



...making excellence a habit.™

PUBLIC SUMMARY REPORT

RSPO THIRD ANNUAL ASSESSMENT (ASA 3)

SIME DARBY PLANTATION Sdn. Bhd
Selangor

Strategic Operating Unit (SOU 1) -
Sungai Dingin, Kedah, Malaysia.

Report Author:

Senniah Appalasamy – Revised July 2013

BSI Group Singapore Pte Ltd (Co. Reg. 1995 02096-N)
3 Lim Teck Kim Road
#10-02 Genting Centre Building
SINGAPORE 088934
Tel +65 6270 0777
Fax +65 6270 2777
Aryo Gustomo: aryo.gustomo@bsigroup.com
www.bsigroup.my

BSI Services Malaysia Sdn Bhd (Co.Reg. 804473 A)
B-08-01 (East), Level 8 Block B, PJ8,
No. 23, Jalan Barat, Seksyen 8
46050 Petaling Jaya, Selangor
MALAYSIA
Tel +6 03-7960 7801
Fax +6 03-7960 5801

TABLE of CONTENTS

Page N^o

SUMMARY	1
LIST OF ABBREVIATIONS USED	1
1.0 SCOPE OF CERTIFICATION ASSESSMENT	1
1.1 Identity of Certification Unit	1
1.2 Production Volume.....	1
1.3 Certification Details.....	1
1.4 Description of Fruit Supply Base and Supply Chain	1
1.5 Organizational Information/Contact Person.....	3
1.6 Progress against Time Bound Plan.....	3
1.7 Progress of Associated Smallholders/Out growers towards RSPO Compliance.....	4
2.0 ASSESSMENT PROCESS	4
2.1 Certification Body	4
2.2 Assessment Team.....	4
2.3 Assessment Programme.....	4
2.4 Stakeholder Consultation	5
3.0 ASSESSMENT FINDINGS	5
3.1 Summary of Findings.....	5
3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA3).....	11
3.3 Status of Nonconformities (Major and Minor) Previously Identified (ASA 2)	11
3.4 Issues Raised by Stakeholders.....	12
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	13
4.1 Date of next Surveillance Visit (ASA 4).....	13
4.2 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings.....	13

LIST of TABLES

1	Mills GPS Locations.....	1
2	Production Tonnages.....	1
3	Estate FFB Tonnages Processed	1
4a	Age Profile of palms	3
4b	Estates and Areas Planted	3

LIST of FIGURES

1	Sg. Dingin Location Maps.....	2
2	Padang Buluh Estate Layout.....	3

List of Appendices

A	Sime Darby Plantation Time Bound Plan
B	Sime Darby Plantation Sdn Bhd – SOU1 Sungai Dingin Palm Oil Mill Certification Unit's RSPO Certificate Details
C	Assessment Programme
D	List of Stakeholder Contacted
E	Sungai Dingin Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

SUMMARY

BSI has conducted the third Annual Surveillance Assessment (ASA3) of Sime Darby Plantation Sdn Bhd Strategic Operating Unit SOU1 (SOU1) operations comprising Sungai Dingin Mill, supply base, support services and infrastructure. BSI concludes that SOU1 operations comply with the requirements of RSPO Principles & Criteria: 2007; MY-NI Indicators and Guidance: 2010; and RSPO Supply Chain Certification Standard: November 2011 and the requirements for Mass Balance Mechanism.

BSI recommends for the approval of SOU 1 operations as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS USED

AMESU	All Malayan Estates Staff Union
ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CDA	Controlled Droplet Application
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRAC	Hazard Identification Risk Assessment Control
LTA	Lost Time Accident
MAPA	Malayan Agricultural Producers Association
MPOB	Malaysian Palm Oil Board
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 Procedure

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 IDENTITY OF CERTIFICATION UNIT

The SOU1 Mill and Estates are located in Kedah, Malaysia (Figure 1). Additional map showing details of each FFB supplying estates respectively Bukit Hijau and Padang Buluh Estates are included (Figure 2 and 3). The GPS location of the Mill is shown in Table 1.

Table 1: Mills GPS Locations

MILL	LONGITUDE	LATITUDE
Sungai Dingin (80 t/hr capacity)	100°40'0 E	5°24'0 N

1.2 PRODUCTION VOLUME

The actual production tonnages for CPO and PK for the ASA2 period and projected for the next twelve months are listed in Table 2.

TABLE 2: PRODUCTION TONNAGES

Sungai Dingin Palm Oil Mill	CPO	PK
Estimate at ASA 2	79,220	20,652
Actual ASA2	73,607	18,726
Projected ASA3	83,431	20,263

1.3 CERTIFICATION DETAILS

Sime Darby RSPO Membership No: 035-04(O)

BSI RSPO Certificate No: SPO 550179

Date of Certification: 12/08/2010

Date of ASA1: 30/06/2011

Date of ASA2: 9/04/2012

Date of ASA3: 28/05/2013

1.4 DESCRIPTION OF SUPPLY BASE AND SUPPLY CHAIN

The Sungai Dingin Palm Oil Mill supply base is the seven (7) SOU1 Estates that supply the majority of the FFB processed at the mill, and crop purchased from a FFB Trader. Interview of the FFB Trader found that he do not have any plantation. He is not associated with the Sungai Dingin Mill. The FFB purchased from the trader is excluded from the Sungai Dingin Operating Unit Certificate.

The FFB production from SOU1 Estates and the FFB Trader that was processed at Sungai Dingin Mill for the ASA2 reporting period and projection for Financial Year 2013/14 are listed in Table 3.

Table 3: Estate FFB Tonnages Processed

Source	Estimate (ASA2) 2012/13	Actual 2012/13	Projected 2013/14
<u>SOU 1 Estates</u>			
Sungai Dingin	63,843	60,289	66,918
Bukit Hijau	50,762	47,497	46,343
Anak Kulim	21,783	21,661	21,761
Padang Buluh	80,990	80,516	76,164
Bkt Selarong	83,961	67,773	68,954
Jentayu	11,289	33,861	31,641
Somme	39,855	11,019	11,302
Sub Total	352,483	322,616	323,083
<u>Adjacent Certified Sime Darby Estates</u>			
Holyrood***	-	14,104	38,715
Sub Total**	352,483	336,720	361,798
<u>FFB Trader*</u>			
Tang Tatt	2,400	8,982	10,000
GRAND TOTAL	354,883	345,702	371,798

* Production from the FFB Trader is excluded in the Certificate.

** Certified FFB

*** Certificate number: SPO 590800

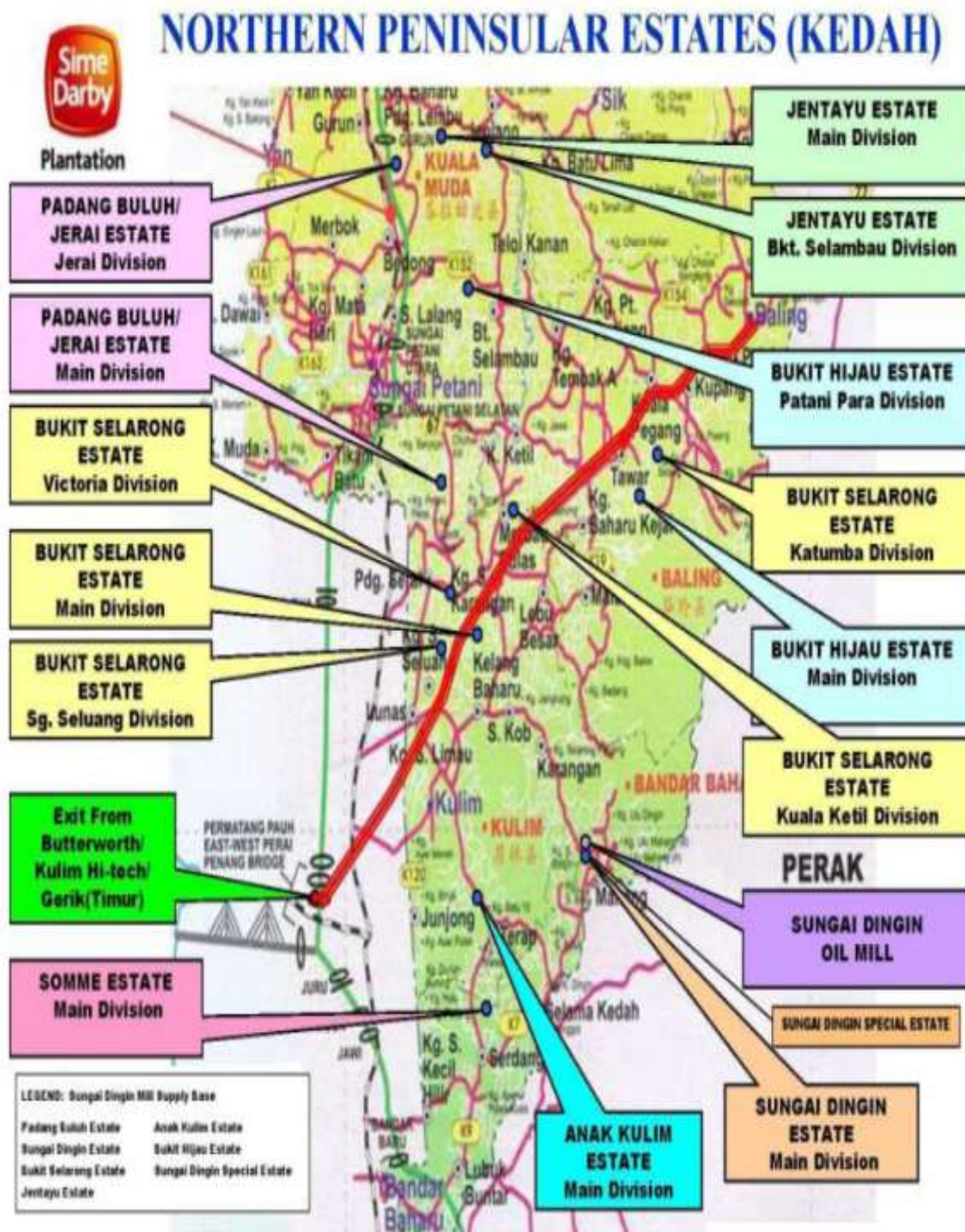


Figure 1: SOU1 Location Map

Figure 1: Sg Dingin Operating Unit Location in Kedah, Malaysia

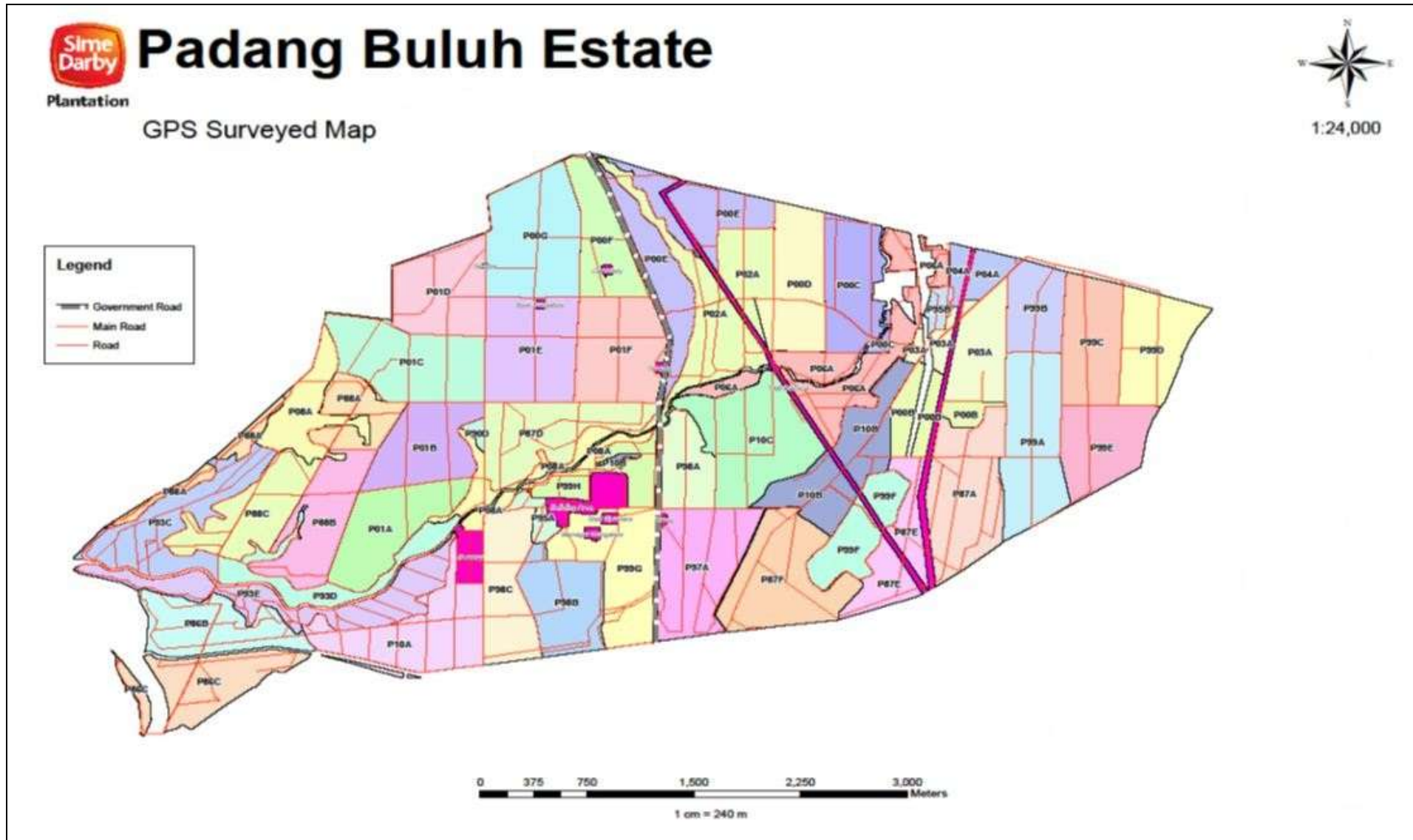


Figure 2: Padang Buluh Estate Layout

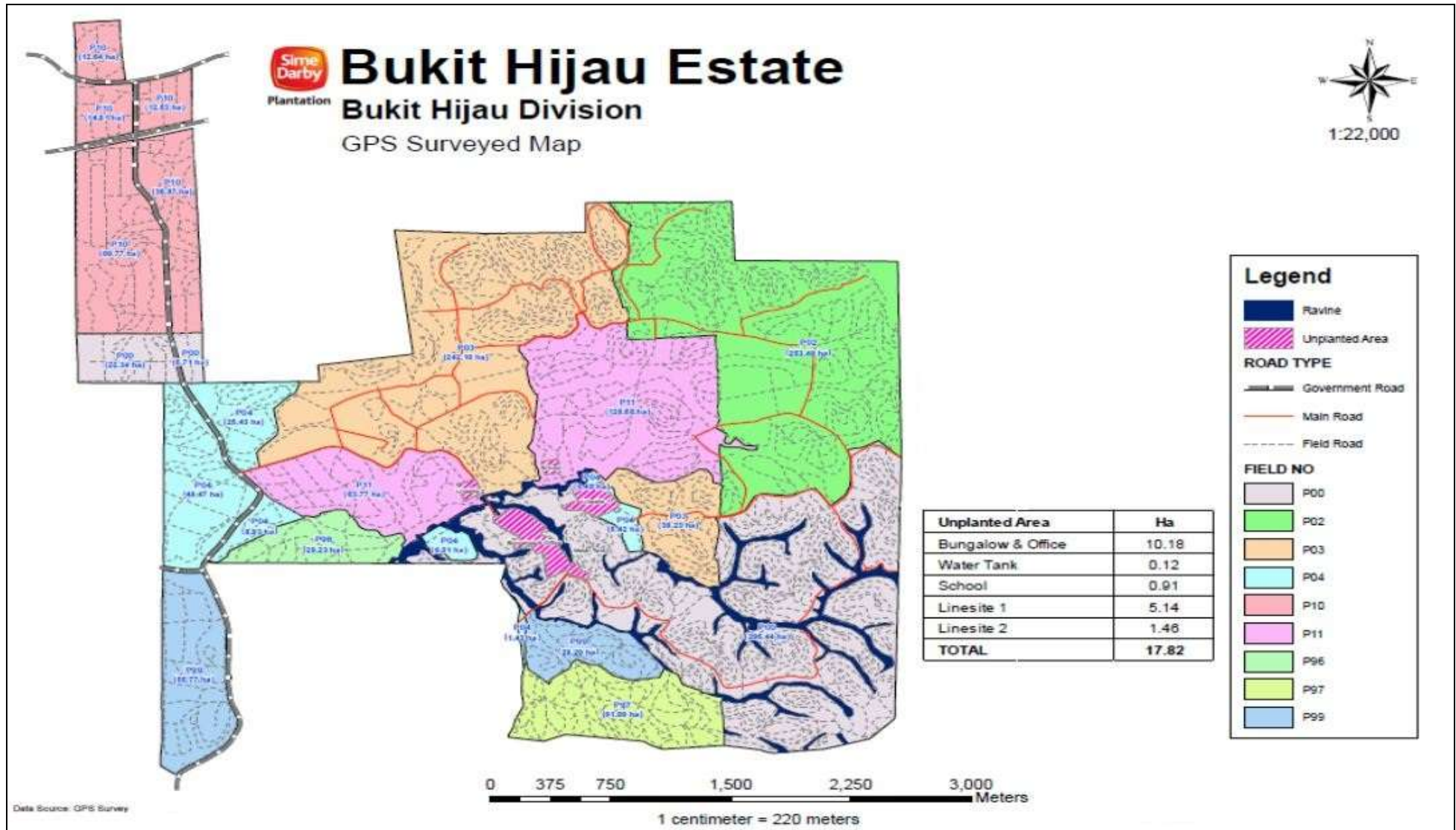


Figure 3: Bukit Hijau Estate Layout

The company owned Estates were developed in the early 1940's. Oil palms planted are in the 1st and 2nd cycles. The age profile of the palms is shown in Table 4a and the areas of mature and immature palms are detailed in Table 4b for each of the Estates.

Table 4a: Age Profile of Palms

Estate	AGE (years)	% of PLANTED AREA
Sungai Dingin	0-3	16.11
	4-10	0
	11-20	80.89
	21+	3
Padang Buluh	0-3	10.92
	4-10	4.85
	11-20	79.18
	21+	5.05
Selarong	0-3	9.80
	4-10	6.26
	11-20	73.49
	21+	10.45
Anak Kulim	0-3	0
	4-10	5.30
	11-20	94.70
	21+	0
Bukit Hijau	0-3	12.91
	4-10	18.68
	11-20	68.41
	21+	0
Jentayu	0-3	0
	4-10	12.72
	11-20	87.28
	21+	0
Somme	0-3	30.68
	4-10	22.47
	11-20	33.10
	21+	13.75

Table 4b: Estates and Areas Planted

Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)
Sungai Dingin	3267	786	4053
Padang Buluh	3085	378	3463
Bkt Selarong	3467	377	3844
Anak Kulim	1209	-	1209
Bukit Hijau	2295	323	2618
Jentayu	2051	-	2051
Somme	536	238	774
TOTAL	15,910	2,102	18,012

Total land area is 19,730ha. Planted area is 18,012ha and conservation area is 51.75ha.

Supply Chain

Sungai Dingin operating unit uses the mass balance mechanism for the supply chain. Similar to last assessment 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 Sungai Dingin mill maintains all of the documentation required for verification of implementation of the RSPO Supply Chain Certification Standard: November 2011 and the requirements for Mass Balance Mechanism – Refer to Appendix E for details.

1.5 Organizational Information / Contact Person

Sime Darby Plantation Sdn Bhd
 Management Unit SOU1
 Ladang Bukit Selarong
 09400 Padang Serai, Kedah
 MALAYSIA
 Contact Person: Mr. Jivaratnam Ramasundram
 Senior Manager, Sungai Dingin Mill
 Phone: +6044035233
 Fax: +6044033135
 Email: kks.sungai.dingin@simedarby.com

1.6 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 as reference number. 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. Sime Darby consistently has kept BSi informed of any emerging issues and claims made against it. At the time of preparation of this Report, BSi is not aware of any new issues involving:

- 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;

d. 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.

1.7 Progress of Associated Smallholders/Out growers towards RSPO Compliance

SOU1 does not purchase any crop from Smallholders, but it has purchased crop from an FFB Trader. The FFB Trader is not associated with the mill. The crop from the FFB Trader is excluded in the SOU1 Certificate.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

BSI Group Singapore Pte Ltd
3 Lim Teck Kim Road
#10-02 Genting Centre Building
Singapore 119963

RSPO Scheme Manager: Mr Aryo Gustomo
Phone: +65 6270 0777
Fax: +65 6270 2777
Email: aryo.gustomo@BSIgroup.com

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 Appalasamy - Lead Assessor

He holds degree in Resource Economics from Agriculture University of 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 and RSPO NPP in Malaysia and Indonesia. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course and International Sustainable Carbon Certification (ISCC) Lead Auditor training. Besides RSPO, he is also qualified as ISCC lead auditor. 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 completed RSPO Lead Auditor Training Course. He also 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 had assisted with conducting audits of oil palm plantation for more than 8 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 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 ASA3 was carried out 28 – 31 May 2013. The Assessment Programme is included as Appendix C. The Programme included assessments of Sungai Dingin Palm Oil Mill and sample of estates covering Bukit Hijau Estate, Anak Kulim Estate and Padang Buluh Estate against all of the RSPO P&C, Supply Chain Standard: 2011 and applicable indicators.

The Nonconformity that was assigned and the Observations that were identified during the ASA 2 Assessment was followed up to check the effectiveness of corrective actions – refer Section 3.3 Page 11.

Physical site inspections, observation of tasks and processes, interview of staff, workers and their families and external stakeholders, review of documentation and monitoring data were the methodology used for

collection of objective evidence. A checklist was used to guide the collection of information.

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 Sungai Dingin operating unit's 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. Management representative were not present at any of the meetings. A list of stakeholders contacted is included at Appendix D.

3.0 ASSESSMENT FINDINGS

3.1 SUMMARY OF FINDINGS

No new nonconformities were identified during the assessment. Enhanced detail relating to the overall assessment findings is contained within subsequent sections of the report. However there were eight (8) observations were raised which will be followed up during next surveillance assessment.

The Nonconformity that was assigned during the ASA2 and the observations identified were followed up to check the effectiveness of corrective actions. Refer Section 3.3 Page 11 for details.

BSI recommends continuation of Certification for SOU1 as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

Similar to last assessment, the mill and estates continuously maintained the system for receiving and responding to stakeholder requests for information. The requests received over the past year were from internal stakeholders and SOU1 had replied in a timely manner. Documents such as company policies are available on request.

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 Mill and Estates have maintained records on file of requests for information received from Government, MPOB and other interested parties, together with the response. For example, DOSH visited the Mill on the 29 January 2013 to inspect the maintenance record of pressure gauge and transmitter and mill showed the records accordingly. Compliance was found by the DOSH as well as by audit team during the mill inspection.

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.

Document review shows the Mill and Estate hold copies of each of the management documents listed under Criterion 1.2 and these are publicly available upon request by stakeholders and interested parties.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Sungai Dingin operating unit has maintained legal compliance with statutory requirements, which can be demonstrated from internal and external evaluation system such as internal audits, mill and plantation advisor reports and visits by DOSH and DOE Officers. The Mill and Estates have maintained all licenses and permits current and these are displayed prominently in the Offices. Land boundaries have been confirmed by survey and boundary stones are clearly demarcated.

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

Compliance with legal requirements is demonstrated by internal and external audit report findings, review of documents and records on site during the ASA3. The Mill and Estates maintain copies of applicable Permits and Licences on display. Checks of permits indicated all were valid. The most recent visit by DOSH on the 29 January 2013 did not found any issues.

Mill and estates has complied with the necessary legal requirement such as: MPOB license (number 530978004000 valid till 30 June 2014), DOE license (number 002440 valid till 30 June 2013) etc.

The Mill and Estates housing water supplies are from the Government Supply. Electricity is supplied to housing from the Government supply.

The Sime Darby Standards and Compliance Unit provide legal updates on all applicable legislation throughout Sime Darby. Sime Darby Regional Office provides legal

updates on changes to labour laws and worker pay and conditions.

Observation 1: *Minimum wage order 2012 was implemented since January 2013. However Minimum Wage Order 2012 (Perintah Gaji Minimum 2012) not listed in the list of applicable law and in LORR.*

Observation 2: *All the air compressors are having valid permit and well maintained. It was noted that during DOSH visit on 22/3/2012 and 15/5/2013 recommendation was given to mark the PMT Number on the air compressor. This recommendation is yet to be implemented.*

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

The Estates are on freehold land and they hold copies of Land Titles. The oil palm operations are consistent with the land title for agricultural purposes. Inspection of the boundary stones in the field at Bukit Hijau Estate confirmed that steel pipes painted red and white have been installed beside the concrete boundary stones and were maintained.

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 area, except in relation to trucks, which must obtain permission first. Stakeholder interviews confirmed that there were no issues related to land use by the estate operations.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

The Sungai Dingin Mill and Estates have made progress towards achieving their performance production targets for the current financial year. Sime Darby has continued its commitment to long term sustainability and improvements through a capital expenditure programme. Replanting of palms is being carried out progressively. Construction of new housing for the workers is also budgeted for the 2012/13 Financial Year.

Criterion 3.1: There is an implemented management financial viability.

The Estates and Mill have an Annual Operational Budget (2012/13) and Capital Expenditure Budget that are projected for five years. The budgets include performance objectives and targets related to production, efficiency and quality.

The Mill achieved actual average OER of 21.86% for the last ASA2 period. The projected OER for 2013/14 is 22.44%.

The Estates have a Replanting Programme that is projected to 2020 and was revised in December 2012. For Bukit Hijau Estate, the oldest palms were planted in 1997 which is 16 years old.

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

Sungai Dingin operating unit has continued to operate the Mill and Estates in accordance with the Sime Darby management systems and practices, under the guidance provided by Mill and Plantation advisor reviews and recommendations for improvements.

The Sime Darby R&D Department has maintained an active interest in the management of soil fertility and optimisation of FFB yields. Yield/ha for all estates are monitored closely to ensure optimum production is achieved. The establishment of beneficial plants and the implementation of IPM have continued with the aim of reducing the use of chemicals besides preventing any leave eating pest attack.

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

The Mill and Estates have implemented an integrated environment, quality and health & safety management system. The Estates continue to use the Sime Darby Standard Operating Procedures issued 2 January 2008 as a standard agricultural reference. In addition, the Estates have work procedures in Bahasa Malaysia for operational control for each of the main tasks, including safety issues.

The implementation of SOPs is checked during daily inspection by staff as well as by internal audits. Mill operators record operating parameters hourly on log sheets and the Mill Engineer and Shift Supervisor check these each shift and on a daily basis. The Mill Advisor recently visited on 25 March 2013 to monitor the operation.

The Plantation Advisor visits the Estates twice yearly, with the most recent visit to Kamuning Estate between 22 and 25 October 2012. The Estates hold copies of previous internal audit reports that include the Manager's response to issues raised and corrective action to be taken.

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 Agronomy Section of R&D Department carries out annual visual inspection of the palms and leaf sampling to monitor palm nutrient status (last visit

December 2012) and the information is used for the annual fertiliser recommendation for 2013/14 Financial Year. Soil sampling was carried out in July 2010 and is scheduled to be repeated every 5 years.

Approximately 90% of EFB is converted to compost and the balance is applied as mulch to immature palms at replanted areas. The Estates maintain records of the quantity of EFB received from the Mill and the oil palm blocks of immature palms to which it is applied. Agronomist visited the estates February 2013 to carry out visual inspection of the palms before the final fertilizer recommendation is given. The estates received the fertilizer recommendation dated 8 June 2013.

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

The two main soil types are Jeranggau and Rengam, which are sandy and well drained. Cover crop consisting of a mixture of *Pueraria javanica* and *Centrosema muconoides* are planted to prevent soil erosion following replanting. Field inspections confirmed soil conservation practices generally were consistently implemented.

Road maintenance programme for FY 2012/13 is available. Implementation programme checked at Padang Buluh estate shows the map indicating road repairs and maintenance for the whole estate roads.

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

Sungai Dingin operating unit has prepared a map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection at Padang Buluh Estate and Bukit Hijau Estate confirmed that the buffer zone beside the stream has been set.

The Mill has monitored water quality of Sungai Dingin upstream, midstream and downstream from the mill discharge. The laboratory analysis results indicate no significant difference in quality between upstream and downstream locations. BOD level is 1ppm.

Daily rainfall is measured at all SOU1 Estates. The rainfall probability reference manual used as a management tool for water management and the information is used for the scheduling of fertiliser application as well. The rainfall summary record shows 2,579mm rainfall for 2011 and 2,834mm rainfall for 2012.

The Mill reports total water usage monthly to Head Office. The water usage for the last three years was 6,953.543m³ for 2010/11, 12,714.73m³ for 2011/12 and 13,540.81m³ for 2012/13 Financial Year.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using

appropriate Integrated Pest Management (IPM) techniques.

Estates have carried out additional planting of the beneficial plants *Turnera subulata* and *Cassia cobanensis* along roadsides for control of leaf-eating pest. The main areas of focus were the roadsides at the newly replanted land. The Estates have maintained records of six monthly census of barn owls as well as records of the blocks where chemical treatment, such as rat baiting, has previously been carried out. For example, total of 135 barn owl boxes have been placed with occupancy rate of 34.07% as at February 2013 at Padang Buluh Estate.

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 HQ Purchasing Department controls the purchase of pesticides. Inspection of the Pesticide Stores confirmed only pesticides registered by the Pesticides Board were held.

Inspection of the Estates Pesticide Stores confirmed storage was in accordance with regulations with adequate security, ventilation, separation of chemicals and spill containment. MSDS's were displayed in the Pesticides Store for each of the chemicals held in both Bahasa Malaysia and English. Sime Darby has developed Pictorial Work Instructions with text in Bahasa Malaysia for chemical mixing and spraying.

Sungai Dingin Operating unit is conducting medical surveillance to all pesticide operators as per CHRA requirement. CHRA conducted by DOSH approved assessors [Approval number JKKP IH 127/171-2(124) and JKKP IH 127/171-2(257)] dated July 2010. Approval to use generic CHRA dated 7 September 2010 with approval number JKKP K/M 127/454/5-16(10) as per USECHH, 2000 is available.

No female pesticide operators. However the company policy is when a female pesticide operator is confirmed pregnant and wishes to continue working she is transferred 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 or paraquat held at the Pesticide Stores. Company has ceased use of paraquat.

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

Sime Darby Management has maintained an approved Health and Safety Policy dated September 2011 that is displayed prominently on notice boards in English and Bahasa Malaysia. The OSH Manual dated August 2008 has been revised on December 2012.

The Mill HIRAC was reviewed for each of the workstations and updated January 2013. The Mill and Estates have updated the Safety Training Plan for the 2012/13 financial year. The Estates have prepared a Training Matrix that lists the OSH core competency training for Staff and Workers. The Mill and Estates hold training records, including details of the topic, trainer, list of attendees and signatures.

The mill and estates maintained up to date accident records in term of "Daftar Kemalangan, Kejadian Berbahaya, Keracunan Pekerjaan dan Penyakit Pekerjaan" using JKPP 6 and 8 forms.

All the workers are covered by the accident insurances where for Malaysian is covered by SOCSO [Perkeso (Pertubuhan Keselamatan Sosial)] while for foreign workers are covered under RHB Insurance by Master Policy FW035707E04 valid till 30/06/2013. Renewal for the next twelve months is already requested with the head office.

Inspections of the Mills and the Estates visited indicated that safe work practices were being implemented and proper PPE's are in use by the workers. The Mill and Estates conduct quarterly Safety Committee Meetings with the most recent held on 13 April 2013 attended by 12 persons. The OSH Committees discuss accident reports, workplace inspections and issues raised by representatives. The topics discussed are communicated to workers at muster briefing by the OSH Committee representatives.

The Mill and Estates reviewed the Emergency Response Plan. First Aid and Rescue Team training conducted on the 16 May 2013 by Fire and Rescue Department and estate Hospital Assistant (HA). Fire Drill was conducted on the 7 April 2013. As for Padang Buluh Estate, the First Aid training was conducted on the 23 April 2013 by the HA. First Aid Kits are available in the Office and at Work Stations in the Mill. The Estates have issued First Aid Kits to Supervisors and Mandors. A sample of Kits was inspected and these were found to be appropriately stocked.

Observation 3: Hazard Identification Risk Assessment and Control was regularly conducted and reviewed for all activities. Last review was on January 2012. It was noted that transportation risk assessment was missing in the list.

Observation 4: First aid equipment and first aid boxes are available at work site. The first aid box content was checked monthly and found some items missing at chemical store and weighbridge station.

Observation 5: The last emergency drill training was conducted on 7/4/12 (Bukit Hijau) and 13/5/2012 (Padang Buluh). There is a delay in conducting Emergency drill for year 2013

Observation 6: There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed. OSH Meeting was held on 25/3/2013 and discussed about lost time accident but not the accident recorded on 4/9/2012.

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

The Mill and Estates have prepared an annual training plan for 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. For example, Padang Buluh Estate has conducted safety training for harvesters on the 3 April 2013.

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

Sungai Dingin operating unit environmental improvements continue to be directed towards the reduction of waste, such as oil losses at the Mill and the efficient use of natural resources such as water. HCV is limited to the riparian buffer strips that are being reinstated during replanting and the company continued to make employees aware of the need to protect HCV and fauna. Inspection at Bukit Hijau Estate shows the riparian area has been demarcated. Scheduled wastes were well controlled.

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 Mill and Estates carried out the annual review of environmental impacts in term of Environmental Impact Assessment management Action Plans and Continuous Improvement Plans. The Mil has completed the construction of the roof over the decanter cake storage area as per planned during the ASA 2.

Observation 7: Currently estates have 15 tractors occupying the parking bay at workshop. Containment tray is provided as a spill kit. Number of containment tray was not increased to ensure all tractors have individual tray.

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 carried out in May 2009. 50ha of Biodiversity area within the planted area (riparian) and 1.5ha of HCV4 (Garevyard and worship places) Training and awareness of staff and workers has been carried out on company policies that prohibit disturbance of designated protected areas. Signs are maintained at the entrance to the estates prohibiting hunting, fishing and the use of fire. This is supplemented by posters on notice boards at muster areas. Awareness of the protection of fauna has been conducted at Estates muster briefings.

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

The Mill and Estates have maintained the scheduled waste stores and stored materials were labelled, segregated and the inventory up-to-date, in accordance with statutory requirements. The Mill and Estates have engaged licensed schedule waste collector to dispose the schedule waste. Mill has send schedule waste through G Planters dated 24/4/2013 for Spent Hydraulic oil, Electrical waste and chemical container. G Planter registered with government department.

The Estates have developed landfills for disposal of non-recyclables domestic waste. Line site and land fill visits shows household waste are properly managed. Treated effluent is applied to the palms in furrows within Sungai Dingin Estate and EFB have been applied in the fields as part of recycling initiatives by the mill and estates.

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

Mill monitor and reports total renewable energy use by monthly to Head Office. Records show that 0.76 kwh/mt FFB renewable energy was generated in March 2012. Almost 95% of the electricity for the mill processing is generated through the steam turbine through renewable energy. The balance 5% is generated through the fossil fuel.

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.

Inspection of replanted areas confirmed palms were felled, chipped and windrowed. No evidence of fire used for domestic waste disposal. Visit to the line site at all the estates and mill confirm no burning of domestic waste.

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

Pollution prevention plan has been updated on 3 August 2012 covering the financial year 2012/2013 until June 2013. Planting of vetiver grass to protect slope earth erosion, construct proper monsoon drain outfall and curtain for boiler ash has been identified as mitigation measures to avoid polluting sources.

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

Sungai Dingin operating unit has continued to maintain good communication with internal and external stakeholders. There were no complaints or disputes that required resolution through a formal process. The company has maintained support for implementation of the anti-discrimination policy and equitable treatment of female employees. Workers are free to join a union of their choice and the company has maintained a good relationship with contractors. The company makes contributions to local schools and places of worship that are appropriate for the socio – economic setting.

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.

Mill SIA management action plan has been updated on 1st April 2013. As for Bukit Hijau estate, the SIA management plan has been revised on the 14 July 2012. It includes translating payslip to Bahasa, upgrading of facilities and subsidy for school children transport.

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.

The Mill and Estates continued to maintain dialogue with internal and external stakeholders and the list of stakeholders was updated and includes suppliers, contractors, community leaders, government departments and emergency contacts. Interview with stakeholders confirm that there are regular meetings were conducted. For example, Bukit Hijau Estate has conducted the stakeholder meeting on the 10 May 2013 attended by 11 persons does not identified any negative issues.

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.

Records of written communications have been maintained although there was no complaint received that needed to be handled through the formal complaints system as regular formal and informal meetings were carried out.

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.

There was no land disputes that need to be handled through the formal procedures.

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 consistent with the current MAPA/NUPW Agreement. Review of payslip and contract of chemical mixer Mahyudin for the month of March 2013 shows that pay is RM 1050.00 which is more than the minimum wage of RM 900.00 set by the government. The contract agreement clearly stated that is in accordance with the MAPA / NUPW provisions. Interviews of staff and workers confirmed that they understood the terms and conditions of their contract of employment and received benefits accordingly.

The company provides a good standard of housing for its staff and workers and their families. Other facilities such as worship place, playground and community hall have been provided. Schools are located at nearby the operating units. Electricity and Water are supplied to Mill and Estates housing from the Government supply and piped directly to each house.

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.

Interview with the union representative confirm that there were regular meetings conducted and they are free to join the union. As for Bukit Hijau estate, the latest union meeting was conducted on the 15 February 2013 together with the Safety and health committee meeting and no issue has been highlighted by the workers.

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 is 18 under the Malaysian Labour Ordinance 1969. At time of hire age is checked by examination of ID card for local persons. Check of Passports of foreign workers is carried out prior to hire. Children and under-age workers were not observed at any of the Mill or Estate operational areas during the field visit.

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 ASA 2, inspection of pay records together with interviews at the Mill and Estates did not identify any issues related to discrimination.

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 Top Management in April 2008. Similar to the ASA 2, interview of female Staff and Workers confirmed their knowledge of the Policy and as advised there were no outstanding issues.

Additional manual on Gender Policy implementation partnership with Tenaganita developed in June 2010. Latest gender committee meeting was conducted on the 15 May 2013 at Bukit Hijau Estate attended by 9 members. There were no harassment issues has been highlighted in the meeting.

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

Interview with maintenance contractor and FFB trader confirmed that the payments are made on time and they were maintaining a good relationship for long time.

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. Sungai Dingin operating unit has continued to makes donations to local schools, temples and mosques, which are considered an appropriate form of assistance.

Observation 8: As a contribution to local development, the school located within estate premises requested verbally to estate to collect the waste from the school.

This will avoid any waste disposed at the vicinity of the field beside the school.

Principle 7: Responsible Development of New Plantings

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

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

Sungai Dingin operating unit has continued to seek improvements in the efficiency of its performance as a grower and producer of palm oil. The company has an approved budget for construction of new houses. Replacement of old houses is in progress at the estates.

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 Mill has continued to look for ways to reduce water usage. The Mill and Estates have implemented recycling scrap metal from the maintenance workshops. The Mill and Estates have implemented additional controls for prevention of pollution from point sources, such as the installation of a curtain at the boiler ash hopper to minimise dust.

The company has an approved budget for construction of new houses and upgrading current workers housing.

3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA3)

No new nonconformities were identified during the assessment. Detail relating to the overall assessment findings is contained within subsequent sections of the report. However there were eight (8) observations / opportunities for improvement were raised which will be followed up during next surveillance assessment.

Observations/Opportunities for Improvement (ASA3)

Eight (8) Observations/Opportunities for Improvement were identified. The progress with these will be checked during the next Annual Surveillance Assessment.

Observation 1: (2.1.4) Minimum wage order 2012 was implemented since January 2013. However Minimum Wage Order 2012 (Perintah Gaji Minimum 2012) not listed in the list of applicable law and in LORR.

Observation 2: (2.1.1) All the air compressors are having valid permit and well maintained. It was noted that during DOSH visit on 22/3/2012 and 15/5/2013

recommendation was given to mark the PMT Number on the air compressor. This recommendation is yet to be implemented.

Observation 3: (4.7.1b) Hazard Identification Risk Assessment and Control was regularly conducted and reviewed for all activities. Last review was on January 2012. It was noted that transportation risk assessment was missing in the list.

Observation 4: (4.7.1i) First aid equipment and first aid boxes are available at work site. The first aid box content was checked monthly and found some items missing at chemical store and weighbridge station.

Observation 5: (4.7.1g) The last emergency drill training was conducted on 7/4/12 (Bukit Hijau) and 13/5/2012 (Padang Buluh). There is a delay in conducting Emergency drill for year 2013.

Observation 6: (4.7.1f) There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed. OSH Meeting was held on 25/3/2013 and discussed about lost time accident but not the accident recorded on 4/9/2012.

Observation 7: Currently estates have 15 tractors occupying the parking bay at workshop. Containment tray is provided as a spill kit. Number of containment tray was not increased to ensure all tractors have individual tray.

Observation 8: (6.11) As a contribution to local development, the school located within estate premises requested verbally to estate to collect the waste from the school. This will avoid any waste disposed at the vicinity of the field beside the school.

Noteworthy Positive Components

- The maintenance and upkeep of the oil palm was well implemented and consistent with the Sime Darby internal standards and SOP.
- There was no non-conformity found during the assessment as the management unit committed to comply with all the RSPO requirements.

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

Corrective Actions for a Nonconformity identified during the ASA 2 has been effectively and consistently implemented and the nonconformity remains closed.

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

During the ASA 2, a minor Nonconformity was raised against this minor compliance indicator because there was uncontrolled dumping of boiler ash and other solid wastes disposed at the landfill, and materials appeared dumped at locations convenient for the truck driver.

ASA 3 Findings: As per Corrective Action Plan provided to close out the ASA 2 Nonconformity, the Mill has constructed new dumping area. During the visit it was noted that all the decanter solid utilized for compost. The old dumping yard was empty and clean. There were no solid waste disposed at the landfill and regular monitoring has been carried out by the management to ensure the waste is disposed environmentally and socially responsible manner. The nonconformity was addressed appropriately. The nonconformity was closed.

Review of Progress with Observations / Opportunities for Improvement Previously Identified

OBS01 (2.2.3) At Jentayu Estate, Boundary stones still in progress of being surveyed.

ASA 3 Findings: The survey has been completed and map indicating the boundary was seen during the field visit. Boundary packs were erected and maintain visibly.

OBS02 (4.3.2) At Jentayu Estate, bare ground was observed along some paths, specifically at the young palms, for example, Blocks P07-22 due to over spraying.

ASA 3 Findings: Visit to the block P07-22 found the ground was well established with cover crops.

OBS03 (4.4.7) At Taman Sg Dingin Housing, sediment build-up in the roadside drains prevented drainage and stagnant water had accumulated, indicating lack of attention paid to water management.

ASA 3 Findings: The drain at the Taman Sg Dingin housing was well maintained for drainage and no stagnant water found during the visit.

OBS04 (4.6.3) Empty pesticide containers at Jentayu were incorrectly stored. These were transferred immediately to the schedule waste store. At Sg Dingin Estate empty pesticide containers used for pre-mixing spray were inadequately marked to show the contents.

ASA 3 Findings: Empty pesticide containers were stored in the schedule waste. Pesticide containers used for pre-mixing were adequately marked with permanent danger sign and labelled.

OBS05 (4.7.1) Interview of workers at Somme Estate Maintenance Workshop found they had a low level of understanding of the correct use of PPE for eye protection for welding.

ASA 3 Findings: Welding helmet, hand shield, and goggles were in use during the visit and interview of the workers found they understand the important of those PPE's which has been explained by the management.

OBS06 (4.7.1) At Somme Estate, *Mucuna Bracteata* is becoming established in the newly re-instated buffer zone at the replanting area. This will cause difficulty in future re-establishment of the buffer zone where trees are planted due to competition from *Mucuna*.

ASA 3 Findings: Buffer zones were well maintained and clearly marked with red paints. The mucuna is removed from the buffer area where trees were planted. Mucuna is restricted within the palm planting area only.

OBS07 (5.3.2) At Somme Estate there is an opportunity to re-use the rinsed from triple rinsing of empty pesticide containers and incorporate it into pre-mix to be used for spraying.

ASA 3 Findings: The management has initiated to re-use the rinsed water from the triple rinsing of empty pesticide containers. This water was used for pre-mix of agrochemicals for spraying.

OBS08 (5.3.2) At Sg Dingin Estate, one of the land application stop bunds had been eroded, indicating inadequate attention given to maintenance.

ASA 3 Findings: Visit to the land application field found the stop bund was adequately re-constructed and maintained.

OBS09 (6.1.3) The Sg Dingin and Jentayu Estates Social Action Plans had been updated but most items had been carried over from the 2009 Plan, which have already been actioned and closed. The Plans could be improved by including an update of current actions and any newly identified issues.

ASA 3 Findings: The Social Action Plans were updated with current issues and all the closed items were removed from the Plans.

OBS10 (6.6.1) At Jentayu estate it was stated that Worker Union Representative Meeting have been held; however there was no record of these.

ASA 3 Findings: Interview with the union representative confirms that there were regular meetings conducted and they are free to join the union. The latest union meeting was conducted on the 15 February 2013 and recorded in the file.

3.4 Issues Raised By Stakeholders (ASA 3)

Stakeholders interviewed, both internal and external, had mainly positive comments. There were no issues raised by stakeholders that need to be address by the management.

Issues Raised by Stakeholders previously (ASA 2)

The issues raised during the ASA 2 and companies responds were verified during this assessment. The details are as below:

1.) A Sg Dingin Estate worketr/long term resident (born at the Estate) asked why the company no longer gave them option to purchase their house, as was the case before the merger. He is fearful of the future and what will happen when he retires as he and his family will no longer be eligible for a company house.

Company Response: The housing purchase scheme was in place prior to the company merger. This has been raised with top management but a policy decision has not yet been made.

ASA 3 findings: The top management unable to make any decision on the issue as it involves long term effect to the operating units and group policy issue. At the moment it is not the company policy to make any housing scheme. The management encouraged the workers to apply for the government housing scheme and this was communicated to workers. Workers interviewed highlighted their understanding on this and no further verification required.

2.) Harvester at Somme and Jentayu Estates complained of low income during the past several months due to lower crop.

Company Response: The Estate have offered the harvesters additional work pruning palms for earning additional income.

ASA 3 findings: The minimum wage set by the government has been paid and therefore, no issue on low income in any period raised by the workers.

3.) At Somme Estate, the NUPW Representative did not understand the new NUPW/MAPA Agreement on the paid leave, which is now limited to one day paid leave per month.

Company Response: The NUPW Union Executive explanation to the workers was not understood. Management will hold another meeting with the Union Executive and workers to clarify.

ASA 3 findings: The management had explained to the Union Executive and workers on the matter clearly and the Union Executive and workers confirmed that they understand the new agreement.

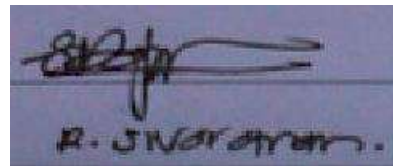
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Date of Next annual surveillance Visit**

The next Surveillance Assessment (ASA 4) will be scheduled within twelve months of RSPO approval of continuation of Certification.

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

Sungai Dingin operating unit acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings. Sungai Dingin operating 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 (SOU1)



Senior Manager, Sungai Dingin Palm Oil Mill

Signed for on behalf of
BSI Group Singapore Pte Ltd



.....
Mr. Senniah Appalasamy
BSI RSPO Lead Audit

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 April 2013. Details are explained under section 1.5 of this summary report.

Appendix B: Sime Darby Plantation Sdn Bhd – SOU 1 Sungai Dingin Palm Oil Mill Certification Unit's RSPO Certificate Details

Sime Darby Plantation Sdn. Bhd.
 SOU 1 Management Unit (Sungai Dingin)
 Ladang Bukit Selarong,
 09400 Padang Serai,
 Kedah,
 MALAYSIA

BSI RSPO Certificate No: SPO 550179

Date of Initial Certificate Issued: 12 August 2010

Date of Expiry: 11 August 2015

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 E: Mass Balance.

Sungai Dingin Palm Oil Mill and Supply Base	
Location	District of Padang Serai, Kedah, Malaysia.
Address	SOU 1 Management Unit (Sungai Dingin), Ladang Bukit Selarong, 09400, Padang Serai, Kedah, MALAYSIA
GPS	100° 40' 0" E; 5° 24' 0"N
CPO Tonnage Total Production (Certified)*	83,431
PK Tonnage Total Production(Certified)*	20,263
Company Estate FFB Tonnage (Certified) *	361,798
Estates FFB Tonnage (Certified)*	Sungai Dingin Estate : 66,918
	Bukit Hijau Estate : 46,343
	Anak Kulim Estate : 21,761
	Padang Buluh Estate : 76,164
	Bukit Selarong Estate: 68,954
	Jentayu Estate: 31,641
	Somme Estate: 11,302
	Holyrood Estate: 38,715

* Certified production

Appendix C: Assessment Programme May 28th – 31st, 2013

Date	Time	Subjects	Senniah	Isman	Muhd Haris
Tuesday 28/5/2013 Sungai Dingin 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). 	√	√	√
Tuesday 28/5/2013	09.00 – 12.00	Sungai Dingin 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	Sungai Dingin 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, etc. Verify previous nonconformities.	√	√	√
Wednesday 29/5/2013	08.00 – 12.00	Bukit Hijau 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.	√	√	-
	08.00 – 17.00	Anak Kulim 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.	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Bukit Hijau 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).	√	√	-
Thursday 30/5/2013	8.00 – 12.00	Padang Buluh 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.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	Padang Buluh 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).	√	√	√
Friday 31/5/2013	8.00 – 11.00	Continue Document Audit. Auditor meeting & Preparation for closing meeting	√	√	√
	11.00 – 12.00	Closing Meeting	√	√	√

Appendix D: List of Stakeholders Contacted

<p>Internal Stakeholders</p> <p>3 Female Mill Staff/Workers 5 Male Mill Staff/Workers 2 Foreign Worker Mill Housing Residents 2 Female Mill Housing Residents Estate Hospital Assistant Female Assistant at Clinic 3 Male Harvesters (Foreign) 2 Workers Union Representatives 4 Female Office Staff/Workers 4 Residents Padang Buluh Estate Housing</p>	<p>External Stakeholders</p> <p>Electrical Contractor General Supplier Maintenance Contractor Estate Shop Owner</p> <p>Local Communities</p> <p>Kampung Representatives</p> <p>School</p> <p>SJK(T) Ladang Scarboro SJK(T) Ladand Sungai Dingin</p>
---	--

Appendix E: Sungai Dingin Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

Requirements	
E.1. Documented procedures	
E.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Mass Balance (MB) supply chain requirements.	Sungai Dingin palm oil mill have written documented procedures for the chain of custody with MB model covering certified and non certified FFB. The mill manager has the responsibility to ensure implementation. The MB model used because there are FFB purchased from two outside suppliers.
E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Sungai Dingin 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.
E.2. Purchasing and goods in	
E.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.
E.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
E.3. Record keeping	
E.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.
E.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.
E.3.3 (a) 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 these sites. PK is sold to Sime Darby's subsidiary kernel crushing plant.
E.3.3 (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Computerized system in place with the delivery deducted accordingly.
E.3.3 (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	Only positive stock id delivered. No short selling.
E.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.	Facilities use Mass Balance model and indicated on the relevant documents as RSPO CPO/MB.
E.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.	No outsourcing activities.
E.4. Sales and goods out	
E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	There are no sales through UTZ. GreenPalm sales conducted as a group. The mill is ready to carry out sales of certified palm products. Existing system is ready to cater for future sustainable palm product sales. Sample of existing sales documents were checked and found that:
(a) The name and address of the buyer	Name and address of buyer written on the invoice. Sample checked was conventional palm oil send to Sime Futures Trading in May 2013.
(b) The date on which the invoice was issued	Date is written.
(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)	Product description and supply chain model is written. Mass balance model.
(d) The quantity of the products delivered	Quantity in tones. i.e. 31mt. written.
(e) Reference to related transport documentation	Weighbridge documents and D/O includes all the transport references.
E.5. Training	
E.5.1 The facility shall provide the training for all staff as required implementing the requirements of the Supply Chain Certification Systems.	Staffs in the weighbridge, inventory, storage and processing, document control have attended latest training in January 2013.
E.6. Claims	
E.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.	No claims made because the CPO is delivered/sold to downstream refineries.

Appendix E: Sungai Dingin Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance) ...Continue

Actual Certified Palm Production –ASA2

MILL	CAPACITY	CPO	PK
Sungai Dingin Palm Oil Mill	80 mt/hr	73,607	18,726

Actual Sales of Certified Palm Products – ASA2

MILL	Certified CPO Sales	Certified PK Sales	Remarks
Sungai Dingin Palm Oil Mill	NIL	NIL	No sales of certified palm products. Palm products are sold as normal palm products because buyers want only normal conventional palm products.

Actual Certified FFB Received Monthly – ASA2

Month	Sg. Dingin Estate	Pdg. Buluh Estate	Bkt. Selarong Estate	Anak Kulim Estate	Bukit Hijau Estate	Jentayu Estate	Somme Estate	Holyrood Estate	Total FFB
May 2012	3826	5335	5466	1802	2941	2357	819	0	22546
June 2012	5280	5630	5809	1874	3925	2509	950	1049	27026
July 2012	7200	8946	6339	2567	5108	2296	894	1312	34662
August 2012	7117	8338	6315	1679	5086	3079	1391	1218	34223
Sept. 2012	7104	8841	6669	2609	5249	3231	1296	1242	36241
Oct. 2012	6399	8600	6886	1980	5708	3185	852	1410	35020
Nov. 2012	4864	8486	6174	1927	3791	3669	802	1311	31024
Dec. 2012	4319	6798	5730	1187	3848	3334	820	1234	27270
January 2013	4295	6289	4974	1760	3414	3185	856	1409	26182
February 2013	3820	5729	4697	1730	3386	2716	856	1233	24167
March 2013	3059	4190	4288	1507	2661	2403	777	1451	20336
April 2013	3006	3334	4426	1039	2380	1897	706	1235	18023
Total	60289	80516	67773	21661	47497	33861	11019	14104	336720