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PUBLIC SUMMARY REPORT

RSPO ANNUAL ASSESSMENT (ASA 2)

**Sime Darby Plantation Sdn. Bhd.
Management Unit SOU 7 – Bukit Kerayong Palm Oil Mill
Selangor, Malaysia**

Report Author:

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SUMMARY

BSi has conducted the Second Annual Assessment (ASA 2) of Sime Darby Plantation Sdn Bhd, Strategic Operating Unit 7 (SOU 7): Bukit Kerayong Certification Unit located in Jeram, Selangor, Malaysia comprising one mill, three company owned estates, support services and infrastructure. BSi concludes that Bukit Kerayong Palm Oil Mill and three supply base estates comply with the RSPO requirements [RSPO P&C MYNI 2010; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance Assessment; and Supply Chain Certification Standard: November 2011, Module D – CPO Mills: Segregation]

BSi recommends the approval of Bukit Kerayong Certification unit's operations as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS USED

ASA1	Annual Initial Assessment 1
ASA2	Annual Initial Assessment 2
BOD	Biological Oxygen Demand
CAR	Corrective Action Request (for nonconformity)
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
PK	Palm Kernel
PPE	Personal Protective Equipment
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 IDENTITY OF CERTIFICATION UNIT

The Bukit Kerayong Palm Oil Mill and estates are located at Jeram, Selangor, Malaysia. Figure 1 shows Bukit Kerayong Estate map with location of the Bukit Kerayong Palm Oil Mill and neighbouring entity. Figure 2 shows the Bukit Cheraka estate field map. These are the two sampled estates assessed during the second annual surveillance assessment. The GPS location and processing capacity of the mill is shown in Table 1 below.

Table 1: Mills GPS Locations

MILL	EASTING	NORTHING
Bukit Kerayong Capacity: 30mt/hour	101° 22'36.66" E	3° 11' 24.58"N

1.2 PRODUCTION VOLUME

The production tonnages for CPO and PK for the previous two financial years and projected tonnage for the next 12 months for the period covering April – March are listed in Table 2 below. The period April – March was reported to ensure that the production data reporting is similar to the reporting during the certification assessment and ASA1.

TABLE 2: PRODUCTION TONNAGES

Bukit Kerayong Mill	CPO	OER	PK	KER
Actual at Certification April '11 – March '12	31,707	19.58	9,117	5.63
Estimate at ASA 1 April '12 – March '13	32,960	20.18	8,979	5.50
Actual at ASA1 April '12 – March '13	31,026	20.03	8,377	5.40
Projected at ASA2 April '13–March '14	30,256	20.00	8,320	5.50

1.3 CERTIFICATION DETAILS

Sime Darby RSPO Membership No: 1-0008-04-000-00
BSI RSPO Certificate No: SPO 550181
Initial Certification Assessment Date: 28 - 31 July 2009
Date of Certification: 15 April 2011
Date of ASA1: 13 -14 April 2012
Date of ASA2: 19 – 22 February 2013

1.4 DESCRIPTION OF SUPPLY BASE

The supply base consists of FFB from three company owned estates (Bukit Kerayong, Bukit Cheraka and Elmina estates). These estates were developed to oil palm in 1916 and the palms are in their third cycle. The projected FFB production from the Bukit Kerayong Certification Unit's supply base estates for the period April 13 - March 2014 is listed in Table 3 below. The actual FFB for 2012/2013 reduce about 5% compare to the estimate. This is due to old palm were replanted. The projected FFB productions for April 2013- March 2014 slightly reduce to anticipate the immature palms in each estate. It is also noted that Sime Darby's certified adjacent estates, Bukit Talang and Sungai Buluh (Certificate No. C819142CU-RSPO-01.2011) sometimes deliver certified FFB to Bukit Kerayong Mill. Segregated supply chain model is applicable to the palm oil mill and incoming documents were verified.

Table 3: Estate FFB Tonnages Processed

Source	Actual 2011/2012 (Certification)	Estimate (ASA1) 2012/13	Actual 2012/13	Projected 2013/14
1. Bukit Kerayong	47,311	38,275	48,450	36,824
2. Bukit Cheraka	78,570	85,134	72,199	81,478
3. Elmina	35,812	39,848	34,196	32,980
*Adjacent Certified Sime Darby Estate	199	-	76	-
TOTAL	161,892	163,257	154,921	151,282

Note: * Segregated Certified source (Certificate No. C819142CU RSPO.01.2011). No out-grower, smallholder or non-certified source.

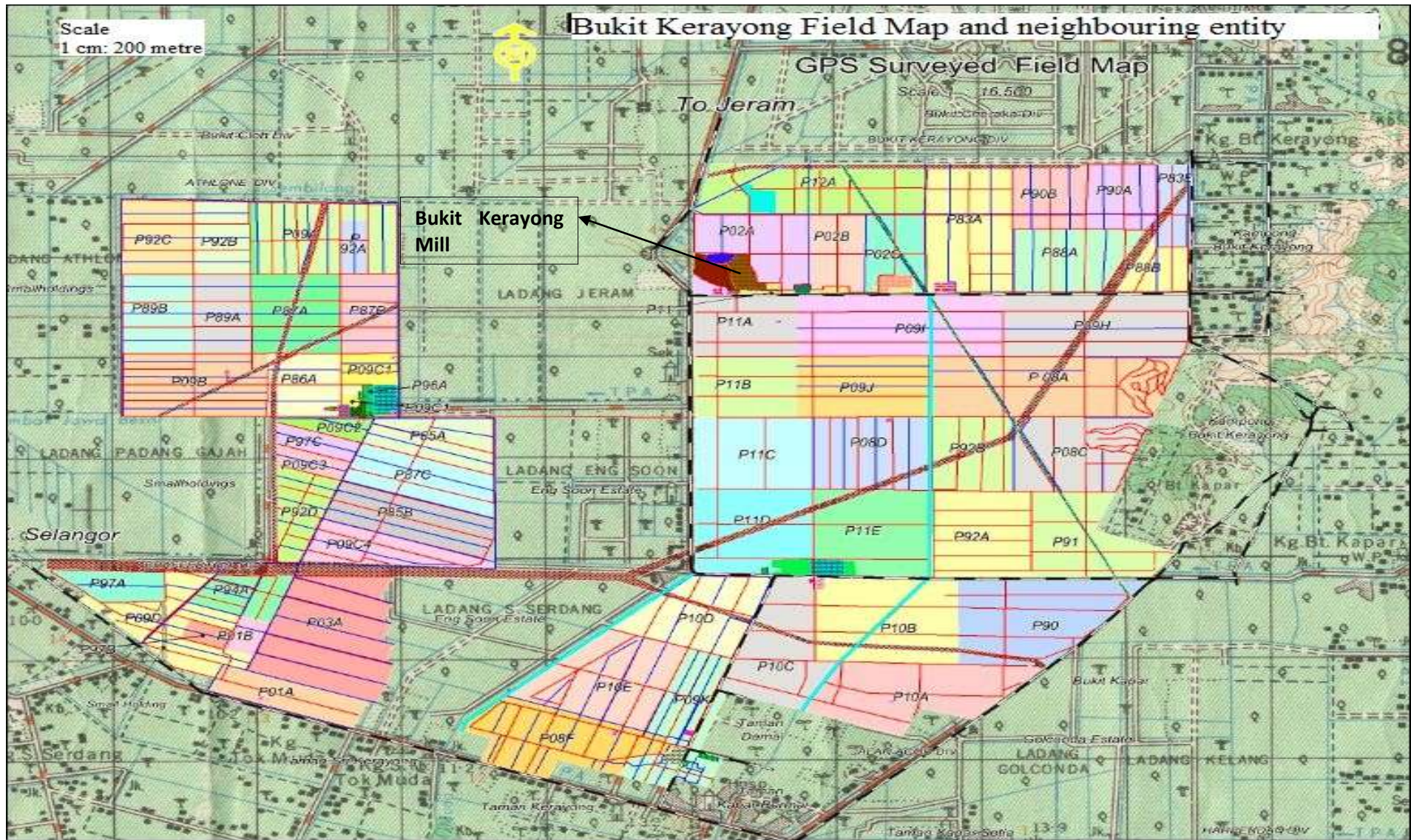


Figure 1: Bukit Kerayong Estate map shows the location of the mill and neighbouring entity.

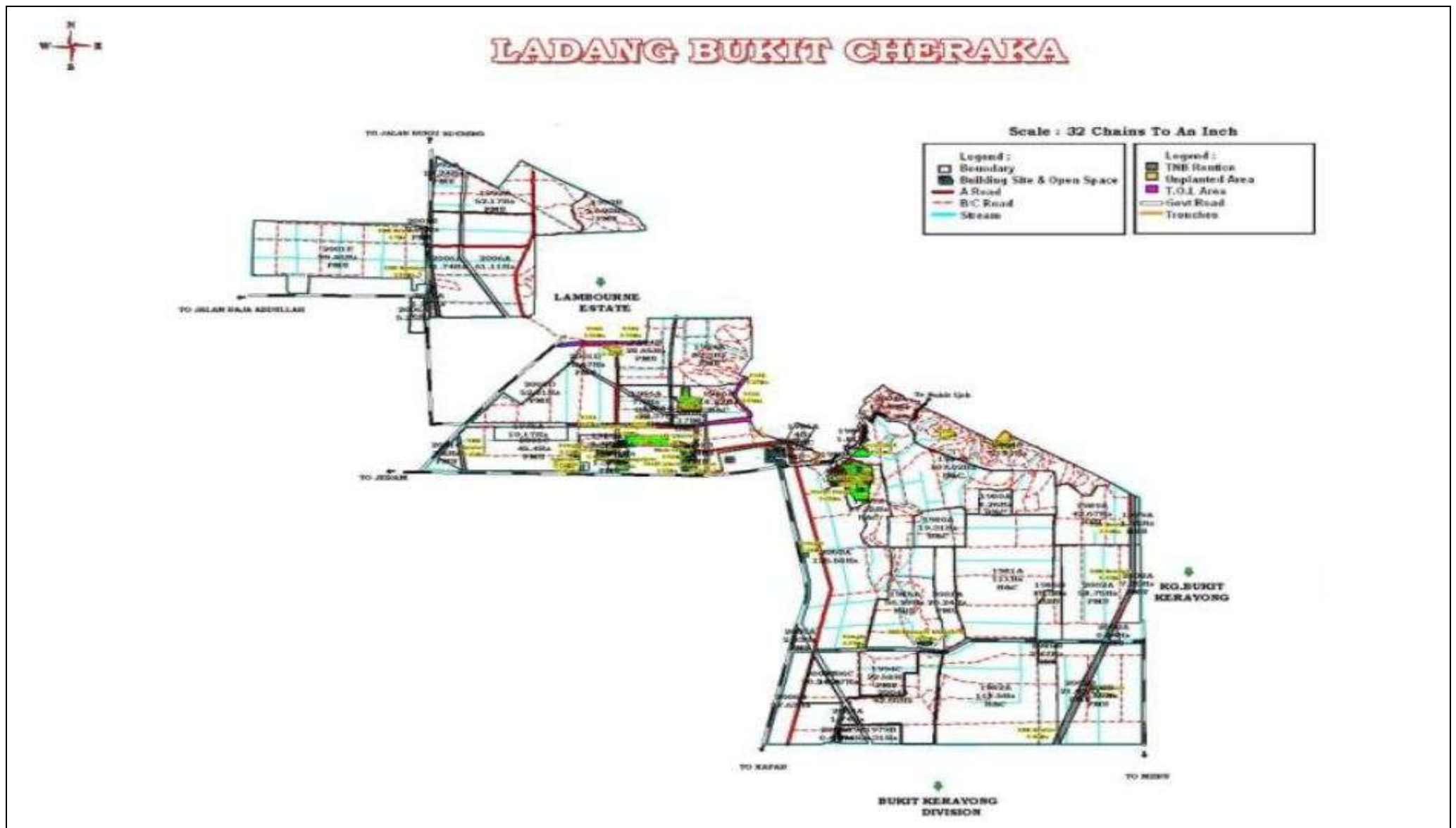


Figure 2: Bukit Cheraka Estate field map.

The age profile of the palms is shown in Table 4a. All the estates has immature palm below 3 years old due to the replanting activities.

Table 4a: Age Profile of Palms

Estate	Estate and % of Planted Area		
	Bukit Kerayong	Bukit Cheraka	Elmina
Age (years)			
0 – 3	37	15	11
4 – 8	24	22	22
9 – 14	8	36	14
15 – 18	2	14	9
19 – 25	22	12	23
Above 25	7	1	21
TOTAL	100	100	100

The areas of mature and immature palms are detailed in Table 4b for each of the estates. It was noted that Bukit Raja Estate was included under the management of

Table 4b: Estates and Areas Planted

Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)
Bukit Kerayong	2,920	884	3,804
Elmina	2,274	225	2,499
Bukit Cheraka	2,950	536	3,486
TOTAL	8,144	1,645	9,789

Supply Chain

Bukit Kerayong palm oil mill uses the segregated supply chain model for the entire certified palm products (CPO and PK). All deliveries of FFB to the Mill are issued with a weighbridge ticket which records the details of the supplier, truck registration number, driver's name, the tonnage and verified the source whether from certified source by referring to the certified supply base details. Similarly all the outgoing certified palm products are indicated as certified and Segregation is written on the weighbridge ticket as well. The weighbridge system is computerized and the FFB delivery and product dispatch records are used as the basis for payment for deliveries and invoicing for shipments, respectively. Inspection of documents confirmed that Bukit Kerayong mill maintains all the documentation required for verification of implementation of the RSPO Supply Chain Certification standard: November 2011 CPO Mills – Module D: Segregation. Refer to Appendix E for details of assessment.

1.5 Progress against Time Bound Plan

Sime Darby Time Bound Plan is included as Appendix A. Sime Darby has achieved RSPO Certification for 34 of the Management Units in Malaysia and 19 in Indonesia. There are two management units in Malaysia will undergo RSPO initial Certification due to newly commissioned mills. There are 6 certification units in Indonesia was audited and summary report is being

RSPO peer reviewed. Upon certification of the remaining Management Units, Sime Darby will have achieved the Time Bound Plan.

Recently Sime Darby communicated that SOU 19 Nordanal Mill and SOU 25 Segaliud mill was decommissioned. However, a new palm oil mill was commissioned, Pagoh Palm Oil Mill and included in the Time Bound Plan. The Pagoh Certification Unit will be using SOU 19. Sime Darby is planning to conduct the initial certification assessment in June 2013.

BSi has continued involvement with assessments of Sime Darby Management Units during the 2012/13 period. During this time, Sime Darby has kept BSi informed of any issues and claims made against it. At the time of preparation of this Report, BSi is not aware of:

- Any unresolved significant land disputes;
- Any replacement of primary forest or loss of HCVs;
- Any labour disputes that are not being resolved through an agreed process;
- Any evidence of noncompliance with any law at any of the landholdings.

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

1.6 Organizational Information / Contact Person

Sime Darby Plantation Sdn. Bhd.,
Bukit Kerayong Palm Oil Mill,
Management Unit SOU 7,
Ladang Bukit Cheraka,
45800 Jeram, Selangor, Malaysia.

Contact Person: Mr. Anuar bin Zakaria
Title: Manager, Bukit Kerayong Palm Oil Mill
Phone: 03-32647144
Fax: 03-32647666
Email: anuar.zakaria@simedarby.com

1.7 Progress of Associated Smallholders/Out growers towards RSPO Compliance

There is no any associated smallholder or out-growers within the Bukit Kerayong Certification Unit's supply base.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

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BSi is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi provides independent, third-party certification of management systems. BSi has a Regional Office in Singapore, and an Office in Kuala Lumpur, Jakarta and Bangkok.

2.2 Qualifications of the Lead Assessor and Assessment Team

Senniah Appalasmay - Lead Assessor

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training and Sustainability Report Assurance (SRA) Assessor Training. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

Isman Yusoff – Team member

He holds Executive MBA from University Technology Mara and a degree in Electrical Engineering from University of Missouri, USA. He worked as an ISO 9001 Lead Auditor with SIRIM and as an ISO 9001, ISO 14001 and OHSAS 18001 Lead Auditor with Det Norske Veritas (DNV) for the past 6 years. He is also experience in Bio Mass CDM Projects. Currently he is a Lead Auditor with BSi for ISO 9001, ISO 14001 and OHSAS 18001. Isman Yusoff attended RSPO internal training on September 2012. He attended RSPO Certification Body workshop on October 2011, February 2012, June 2012 and Supply Chain Training organised by RSPO Secretariat on February 2012. He has involved in auditing palm oil mills as well as wood industries. He has been involved in RSPO assessment since September 2012 as a team member covering assessment with RSPO P&C in Malaysia. During this assessment, he assessed on the aspect of legal, environment, safety and health and mill best practices.

Muhammad Haris B. Abdullah – Team member

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and currently pursuing

his Master's Degree in Business Administration from the University Utara Malaysia. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He will be attending the RSPO Lead Auditor Training in April 2013. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 3 years. During this assessment, he assessed on the aspect of Legal, Social and community engagements, Stakeholders consultation, and workers welfare.

2.3 Assessment Programme

The ASA2 was carried out on 19 - 22 February 2013. The Assessment Programme is included as Appendix C. The Programme included assessments of Bukit Kerayong Palm Oil Mill, Bukit Kerayong and Bukit Cheraka Estates against RSPO P&C, Supply Chain Standard: November 2011 CPO Mills-Module D: Segregation and applicable indicators.

The Nonconformities that were assigned and the Observations that were identified during the 1st Annual Assessment were followed up to check the effectiveness of corrective actions and to ensure that it is remain closed. Details are explained in section 3.3 Page 13.

The methodology for collecting objective evidence includes physical site inspections, observation of operational work and processes, interview with executives, staff, workers and their families. Meeting and interview with external stakeholders without the present of company management members was conducted to gather feedback from stakeholders. Review and document audit was conducted through inspection of records and data. 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.

2.4 Stakeholder Consultation

Internal and external stakeholders were consulted to obtain their views on SOU7: Bukit Kerayong Palm Oil Mill and Supply Base's environmental and social performance and any issues or concern that they might have. External stakeholders were interviewed in private and they were invited to the Mill and estate for a private meeting. Those unable to attend were met at their premises. Internal stakeholders such as workers, their families, contractors, suppliers

and staff were interviewed in groups in the workplace and at the housing site. A list of stakeholders contacted is included at Appendix D.

3.0 ASSESSMENT FINDINGS

3.1 SUMMARY OF FINDINGS

During the ASA2, three nonconformities were assigned against Major Compliance indicators of RSPO P&C and a major nonconformity against the RSPO SCCS for CPO Mill – Module D: Segregation requirement. Along with this there were two minor nonconformities raised against the RSPO P&C requirement. Seven observations for improvement were identified - Refer Section 3.2 Page 14 for details. SOU7 prepared a Corrective Action Plan for addressing the identified Nonconformities, which BSi reviewed and accepted.

Bukit Kerayong Certification Unit carried out the appropriated corrective action and provided photographic evidence and documents for closing the major nonconformities, which BSi reviewed and accepted. The major nonconformities were closed on 5 April 2013. The details are explained in section 3.2 Page 14.

The Nonconformities that were assigned during the First Annual Assessment and the twelve (12) Observations/Opportunities for Improvement identified were followed up to check the effectiveness of corrective actions. Refer Section 3.3 Page 13 for details.

With the successful close out of the major nonconformities, BSi recommends continuation of Certification for Bukit Kerayong Palm Oil Mill and supply base as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

Bukit Kerayong Palm Oil Mill and supply base has continued to document communications with stakeholders and has provided information in a timely manner when requested.

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.

Bukit Kerayong Palm Oil Mill and Estates have maintained records on individual files for information requests received, for example, Bukit Cheraka Estate recently received a request from the local council authority regarding the land value on the 5 February 2013 and replied by the management on the 18 February 2013 after getting approval from the Sime Darby Land Department.

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.

The Mill and Estates have maintained up to date copies of documents that are required to be publicly available. The file contains copies of land title, safety and health plan, aspect impact report on environment and social, pollution prevention plan, negotiation procedure, continuous improvement plan details of complaints received.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Compliance found against applicable regulation. This was confirmed through inspection of internal RSPO audit reports, head office compliance audit report, internal OSH department audit report, DOSH visit reports; DOE visit report, licenses and permit at the Mill and Estates. Bukit Kerayong Mill was found in compliance with the licenses and permit requirements, such as the Factories & Machinery Act 1967, the OSH Act 1994, the Environmental Quality (Clean Air Regulation) 1978 and the Employment Act 1955. The Mill and Estates are on free hold land. No any land disputes was identified and interview with stakeholders confirm no any disputes. Boundary markers were clearly marked and maintained. This was inspected and confirmed during the field inspection

As an area for improvement an observation was raised at Bukit Kerayong Mil. The mill conducted evaluation for the compliance to legal and other regulations in 2012. Since it is already February 2013, the mill should quickly carry out the internal evaluation again for 2013

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

The Mill maintains copies of all Permits and Licences in permit file. It was noted the permits are valid, for example, MPOB Licence No 562906004000 valid till 31 July 2013. The most recent DOSH visit at mill for machinery inspection was done by officer En. Asrizu Bin Abdul Rashid on the 29 August 2012 which did not identify any regulatory issues. Similarly DOE visited on 5 February 2013 did not raise any issues. DOE license number 00509 expiring on 30 June 2013. Permits are displayed on the wall. Compressor permits are displayed at the workshop as well.

As an area for improvement an observation was raised at Bukit Kerayong Estate and Bukit Cheraka Estate. The management should consider marking the PMT number on the air compressor permanently rather than using temporary marking with pen to avoid confusion and changing of air compressors.

As an area for improvement an observation was raised at Bukit Kerayong Estate. The estate management should make the DOSH log book available at all time for reference during any assessment. The book was misplaced and was given to auditor late evening.

Mill noise exposure monitoring done by a DOSH approved competent person (JKKP 127/5/3-1(92) on the 13 September 2012. The noise mapping and person exposure monitoring done as per Reg. 9 (1).(2) of the Factory and machinery (Noise Exposure) regulation 1989.

Mill boiler emissions were tested 30 August 2012 and the results indicated particulate dust concentrations were found to be 0.3224g/m³N well within the limit of 0.4 g/m³N stipulated in the Malaysian Environmental Quality (Clean Air) Regulations, 1978. At the time of inspection the smoke density meter was operational and had been calibrated 15 August 2012 by Enviro Science Malaysia Sdn Bhd.

Similar to last assessment, the Mill and Estates hold copies of licenses for plant and equipment operators and drivers and examination of a sample confirmed these were current. Inspection of pay records found that payments were made in accordance with NUPW Agreement. Overtime paid as per labour law and was within the monthly Labour Department limit.

The Mill Advisor and the Plantation Advisor carry out two site visits annually and assess legal compliance with statutory requirements. Interview with the managers reveal that MAPA, MPOA, AMESU, NUPW and Sime Darby Regional Office provide legal updates on changes to labour laws and worker pay and conditions. Interview with representative from the head office confirm that Sime Darby Standards and Compliance Unit provide legal updates on all applicable legislation throughout Sime Darby.

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

Bukit Kerayong mill and supply base estates were developed on freehold land titles and a copy of each is held on site. The original land titles were issued for rubber. Following the merger of the 3 plantation companies to form Sime Darby, the process of transferring the ownership from the previous owner to the new owner (Sime Darby) is completed in December 2012. Bukit Cheraka Estate holds 28 titles i.e., Grant No. 49446 for lot 1144, Bukit Kerayong consist of 11 land titles i.e. 4429 lot 1592.

Inspection of field at Bukit Kerayong and Bukit Cheraka estate confirmed the boundary stones and markers are maintained and marked with red and white paint. There was no land dispute at Bukit Kerayong

Certification unit. Sample checked at block 2008A and 2008C.

As an area for improvement an observation was raised at Bukit Kerayong Estate (Sg Kapar Division. Process of transferring the ownership from the previous owner to the new owner (Sime Darby) is completed in December 2012. Now the company is in the progressively changing the crop from rubber to oil palm for Lot 40, 41 and 42. The progress will be checked during next surveillance assessment.

Criterion 2.3 – Use of the land for oil palm does not diminish the legal rights of other users without their free, prior and informed consent.

All of the Estate operations are on Freehold land. The estates do not restrict access through the plantation area which must obtain permission prior to the entry. In all cases permission was given. The permission process is part of internal security control. There are Government roads running through the estates which provide unrestricted public access.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

The mill and estates are continuously committed to improving the economic performance of the mill and estates. One of the major improvements was the OER achievement whereby OER was increased from 19.40 in 2007 to 20.0 in 2013. FFB yield per hectare records shows that the yield is on increasing trend as well. It increased from 23mt/ha in 2010 to 25mt/ha in 2012. Investment in replanting is continued to be the major expenses beside commitment to improving the housing for workers.

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

The palm oil mill and all estates have an Annual budget for the financial year 2012-13. The palm oil mill budget includes the projected FFB processed, CPO and PK production which projected for five years. There are targets set for OER of 20.00 for the financial year 2013/14 year. The Mill is confident of achieving the targeted OER and is working with the estates to improve the FFB quality delivered to the mill and to reduce oil losses. However, it was highlighted that sometime too much wet weather gives lower OER.

The estates have separate annual budget which includes projected yield, maintenance cost and allocation for the continuous implementation of RSPO requirements.

Estates have replanting programme which included in the budget as well and extended until financial year 2018/19. The replanting programme includes the schedule and hectareage for each field. At Bukit Cheraka Estate a total of 116.09ha programmed for replanting in

2012/13 financial year. The replanting programme affects the overall average FFB yields, which are expected to increase in the coming years as the palms mature and become more productive.

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

Bukit Kerayong mill and supply base estates continued to implement the Sime Darby Group's SOPs and management system dated 1 November 2008 that is based on best practices. Mill and estates have separate SOPs to cover all the related operation. SOPs at the mill are posted on the work station as reference for employees. Similarly estates posted work instructions at the office, store and workshop.

Recent replanting programme incorporated with reinstatement of riparian buffer zones as part of replanting best practise. Handling and application of agrochemical was carried out safely. Safety continued to be a high priority for the mill and estates.

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

The Mill has continued to use the Mill Quality Management System SOPs issued 1 November 2008. Copies of the Mill SOPs are posted at each workstation in Bahasa Malaysia so that local workers understand the work instructions. No foreign workers in the mill.

Similar to the mill, estate Quality Management System SOPs issued 1 November 2008 covering all operations from nursery through to mature palms. In addition, estates have prepared pictorial work instructions for each of the tasks so that the foreign workers understand the work procedures. The estates display SOPs on the notice board at the Muster areas.

Periodic monitoring by Mill and Plantation Advisors, Regional General Manager, Plantation Sustainability Team and through external audits. The Sime Darby Agronomists responsible for monitoring the palm nutrients and development of a fertiliser programme for optimisation of soil fertility and palm yields. This is carried out through leaf sampling to analyse the palm nutrient level. Agronomy visited on 22 – 23 November 2012. The Plantation Advisor visited Bukit Cheraka Estate between 11 and 16 May 2012 and issues raised has been addressed by the manager. Records are kept for more than 12 months.

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's Agronomy Section of Research and Development (R&D) Department carries out annual

leaf sampling to monitor nutrient status on the palms. Soil analysis is carried out on 5 years interval. Latest soil analysis has been carried out on the 31 January 2013 for Bukit Cheraka estate.

The information from the nutrient status assessment through leaf analysis and FFB yield trend are used to develop the fertilizer programme for the financial year 2012/2013. Fertilizers were applied as per agronomist recommendation. For example, Bukit Cheraka estate has applied MOP 1.25kg/palm in the field 2000A whereas immature areas were only applied with NPK compound fertilizer.

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

Field inspection showed groundcover with soft grass and soft weeds. Recently replanted area is established with cover crops and vegetation is well established. There is no significant erosion risk was noted during the field visit. There are no peat soils or soil categorised as problematic or fragile soil at all estates.

Estate has implemented annual road maintenance programme. During audit, ongoing road maintenance was carried out with road grader. Road inspected are generally in a good condition and well maintained.

Soil analysis report shows that there is no peat soil. Soil analysis conducted every 5 years. Last was conducted on 31 January 2013. Soil mainly lateritic mixed and due to this the roads are in good condition as well. During field visit noted that there is no fragile or sandy area.

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

The Bukit Kerayong Certification Unit's supply base estates already re-instate buffer zones. Recent replanting area further enhanced the riparian with avoiding any machinery work along the riparian. This was noted during the visit to area replanted along part of Sungai Sembilang and the main collection drains.

Bukit Kerayong Estate has continued to sample three small streams within the estate. The most recent sampling done on the 4 February 2013 showed the BOD is 4mg/L. During the field visit it was noted that stream water is very clear without any sediments. The waters entering and outgoing from the estate generally had low pH (<4.0 standard units). Daily rainfall is recorded and the information is used for water table management at low-lying areas and crop forecasting. The Estates maintain approximately 10 years of rainfall records and earlier records are held by R&D Department. Bukit Kerayong mill monitor water usage which recorded every day and summarised on monthly basis. Water consumption varies from 1.31M³ to 1.50 M³ per tonne FFB processed.

The Mill monsoon drain is fitted with an oil trap and a sediment trap and records are kept of the weekly drain inspections. Bukit Kerayong and Bukit Cheraka have installed oil traps and sediment traps at the workshop and vehicle washing bays. Inspection confirmed that oil traps are well maintained. Inspection to the effluent pond at the mill confirmed that the ponds are well managed with consistent achievement of BOD the permitted level of 5000 mg/L for land application. Inspection confirmed the land application system for treated POME was well in the field

As an area for improvement an observation was raised at Bukit Kerayong mill. The mill should consider of marking the effluent final discharge point where the sampling is done.

Rainfall data is used as a guidance to plan the water management including water shortage contingency plan which was reviewed on 1 July 2012. This includes minimising water usage for cleaning and ensures there is no wastage through any leakages.

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

The major palm pest is Bagworm and the estates have a designated team to carry out census fortnightly to monitor the leaf eating pest condition. IPM practice becomes very critical to control leaf eating pest. All estates planted beneficial plants such as *Cassia cobanensis*, *Turnera subulata* and *Antigonon leptopus* as a preventive measure to control leaf eating pest and as part of IPM practise. Barn owl boxes are erected at 1 box/20 ha density. Occupancy rate of barn owl is monitored. The latest census in January 2013 shows the occupancy rate is 60%.

Similar to last assessment, the estates have continued to record agrochemical usage through the stores issuance records. Field costing book shows details of quantity applied, date of application, block number, type of agrochemical applied (a.i. and brand name), application round, applicator details and usage unit/ha.

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.

Sime Darby Central Purchasing Department controls the purchase of all agrochemical. Inspection of the agrochemical stores confirmed only pesticides registered

by the Pesticides Board are used. During the inspection of the estate's agrochemical stores, it was confirmed that storage area was in accordance with regulations with adequate security, ventilation, separation of chemicals, spill containment and labelling. All chemicals were labelled in Bahasa Malaysia complete with MSDS in English and Bahasa Malaysia.

All the estates have a programme to conduct medical surveillance for agrochemical applicators and those handling agrochemicals. However, it was noted that the programme does not include all the workers as per CHRA requirement done by DOSH approved assessors with permit number JKKP IH 127/171-2(124) and assessor with permit number JKKP IH 127/171-2(257) dated July 2010.

Nonconformity was raised against Major indicator 4.6.5: No medical surveillance for chemical mixing operator "Biramugam" and supervisor "Sillevon" and Mohan at nursery as per CHRA requirement at Bukit Cheraka Estate. Refer Section 3.2 Page 14 for details.

During this visit it was noted that no female pesticide operator. However practice is in place previously to transfer confirmed pregnant female operators who wishes to continue working to other duties and is not allowed to return to work as a pesticide operator until she has ceased breast-feeding. Inspection of the pesticide stores confirmed there was no Class 1A or Class 1B chemical held at the pesticide stores. Paraquat is not used since 2004. No aerial spraying. No VPO testing for chemical residue because there was no any request from buyers. Information on pesticide usage is available for the past five years since 2004 which includes details as per criteria 4.5 paragraph 2.

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

The Sime Darby Occupational Health and Safety Policy signed by top management provide guidance and were communicated to staff and workers during morning musters. The annual review of the Mill HIRAC was carried out for each work station for the financial year 2012/2013 in July 2012.

As an area for improvement an observation was raised at Bukit Kerayong Mill. HIRARC is available and reviewed for the year 2012/2013. Review should also consider internal OSH Manual Chapter 6 Section 8 as a reference.

The Mill and Estates have prepared Safety Training Matrix and a schedule that lists the safety training to be carried out for each workstation during the 2012/13 year. The Mill and estates carries out safety awareness briefing in the morning muster and maintains records of specific safety training courses, including topic, trainer and attendee details.

The mill supplies workers with PPE that includes safety shoes, helmet, hearing protection, high visibility vest plus additional PPE specific to work stations. The estates supply workers with safety shoes, helmet, high visibility vest plus additional PPE specific to tasks. However during the mill and estate field visit it was noted that PPE implementation was weak. Refer to the nonconformity at the end of indicator 4.7.1.

The Assistant Managers are the person responsible for OSH coordination at the Mill and Estates. OSH Meetings are held quarterly and minutes are kept of meetings, including a list of attendees and their signatures. The most recent OSH meeting was held on 24 October 2012 at Bukit Kerayong estate and 13 December 2012 at Bukit Cheraka Estate. Palm Oil Mill has a documented Emergency Response Plan that was reviewed and updated in July 2012 and amended as per changes of staff and contact details. Mill emergency contacts are displayed on notice boards and on the "Visitors Card". The estates have Emergency Response Plan as well. Bukit Kerayong estate had send 4 tractor drivers for safety training course conducted by tractor supplier on the 24 March 2012.

Non-conformity against major indicator 4.7.1 was raised for the following reasons: It was noted at Bukit Kerayong Mill that PPE was not used during welding by the staff (face shield) in the workshop indication poor enforcement and monitoring of PPE use. At Bukit Kerayong Estate tractor driver and loader at the short palm area were given helmet as PPE. However it was not used during work in the field indication poor enforcement of PPE use. It is also noted that there was no first aid box at the Chemical Store and the first aid box at Nursery site was empty and there was a first aid box with oral medicine inside. Refer Section 3.2 Page 14 for details.

Bukit Kerayong mill and supply base estates investigate and report all accidents to DOSH through JKKP 6 and JKKP 8 forms. No fatal accidents reported. Minor injuries include common thorn prick and slip and fell cases. Summary of the accident are reviewed during the quarterly OSH meeting.

Local staff and workers are covered by Social Security Organization (SOCSO) Insurance. Foreign workers are covered through compensation scheme insurance. Latest policy was from RHB Insurance, Policy number: FW035669 valid till 30 June 2013.

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

The Mill and Estates have prepared an annual training plan for the financial year 2012/13 that details the training to be carried out for each work station. In addition, the mill carries out informal on-the-job

instruction to improve skill levels. The mill and estates maintain records of training for workers and staff.

Records of the training includes Mill Processing and Troubleshooting: 2-3 October 2012, tractor Driver Training: 12 – 13 March 2012, ERP and Fire Drill Training: 3 October 2012 by Fire and Rescue Department, Safe Agrochemical Application: 17 September 2012, Chemical Handling: 19 October 2012, Harvesting Training: 23 July 2012, Talk on Ganoderma Infection by R&D Department: 15 December 2012, Fertilizer Sampling Training: 2 February 2013. However, there was a training record missing for newly recruited driver. This was raised as nonconformity.

Non-conformity against major indicator 4.8.1 was raised because during field visit and interview with "Kubota Grabber" driver (Mustiali) noted that he is newly appointed as a driver. However there is no documented record to show that he is given training prior to allowing him to drive. Refer Section 3.2 Page 14 for details.

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

The original Environmental Aspect Impact was developed in June 2009. Subsequently, review is conducted on annual basis to identify new impact, if any. Recent review was conducted on 16 July 2012 for the Financial Year 2012/2013. Overcoming environmental impacts continue to be main issue and utmost attentions was given to reduction of waste and enhancement of riparian to increase the biodiversity impact. Efficient use of natural resources such as water is another area that operating units looking into for improvement through minimising wastage. The water management plan has been revised on the 1 January 2013. Practically all of the natural vegetation was cleared during the initial development of the land many decades ago and reinstatement of riparian buffer strips is being carried out progressively during replanting.

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.

As per details under criteria 5 above, Bukit Kerayong palm oil mill and supply base estates have reviewed the Environmental Improvement Plans for the significant aspects and impacts. Recent review was conducted on 16 July 2012 for the Financial Year 2012/2013.

During the visit to the housing site, improvement on the waste management noted with signboards to create recycling awareness and zero burning. The landfill at the mill was improved through proper signages and no plastics, aluminium or glass items inside the landfill. During replanting, zero burn technique is continued to

be practiced through chipping and mulching of felled palms.

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.

Initial HCV assessment was conducted in June 2009. There is no HCV within Bukit Kerayong supply base estates. However, Bukit Kerayong supply base estates have maintained the boundaries of conservation areas, such as riparian buffer zones and the Forest Reserve adjoining Elmina Estate. At Bukit Cheraka Estate, jungle trees were planted near the field 94A, 04B and 86A such as *Aguilera Malaccensis*, *Barringtonia* are continue to be preserved, monitored and maintained based on the HCV management plan prepared by Plantation Sustainability team from head office.

Awareness and HCV protection signboards at the entrances to the estates prohibiting illegal hunting and fishing are continuously maintained to ensure awareness among internal and external stakeholders and employees. Interview with stakeholders and employees confirm that they are aware of the need to protect fauna and flora.

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

Mill and estate have prepared waste management plans that list the waste generated and method of disposal/treatment such as recycling of FFB, POME, shell and fibre. It was noted that the states are located near urban area. Due to this reason they have access to engage contractors to collect household waste twice weekly for disposal at the Local Municipal Council landfill.

The mill and estates dispose the clinical waste through VMO and subsequently to Pantai Medivest. For example, Bukit Cheraka Estate disposed medical waste on the 22 November 2012 (consignment note P198225).

The Mill and Estates have engaged Tex cycle Sdn Bhd (Contractor permit: 50013902048) for disposal of used metal containers. The storekeeper has maintained monthly stock-takes of scheduled wastes and copies were available of manifests for waste collection. For example, Bukit Cheraka estate has disposed SW 409 (scrap metal) on the 23 November 2012 (consignment note: TC/2-04776).

Nonconformity was raised against minor indicator 5.3.2 because the agrochemical mixing is carried out on the soil surfaced area and no mitigation plan implemented

to avoid or reduce pollution at Bukit Cheraka Estate. Refer Section 3.2 Page 14 for details.

EFB is continued to be recycled to the field with the majority applied to immature palms through mulching around the palms. For example, record inspected shows that an average of 40mt/ha of EFB has been applied in the field block 11A at Bukit Cheraka Estate. Palm Oil Mill Effluent (POME) is applied to palms in furrows at Bukit Kerayong estate. Inspection of the area confirmed a well managed system with two full-time operators in attendance continue to be employed.

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

Total energy use is recorded and reported monthly to Sime Darby Head Office and mill adviser. Separate records for the renewable energy consumed and fossil fuel used are available. The total average usage was reduced from 24.85kWh in 2009 to 18.98 kWh at the end of 2012.

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.

Bukit Kerayong certification unit and supply base estates continue to implement the zero burning policy. Inspection of replanting areas at the estates confirmed consistent implementation of the zero burning policy through felling and chipping, and apply back to the field as mulch. Inspection of the housing area at Bukit Kerayong and Bukit Cheraka Estates and mill found no evidence of fire being used for waste disposal. Interview with employees confirm that they are aware about zero burning policy.

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

Bukit Kerayong Estate has sealed the road leading to the entrance of the Estate, which has eliminated the dust emissions from vehicle traffic. Pollution prevention plan for 2012/13 has been revised and prepared in July 2012. This was implemented to mitigate all the pollution creating activities. At the mill reduction of particulate smoke emission is continue to be given attention because of the mill location at the urban area. The new boiler installed in 2009 continue to function efficiently to minimise the particulate emission due to the built in pollution control technology. There is no peat soil.

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

Initial SIA was conducted in May 2009. Subsequently, a revision is made on annual basis following the financial year. Review is conducted through interview with staff, workers and local communities. Interview with the stakeholders confirm that they have participated during the SIA review through stakeholder meeting. It was noted that all the operating units maintain good relationship with internal and external stakeholders including local communities and contractors. The company has made progress on the construction of new housing with new units. Another 20 units completed recently. Social policies have been consistently implemented and no complaints or grievances have been received since the Initial Certification that require addressing through a formal process. Although all the operating units are located adjacent to urban areas, it continues to provide donations to assist local schools and places of worship that are appropriate for the socio-economic condition.

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.

Bukit Kerayong mill and supply base estates have reviewed the SIA and revised the Social Action Plans for the 2012/13 year. The assessment includes appropriate stakeholder consultation and clearly defines the actions to be taken including the responsible person and target completion date. Interview with the stakeholders confirm that they have participated during the SIA review through stakeholder meeting. A timetable with responsibilities for mitigation and monitoring of social issues was reviewed and updated as necessary during the review of the SIA.

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.

Bukit Kerayong mill and all the supply base estates have maintained dialogue with local communities and stakeholders. Consultation and communication procedure is similar to the procedure reported during the initial assessment. The manager and assistant manager are responsible for handling any social issues. The Mill and Estates have maintained up to date lists of Stakeholders that includes local village heads, government departments, school, suppliers, and contractors, local worship places representatives, NUPW, AMESUA, MPOA and other interested parties. Records of communications are held on file together with company response.

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.

Sime Darby Grievance Procedure is used as guidance for resolving any disputes. It is common that complaints from workers were raised verbally and recorded in the request book and handled by the Assistant Managers. The records of previous issues are maintained for more than three years and this was confirmed during inspection of the grievances records book. Inspection of records and interview with staff, workers, contractors and external stakeholders did not identify any pending unresolved issues.

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.

As stated under criteria 2.2 above, all the land in Bukit Kerayong Certification Unit are on freehold title and there was no any land dispute or claim for compensation that need any settlement. However, Sime Darby has group procedure for identifying legal and customary rights and procedure for identifying people entitle to any 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 through MAPA/AMESU Agreement and MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement.

Similar to the last surveillance assessment, interview with mill and estate staff and workers confirmed that they understand Terms and Conditions of their employment contracts and receive correct entitlements. Interview with employees reveal that they understand details and deductions outlined on their pay slips. Payroll checks confirm that correct remuneration was paid for standard hours as well as for any overtime hours worked. For example, Bukit Cheraka Estate Tractor driver (Rameswary) and harvester (Poovarasan)'s payslip for the month of January 2013 shows the basic pay, allowances and incentives were paid and deduction for EPF, Socso, Electricity, water, NUPW and personal insurance are clearly stated. The minimum wages of RM 900 set by the government has been implemented as well. However the copy of the contract of employment could not be sited for these workers during the audit.

Noncompliance was raised against minor indicator 6.5.2 for all operating units. Copy of the contract of employment detailing labour laws, union agreements or direct contracts of employment detailing payments and

conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) was not available for employees. At Bukit Cheraka Estate, copy for employee Arun and Risal Kumar (from Bihar, India), Rameshwary (tractor driver), Poovarasam (Harvester), Salaman Raj (joined in Dec 2012) were misplaced and could not be found during the audit although the workers confirm they have signed the contract. Refer Section 3.2 Page 14 for details.

All the housing meets the government standard and interview of staff and workers raised no issues related to housing and facilities provide by the company. At Bukit Kerayong Estate, new housing blocks have been completed and workers have been moved upon obtaining the approval from the labour department. Schools are within close proximity such as the Primary Tamil School (SJKT Ladang Brafferton) is located at Bukit Kerayong Estate, and Secondary Schools are located at Kapar Town approximately 7km distance. A Crèche is available for children of staff and workers. The children at the crèche are provided with milk and biscuits by the operating units at no cost. Water to all housing is from the Government supply. Electricity to Bukit Kerayong mill houses was supplied by the mill and estates housing's electricity is from the Government supply. Medical treatment at the company clinics to staff, workers and their families are provided free and any cost any referral to government clinics for further treatments are covered by the operating units as well.

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.

Similar to the ASA1, interviews of staff and workers confirmed they were allowed to join a union of their choice. Policy on Freedom of Association is continuously implemented. Regular meeting were conducted and this was confirmed during the interview with the union representative. Latest meeting conducted on the 4 December 2012 attended by representatives of NUPW, AMESU, operating unit's Auxiliary Police, mill representatives, foreign workers representatives and manager. Several issues were discussed. For example, Workers representative requested additional leave for Deepavali celebration for Indian workers and approved by the manager.

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.

The minimum working age in Malaysia is 18 years old as per the Labour law requirement. During recruitment, applicant's age was checked based on the identification card details for local applicants. Foreign workers are verified based on passport details. Similar to the ASA1, children and under-age workers were not seen employed at the mill or estate operational areas during the field visit. Interview with stakeholders further confirm that there are no children employed.

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.

Interview with internal and external stakeholders reveal that there is no any form of discrimination practiced at all the operating units audited. Inspection of pay records of staff and workers at the mill and estates did not identify any issues related to discrimination. Interview with female employee confirm that there is no gender discrimination as well.

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.

A statement to prevent sexual harassment and violence is documented in the Sime Darby Social Policy approved by since the initial assessment. Similar to the ASA1, interview with the female staff and workers confirmed that they are aware of the Policy. Interview with the Gender Committee representative confirm that there were no any sexual harassment issues. Latest Gender committee meeting was held on the 4/2/2013. No any issues related to sexual harassment reported.

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

Bukit Kerayong Palm Oil Mill does not purchase FFB from outside source (smallholder/out-grower). Pricing mechanism for other contract works such as housing and repair work are available. Interviews with contractors confirmed that they understood terms and conditions. Some of the contractors had worked for the operating units for more than 10 years and did not have any complaints or disputes. Interview with the maintenance contractor from Fuji Technic Engineering Sdn. Bhd) confirmed that the payments are made in timely manner as per contract and no any disputes.

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

Infrastructure in the area is well developed and government services are readily available. Bukit Kerayong mill and estates were always continued to make donations to local schools, temples

and mosques, and other community activities such as sports activities organised by local authorities. These are considered as an appropriate form of assistance. Some of the contributions are based on the consultation with the local communities.

Principle 7: Responsible Development of New Plantings

All the supply base estates under Bukit Kerayong Certification Unit did not carried out any new oil palm developments and there are no plans for any expansion of plantings. Principle 7 is therefore not applicable to this assessment.

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

As a group, Sime Darby Management has continued to demonstrate commitment to the principle of continuous improvement of environmental and social performance. Similarly Bukit Kerayong Certification Unit and its supply base estates are committed to continuous improvement. Beside improving the productivity and efficiency of the operations, the company has also paid attention to environmental protection measures and improvements to worker housing involving substantial capital investment.

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.

Improvements in the IPM implementation program and elimination of the paraquat usage are continuously practiced to ensure objective to minimise agrochemical and pesticide is implemented. Environment improvements continue to focus on the reinstatement of riparian buffer strips along streams during replanting and the establishment of adequate groundcover vegetation as part of effective erosion control practice. The efficient use of natural resources such as water and energy are continuously monitored. Recycling of mill waste product has been maximised. Waste reduction such as oil losses at the Mill, which has seen improvement in OER over the past 5 years. The company has demonstrated its commitment to social improvements by completing the construction of new housing at Bukit Kerayong Estate.

3.2 Identified Nonconformities and Noteworthy Observations (ASA2)

During the ASA2, four (4) nonconformities were assigned against Major Compliance indicators of RSPO P&C (Indicator 4.6.5, 4.7.1, 4.8.1) and RSPO SCCS standard CPO Mill – Module D: Segregation requirement D.5. Two (2) nonconformities were assigned against Minor Compliance indicators 5.3.2 and 6.5.2. Along with these, seven (7) Observations for improvement were identified.

Bukit Kerayong Certification Unit prepared a Corrective Action Plan for addressing the identified nonconformities, which BSi audit team has reviewed and accepted. All the operating units made a commitment to implement corrective action plans for addressing the nonconformities immediately following the ASA2. All the major nonconformities were closed on 5 April 2013 prior to finalising this ASA2 report.

The effectiveness of corrective action for the minor nonconformities will be checked and followed up during the next Surveillance Assessment that will be scheduled within twelve months from the Certification anniversary.

MAJOR NONCONFORMITIES

CAR reference: A848470/1

4.6.5 Annual medical surveillance as per CHRA for plantation pesticide operators.

Non-conformity was raised against Major indicator 4.6.5. No medical surveillance for chemical mixing operator "Biramugam" and supervisor "Sillevon" and Mohan at nursery as per CHRA requirement at Bukit Cheraka Estate.

Corrective Action:

Bukit Cheraka Estate has prepared a Corrective Action Plan for addressing the identified nonconformity. Both workers were immediately sent for medical check-up on 23 February 2013 at Clinic Dharan. Medical result was obtained on 26 February 2013 (report number FE 7292556/57/58 and FE 7292574) confirm both workers are fit to continue work with agrochemical. Evidence of implementation was received and accepted on 30 March 2013. BSi audit team considered the corrective actions and implementation was satisfactory and appropriate. The Nonconformity was closed on 5 April 2013.

CAR reference: A848470/2

4.7.1 Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act 139)

Non-conformity against major indicator 4.7.1 was raised. At Bukit Kerayong Mill, it was noted that PPE was not used during welding by the staff (face shield) in the

workshop indication poor enforcement and monitoring of PPE use. At Bukit Kerayong Estate, tractor driver and loader at the short palm area were given helmet as PPE. However it was not used during work in the field indication poor enforcement of PPE use. No First aid box at Chemical Store. The first aid box at Nursery site is empty and there was a first aid box with oral medicine inside.

Corrective Action:

Bukit Cheraka Estate has prepared a Corrective Action Plan for addressing the identified nonconformity. Briefing to all the workers in the workshop and tractor drivers on safety and PPE usage and enforcement was given during morning muster to stress the use. Briefing was conducted on 20 February 2013 (at the mill) and 25 February 2013 (at the estate). Monitoring was conducted and recorded on 23 February 2013. Bukit Kerayong Estate implemented the first aid kit at chemical store by placing the first aid box outside the store with proper signage and first aid kit at Bukit Cheraka Estate Nursery was refill and re-located to more visible place to monitor the refill exercise and to avoid oral medicines kept inside. This was completed on 25 February 2013. Evidence of implementation was received and accepted on 30 March 2013. BSi audit team considered the corrective actions and implementation was satisfactory and appropriate. The Nonconformity was closed on 5 April 2013.

CAR reference: A848470/3

4.8.1 A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept.

Non-conformity against major indicator 4.8.1 was raise. During field visit and interview with "Kubota Grabber" driver (Mustiali) noted that he is newly appointed as a driver. However there is no documented record to show that he is given training prior to allowing him to drive.

Corrective Action:

Bukit Kerayong Estate has prepared a Corrective Action Plan for addressing the identified nonconformity. Tractor driver training was conducted on 10 March 2013 by Mohamad Mamat, a competent driving trainer. Attended by 34 drivers and trainees and MUstiali was included in the training. As a long term plan, the operating unit plans to conduct training to new drivers each time of recruitment. Evidence of implementation was received and accepted on 30 March 2013. BSi audit team considered the corrective actions and implementation was satisfactory and appropriate. The Nonconformity was closed on 5 April 2013.

CAR reference: A848470/4

D.6 SCCS standard: The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

Non-conformity against major SCCS requirement D.6 was raise. Interview with the weighbridge clerk reveal that she did not attend any SCCS training and unable to explain recording requirement for the Mass Balance and Segregation supply chain model on the weighbridge ticket.

Corrective Action:

Bukit Kerayong Palm Oil Mill has prepared a Corrective Action Plan for addressing the identified nonconformity. Immediate SCCS training was organised and conducted on 23 February 2013 by the mill assistant who have been trained for SCCS. The training was attended by the weighbridge clerk, lab supervisor, processing supervisor, administration clerk and store clerk who are involved in SCCS implementation. Evidence of implementation was received and accepted on 30 March 2013. BSi audit team considered the corrective actions and implementation was satisfactory and appropriate. The Nonconformity was closed on 5 April 2013.

MINOR NONCONFORMITIES

CAR reference: A848470/1

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

Nonconformity was raised against minor indicator 5.3.2. The agrochemical mixing is carried out on the soil surfaced area and no mitigation plan implemented to avoid or reduce pollution at Bukit Cheraka Estate.

Corrective Action Plan:

Bukit Cheraka Estate has prepared a Corrective Action Plan for addressing the identified nonconformity that involves:

The chemical mixing has been temporarily moved to Bukit Cloh Division until the establishment of new chemical bay completed as per budget in Financial Year 2013/2014. BSi audit team considered that the corrective action was satisfactory and appropriate. Progress toward resolution of the issue will be followed up at the next Annual Surveillance Assessment (ASA3).

CAR reference: A848470/2

6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit.

Nonconformity was raised against minor indicator 6.5.2. Copy of the contract of employment (or letter of appointment) detailing labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice,

etc) is not available for employees. Example checked at Bukit Cheraka Estate: Arun and Risal Kumar (from Bihar, India), Rameshwary (tractor driver), Poovarasan (Harvester), Salaman Raj (joined in Dec 2012)

Corrective Action Plan:

Bukit Cheraka Estate has prepared a Corrective Action Plan for addressing the identified nonconformity.

It was realised that the copies of contracts were misplaced by the previous assistant when he was transferred out. Due to this the copies were not immediately available during the audit. The operating unit managed to find all the copies. Sample of copy was sent to audit team as evidence. The operating unit also appointed a staff to be in-charge of maintaining copies of workers contract. BSi audit team considered the corrective actions plan appropriate and satisfactory. Although the evidence was sent to the audit team, the nonconformity is maintained and implementation will be followed up during next surveillance for actual implementation.

Observations/Opportunities for Improvement (ASA2)

Seven (7) Observations for improvement were identified. The progress with these will be checked and followed up during the next Annual Surveillance Assessment (ASA3).

01 (P2.1.1) As an area for improvement an observation was raised at Bukit Kerayong Mil. The mill conducted evaluation for the compliance to legal and other regulations in 2012. Since it is already February 2013, the mill should quickly carry out the internal evaluation again for 2013.

02 (2.1.3) As an area for improvement an observation was raised at Bukit Kerayong Estate and Bukit Cheraka Estate. The management should consider marking the PMT number on the air compressor permanently rather than using temporary marking with pen to avoid confusion and changing of air compressors.

03 (2.1.3) As an area for improvement an observation was raised at Bukit Kerayong Estate. The estate management should make the DOSH log book available at all time for reference during any assessment. The book was misplaced and was given to auditor late evening.

04 (2.2.2) As an area for improvement an observation was raised at Bukit Kerayong Estate (Sg Kapar Division. Process of transferring the ownership from the previous owner to the new owner (Sime Darby) is completed in December 2012. Now the company is in the progressively changing the crop from rubber to oil palm for Lot 40, 41 and 42. The progress will be checked during next surveillance assessment.

05 (4.4.3) As an area for improvement an observation was raised at Bukit Kerayong mill. The mill should consider of marking the effluent final discharge point where the sampling is done.

06 (4.7.1b) As an area for improvement an observation was raised at Bukit Kerayong Mill. HIRARC is available and reviewed for the year 2012/2013. Review should also consider internal OSH Manual Chapter 6 Section 8 as a reference.

07 (SCCS CPO Mill-Module D: Segregation): Bukit Kerayong Mill - Since the mill is ready to use the "segregation" model and have the system in place, it should ensure the implementation of the new supply chain model is effectively communicated.

Noteworthy Positive Components

Visit to local communities and interviews of residents found there is a good relationship between the management and the local community because of regular informal meetings and employment of local people.

The maintenance and upkeep of the oil palm was well implemented and consistent with the Sime Darby internal standards. Improvement in OER considered being consistent and maintained.

3.3. Status of Nonconformities (Major and Minor) Previously Identified

Corrective Actions for a Nonconformity identified during the ASA1 has been effectively and consistently implemented and the nonconformity remains closed.

4.6.3 Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations.

Nonconformity was assigned because there is inadequate control of empty pesticide containers at Elmina Estate to prevent their use for inappropriate purposes.

ASA 2 Findings: The NC was closed on 31/5/2012. Implementation was re-verified again during the ASA2. The empty containers are stored at the Schedule Waste Store with marking as per CAP. All the containers are triple rinsed and punctured. The NC remains closed.

5.2.3 Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts.

Nonconformity was assigned because Caged birds, including the Jungle Myna *Acridotheres fuscus* were observed at Elmina Estate housing, which appeared to have been captured in the field.

ASA 2 Findings: NC is closed and verified during ASA2. Visit to the Elmina housing site and interview with stakeholders at Elmina reveal that there is no any caged

bird. Housing site inspection is carried out on Jan 2013 reveal that no caged birds or animals. Records of inspections are available. Awareness briefing is given during morning roll call. The CAP is implemented. NC is addressed and closed.

6.1.3 A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.

Nonconformity was assigned because The 2011/12 Social Action Plans appeared to have been prepared without Stakeholder consultation and do not define clearly the action to be taken, responsibility and target completion date.

ASA 2 Findings: Social Action Plan for the FY2012/2013 is implemented as per the corrective action submitted to BSI auditors during the last assessment. It includes action taken, responsibility, completion/target date and consultation with stakeholders with attendance. The CAP is implemented. NC is addressed and closed.

Review of Progress with Observations/ Opportunities for Improvement Previously Identified

01 (2.2.3) At Elmina Estate, the boundary survey has been carried out at the replanting area but has not been completed for the remainder of the Estate.

ASA 2 Findings: The boundary survey for the whole estate has been done and map indicating the boundary packs are available and completed in June 2012.

02 (4.4.1) The Elmina Estate map of buffer zone for replanting needs to be improved to show clearly the demarcated areas and at Block 96 it was not consistently marked for replanting.

ASA 2 Findings: The buffer zone map has been improved to clearly show the demarcated areas. Block 96A has buffer zone for water catchment from the stream. There is marking and sign board to indicate the distance from the small stream.

03 (4.4.1) The effectiveness of sediment removal from the Mill Clay-bath drain could be improved by cleaning the drain more frequently than weekly.

ASA 2 Findings: During the mill visit it was noted that the drain is cleaned fortnightly and maintained well. No any sediment was found.

04 (4.4.7) The occurrence of leaking taps at the Bukit Kerayong Workshop indicated lack of awareness of water conservation.

ASA 2 Findings: During the visit to the workshop it was found that there are no any leakages. The workshop attendant is assigned to inspect the piping on weekly basis and report to the mechanic if there is any leakage so that repair can be done immediately.

05 (4.6.4) There was no Work Instruction at the Elmina Estate chemical mixing area defining the quantity of the concentrate to be measured for each spray

application.

ASA 2 Findings: Clear work instruction has been pasted at the chemical mixing area with translation in Bahasa Malaysia. For example, Touch-up 220ml + foxil 20ml + water 20lts for circle spraying.

06 (4.7.1) At the Elmina Estate Workshop, the oxyacetylene pressure regulators were damaged.

ASA 2 Findings: Inspection to the workshop found both oxyacetylene pressure regulators have been replaced with a new regulator. Purchase document shows the regulator was replaced in May 2012.

07 (4.7.1) The identification of a contractor's damaged electrical extension lead within the mill indicates the workplace inspections need improving.

ASA 2 Findings: During this visit it was noted that the permit to work instruction includes inspection of contractor's tools before they are permitted to work.

08 (4.7.1) The location of the safety sign for hearing protection at the Kernel Station could be improved by displaying it at both entrances to the building.

ASA 2 Findings: During the visit to the mill it was noted that the signage was displayed at both entrance.

09 (4.8.1) Safety Training was stated to be carried out during morning muster at Elmina Estate but records of training have not been kept.

ASA 2 Findings: Safety briefing carried out during the morning muster has been recorded in the safety briefing record book. For example, 53 workers was attendance safety briefing on the 10 Jan 2013, briefed on PPE usage, safe operating and safe chemical handling.

10 (5.3.2) The appearance of the former ash disposal landfill could be improved by levelling the area, removal of litter and planting of groundcover vegetation.

ASA 2 Findings: Visit to the landfill shows it has been managed properly by levelling the area and ground cover vegetation has been planted with legume cover crop.

11 (5.3.2) At Elmina Estate: The oil/water separator at the Workshop needs weekly inspection and cleaning for sediment removal. Improved control and storage of oil and grease are required at the Workshop.

ASA 2 Findings: The oil/water separator at the workshop has been regularly cleaned and monitored by the workshop attendant. The used oil and grease were properly stored at the schedule waste store.

12 (5.5.3) Evidence of fire being used for disposal of domestic refuse was observed at one location at the Elmina housing area.

ASA 2 Findings: Rubbish bin has been provided to all the housing. No evidence of fire noted during the visit to the housing area. Zero burning awareness briefing was given on 27 April 2012 and recently on 10 January 2013 during morning muster. Zero burning signboard erected at housing as part of continuous awareness initiative.

3.4 Issues Raised By Stakeholders

Stakeholders interviewed, both internal and external, had mainly positive comments. There were no issues raised during the ASA2 stakeholder interview process.

Follow up on ASA 1 finding: Foreign workers (Indonesia) stated they did not understand the English wording on their payslip. Company Response was that the Mill will translate an example payslip into Bahasa Malaysia, enlarge it and display it on the Notice Board at the Muster area as well as explaining it to the workers.

ASA 2 findings: *The mill has translated the payslip in Bahasa Malaysia and explained to the workers. Interview with foreign workers confirmed that they now understand the details in the payslip.*

Local communities highlighted that the operating units always assist when any request for donation are sent to the management.

Interview with the union representative reveal that there is no any dispute or pending issues between management and workers.

During this ASA2, the majority of stakeholders had positive comments about Bukit Kerayong Certification Unit. The detail of stakeholders comment has provided in each criterion as part of this summary report.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next annual surveillance Visit

The next surveillance assessment visit is planned not later than 12 month of anniversary date of the certificate.

4.2 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Bukit Kerayong Certification Unit acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings. Bukit Kerayong Certification Unit 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
Bukit Kerayong Certification Unit


ANUAR BIN ZAKARIA
MILL MANAGER

Mr. Anuar bin Zakaria
Manager, Bukit Kerayong Palm Oil Mill

Date: 15/05/2013

Signed for on behalf of
BSi Group Singapore Pte Ltd


Mr. Senniah Appalasamy
BSI RSPO Lead Auditor

Date: 10/05/2013

Appendix A: Sime Darby Plantation Time bound Plan

certification Status	Malaysia	Indonesia	Time bound for certification	Status during ASA02
Certified	33 operating units	19 operating units	52 operating units	Total Certified: 52
Decommissioned	1 (Segaliud)	-	-	-
New mill added to Time bound Plan	2	-	2	Certification in 2013
RSPO EB Review	0	6 operating units	6 operating units	Ongoing peer review.
Total	35 operating units	25 operating units	60 operating units	-

Note: Status verified as of February 2013. Details are explained under section 1.5 of this summary report.

Appendix B: Sime Darby Plantation Sdn Bhd – SOU 7 Bukit Kerayong Certification Unit RSPO Certificate Details

Sime Darby Plantation Sdn. Bhd.
 SOU 7 Management Unit (Bukit Kerayong Palm Oil Mill)
 Ladang Bukit Cheraka,
 45800 Jeram
 Selangor Darul Ehsan,
 MALAYSIA

BSI RSPO Certificate No: SPO 550181

Date of Initial Certificate Issued: 15 April 2011

Date of Expiry: 14 April 2016

Applicable Standards: RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; RSPO P&C MY-NIWG 2010; and relevant element of Supply Chain requirements for CPO Mills; SCCS Standard Nov 2011 Module – Segregation.

Bukit Kerayong Palm Oil Mill and Supply Base	
Location	District of Jeram, Selango Darul Ehsan, Malaysia.
Address	SOU 18 Management Unit (KKS Bukit Kerayong), Ladang Bukit Cheraka, 45800 Jeram, Selangor Darul Ehsan, MALAYSIA
GPS	102° 22' 36.66" E; 3° 11' 24.58"N
CPO Tonnage Total Production (Certified)	30,256
PK Tonnage Total Production(Certified)	8,320
Company Estate FFB Tonnage (Certified)	151,282
Estates FFB Tonnage (Certified)	Bukit Kerayong Estate : 36,824
	Bukit Cheraka Estate : 81,478
	Elmina Estate : 32,980

Appendix C: 1st Annual Surveillance Assessment Program

Date	Time	Subjects	Senniah	Isman	Muhd Haris
Tuesday 19/2/2013 Karayong Palm Oil Mill	08.00 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Presentation by the Estate and mill managers • Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). 	√	√	√
	09.00 – 12.00	Karayong Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management, Effluent Ponds, OSH, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection.	√	√	-
	09.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Karayong Palm Oil Mill: Document Audit, SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, permits, mill inspection records, verify closing of previous NC and observation etc.	√	√	√
Wednesday 20/2/2013	08.00 – 12.00	Bukit Kerayong Estate Field visit, boundary inspection, fertiliser application, field spraying, harvesting, workers interview, buffer zone, HCV area, Office, workshop, worker housing, clinic, Landfill, Chemical store and mixing, etc. And Document Audit.	√	√	-
	08.00 – 12.00	Muhd Haris to visit Elmina Estate to verify the evidence of closing out previous minor NC, observation and verify continuous close out of the previous major NC.	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Bukit Kerayong Estate Document review (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification, review pay documents etc), verify closing of previous NC and observation etc.	√	√	√
Thursday 21/2/2013	8.00 – 12.00	Bukit Cheraka Estate Field visit, boundary inspection, fertiliser application, field spraying, harvesting, workers interview, buffer zone, HCV area, Office, workshop, worker housing, clinic, Landfill, Chemical store and mixing, etc. And Document Audit.	√	√	-
	8.00 – 12.00	Bukit Cheraka Estate Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Bukit Cheraka Estate Document review (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification, review pay documents etc), verify closing of previous NC and observation etc.	√	√	√
Friday 22/2/2013	8.00 – 10.00	Auditor meeting & Preparation for closing meeting	√	√	√
	10.00 – 12.00	Closing Meeting	√	√	√
	12.30	Audit team travel back to KL	√	√	√

Appendix D: List of Stakeholders Contacted

<p>Internal Stakeholders</p> <p>3 Female Mill Staff/Workers</p> <p>5 Male Mill Staff/Workers</p> <p>2 Foreign Worker Mill Housing Residents</p> <p>2 Female Mill Housing Residents</p> <p>Hospital Assistant (Mill/Bukit Kerayong Estate) Female Assistant at Clinic</p>	<p>Internal Stakeholders</p> <p>3 Male Harvesters (Foreign) Bukit Cheraka Estate)</p> <p>4 Female Office Staff/Workers (Bukit Kerayong Estate)</p> <p>4 Residents Bukit Kerayong Estate Housing</p>
<p>Contractors & Consultants</p> <p>Electrical Contractor</p> <p>General Supplier</p>	<p>Local Communities</p> <p>Kampung Simpang Tiga, Jeram Representatives</p>
<p>Government Departments</p> <p>School – SJK(T) Ladang Brafferton</p> <p>Labour Department</p>	<p>Others</p> <p>AMESU</p> <p>NUPW Selangor</p>

Appendix E: Bukit Kerayong Palm Oil Mill Supply Chain Assessment (Module D: Segregation)

Requirements	Compliance
D.1. Documented procedures	
D.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Segregation (SG) supply chain requirements. a) Complete and up to date procedures covering the implementation of all the elements. b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	Bukit Kerayong palm oil mill have written documented procedures (<i>SPMS: 2012 Appendix 15- Standard Operating Procedure for Traceability and RSPO Supply Chain Certification System</i>).for the chain of custody with SG and MB model covering certified and non certified FFB. The mill manager has the responsibility to ensure implementation. The SG model used because only certified FFB is processed at the moment. However, the palm oil mill also have the system in place to use Mass Balance model through either down grading the SG to MB or through purchasing non certified FFB in the future.
D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Bukit Kerayong mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
D.2. Purchasing and goods in	
D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non certified FFB. Records verified by internal and external audit.
D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
D.3. Record keeping	
D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non certified FFB. Records verified by internal and external audit.
D.3.2 Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years and financial documents retained longer based on the local regulation requirement.
D.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.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. No PKO and Palm kernel meal at Bukit Kerayong mill. PK is sold to Sime Darby's subsidiary kernel crushing plant.
D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	System in place to indicate CPO/Segregated on the documents related to the supply chain. Delivery record for the date 31/12/2013 – 5/1/2013 indicated "CPO/MB" because during that time mill was using "MB" mode. During the ASA2 the mill has sample documents to implement "CPO/SG". Weighbridge ticket number 005099 dated 5/1/2013 was checked and verified conform to the requirement.
D.4. Sales and goods out	
D.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	Sales of certified palm product through UTZ were 497.49mt. Contract number S/AGC/2012/CPO21371 for mass balance sales. Delivery was made on 31/12/2012 – 5/1/2013. Sime Darby trade through GreenPalm as a group. Due to this it was not possible to relate to a particular mill. Sample of existing sales documents were checked and found that the balance palm products were sold as conventional palm products. The information on the documents are:
(a) The name and address of the buyer	Name and address of buyer written on the existing invoice. i.e. Sime Future Trading Sdn Bhd, Kuala Langat, Selangor.
(b) The date on which the invoice was issued	Date is written on all dispatch and relevant documents.
(c) A description of the product, including the applicable supply chain model (Segregated)	System in place to write product description and supply chain model is written. Delivery record for the date 31/12/2013 – 5/1/2013 indicated "CPO/MB" because during that time mill was using "MB" mode. During the ASA2 the mill has sample documents to implement "CPO/SG".
(d) The quantity of the products delivered	Quantity in tonne.
(e) Reference to related transport documentation	Weighbridge documents and D/O includes all the transport references. Weighbridge ticket number 005099 dated 5/1/2013 was checked and verified conform to the requirement. Transport details i.e. Vehicle number and driver's name included.
D.5. Processing	
D.5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that	During this assessment it was confirmed that only certified source of FFB from own plantation is processed as a segregated FFB. This ensures that there is no possibility of mixing during processing.

contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed	
D.5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	Processing and storage records can trace back to only certified segregated raw material (FFB) and finish product (CPO and PK).
<p>D.5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:</p> <ul style="list-style-type: none"> • The crush operator conforms to these requirements for segregation • The crush is covered through a signed and enforceable agreement 	There is no outsourcing activity directly handled by the mill. The kernel is sold to a subsidiary kernel crushing plant belong to Sime Darby Group. The kernel crushing plant have own supply chain certificate and it is independent from the mill and it is outside the scope of the mill certification.
D.6 Training	
D.6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	<p>SCCS Training was attended by the Assistant Manager on 2-3 October 2012. However, during interview with the weighbridge clerk, it was noted that she did not attend any SCCS training. Nonconformity was raised against this requirement. Details are explained under section 3.2 page 14.</p> <p>The operating unit conducted SCCS training on 23 February 2013 through the mill assistant who has been trained for SCCS. The training was attended by the weighbridge clerk, lab supervisor, processing supervisor, administration clerk and store clerk who are involved in SCCS implementation. Evidence of implementation was received and accepted on 30 March 2013. BSi audit team considered the corrective actions and implementation was satisfactory and appropriate. The Nonconformity was closed on 5 April 2013.</p>
D.7. Claims	
D.7.1 The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communications and Claims.	No claims made because the CPO is delivered/sold to downstream refineries.