Survey Department</p>	<p>NGOs and others</p> <p>AMESU NUPW, Selangor</p>