

RSPO – 4th ANNUAL SURVEILLANCE ASSESSMENT

Sime Darby Plantation Sdn. Bhd.
Head Office: Level 3A, Main Block, Plantation Tower, No 2 Jalan P.J.U 1A/7 47301 Ara Damansara, Selangor, Malaysia.
Melalap Palm Oil Mill and Supply Base 14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah

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Section 1 Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Date	Member since 6 September 2004
Company Name	Sime Darby Plantation Sdn Bhd		
Address	Melalap Palm Oil Mill, 14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.		
Subsidiary of (if applicable)	N/A		
Contact Name	Mr. Ahmad Fauzi Haji Jantan (Melalap Palm Oil Mill Manager)		
Website	www.simedarby.com	E-mail	kks.melalap@simedarby.com
Telephone	+6087-302146	Facsimile	+6087-302243

2. RSPO Certification Information			
Certificate Number	SPO 547124	Date	21.01.2011
Scope of Certification	Melalap Palm Oil Mill Melalap Estate Sapong Estate		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE119-60142804	ISCC	ASG Cert	30 June 2015
AC 3552	Quality Environment Management System	Malaysian Productivity Corporation	31 July 2015

3. Location(s) of Mill & Supply Bases (Certified Scope)			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Melalap Palm Oil Mill	14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.	116° 00' 00"	5° 15' 40"
Melalap Estate	14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.	116° 00'00.09"	5° 15' 45.61"
Sapong Estate	14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.	115° 56' 56.8"	5° 03' 52.9"

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4. Description of Certified Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)	Infrastructure & Other (ha)	Certified Area (ha)	% of Planned
Melalap Estate	1,353	0	1,353	892	2,245	60.27
Sapong Estate	2,333	0	2,333	1,119	3,452	67.58
Total	3,686	0	3,686	2,011	5,697	64.70

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (2014)	Actual (2014)	Forecast (2015)
Melalap Estate	0	0	100	0	0	33,533	33,602	34,597
Sapong Estate	0	0	100	0	0	55,674	48,409	58,316
Total						89,207	82,011	92,913

6a. Certified Tonnage of FFB (Own Certificate Scope)

Estate	FFB Tonnage / Year		
	Estimated (2014)	Actual (2014)	Forecast (2015)
Melalap	33,533	33,602	34,597
Sapong	55,674	48,409	58,316
TOTAL	89,207	82,011	92,913

6b. Non-Certified Tonnage of FFB (outside supplier)

Independent FFB Supplier	Tonnage / Year		
	Estimated (2014)	Actual (2014)	Forecast (2015)
Yong Ken Vui	6,000	13	10,000
Wong Chai Kui		100	
Hiew See Keong		227	
Joyland Sdn Bhd		611	
EK Hong Agriculture Sdn Bhd		1,107	
Tenom Plantation		46	
Ladang Paal Sdn Bhd		664	
Chong Yin Choi		22	
Wong Tet Loi		116	
Yong Oi Min		82	
Nge Wa Hwa		655	
Chong Fok Jin		54	
Ho Tin Ting		257	
JN Agriculture		43	
Golden Horse Plantation		1,054	
Yong Kee Chiang		66	
Gohs Plantation Sdn Bhd		261	
Hiew Swee Fah		38	
V.K. Enterprise	192		
TOTAL	6,000	5,608	10,000

7.Certified Tonnage									
Mill	Estimated (2014)			Actual (2014)			Forecast (2015)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Melalap Palm Oil Mill	89,207	20,241	4,416	82,011	18,845	4,069	92,913	20,490	4,738

Section 2 Assessment Process

Certification Body:

PT BSI Group Indonesia

(Accreditation Certificate No. RSPO- ACC- 019)

Menara Bidakara 2,

17th Floor, Unit 5,

Jalan Jend. Gatot, Subroto Kav 71-73,

Komplek Bidakara, Pancoran,

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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 is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Jakarta, Indonesia and an office at Singapore, Kuala Lumpur, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The ASA4 was conducted from 1 - 3 December 2014. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Melalap Estate and Sapong Estate). A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. RSPO P&C 2013 and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Major Nonconformity that was assigned during the last audit which was closed during the last assessment was followed up to ensure it is remaining closed. All the previous nonconformities remains closed. The assessment findings are detailed in Section 3.3 and Appendix A.

This summary report is structured to provide detail of the assessment. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was reviewed by BSI's Certification Reviewer prior to certification decision.

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The following table would be used to identify the locations to be audited each year in the 5 year cycle

1. Assessment Program					
Name (Mill / Supply Base)	IAV	ASA1	ASA2	ASA3	ASA4
Melalap Palm Oil Mill	√	√	√	√	√
Melalap Estate	√	√	√	√	√
Sapong Estate	√	√	√	√	√

Tentative Date of Next Visit: 20 October 2015

Total No. of Mandays: 12

BSI Assessment Team:

Senniah Appalasamy – 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, Social Auditing Training by RSPO at Yogyakarta, 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, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. 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. Senniah assessed Mill and Estate best practices, supply chain, OSH, HCV, Legal, Environment, Social issues, stakeholder interview.

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 completed his Master’s Degree in Business Administration from the University Utara Malaysia in January 2014. 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 completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable, Carbon Certification (ISCC) Lead Auditor Training Courses and Social Auditing Training by RSPO at Bangkok. 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 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia. Muhammad Haris assessed Mill and Estate best practice, Environment, OSH, Legal issues, SEIA, Waste management, social issues, stakeholder consultation and workers welfare.

Kelvin Lim Kok Wei – Team member

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. He attended internal RSPO training in May 2014. He has completed ISO 9001:2008 Quality Management System Lead

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Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Device auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues. Kelvin assessed Legal issues, Social issues, workers consultation and Stakeholder Consultation.

Accompanying Persons: Not Applicable

Section 3 Assessment Findings

3.1 Details of audit results:

- ☒ RSPO P&C Summary of the Assessment – **Appendix A**
- ☒ Sime Darby Time Bound Plan – **Appendix B**
- ☒ RSPO Supply Chain Certification Assessment Report for CPO Mill – **Appendix F**

3.2 Progress against Time Bound Plan

Sime Darby Time Bound Plan (TBP) is included as Appendix B. Sime Darby has achieved RSPO certification for 34 management units in Malaysia and 24 Management Units in Indonesia. There are no any changes in the existing certified units in Malaysia. All units' certifications are valid.

There was a change of the Time Bound Plan (TBP) under Sime Darby Indonesia Operation due to the on-going mediation and DSF facilitation Process by RSPO DSF at PT Mitra Austral Sejahtera (PT MAS). This was the result from the mediation meeting held on 22 July 2014. PT MAS was audited as per the original TBP by RSPO accredited Certification Body in 2011. Due to the on-going mediation process, the CB that assessed PT MAS is yet to issue the certificate. BSI has accepted the revision as justified revision due to the commitment shown by all parties involves resolving the community issue. This is also accepted by the CB that assessed PT MAS. Discussion was held with the CB that assessed the PT MAS and Sime Darby.

Due to the present mediation process, PT Mitra Austral Sejahtera TBP was revised to 2015 by Sime Darby pending on the resolution and mediation process which is acknowledged by RSPO. The final decision of issuing the certificate is under the CB that audited the PT MAS. BSI has contacted the CB and consultation was held. The CB that audited PT MAS accepted the revision of the TBP. BSI accepted the feedback from the CB that audited PT MAS as per the RSPO Certification System requirement "Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness". BSI understands that there are community issue still under negotiation through agreed process. The improvement is in progress and acknowledge by RSPO and all parties as mutually agreed process. Latest meeting among the community, RSPO and the Sime Darby was held on 22 July 2014. BSI has consider that Sime Darby still comply with the RSPO requirement for partial certification and has justified the revision to TBP.

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
3. The changes in the Time bound Plan for PT Mitra Austral Sejahtera was justified and appropriate.

BSI has continued involvement with assessments of Sime Darby Management Units during the 2014 period. BSI is also communicating with other Certification Bodies that auditing Sime Darby's other operating units to identify any noncompliance with rules of partial certification as per requirement in RSPO Certification System. During this assessment BSI has contacted the certification body that audited PT MAS to get the latest update of the progress. Sime Darby consistently has kept BSI informed of any emerging issues and claims made against it. Other than the PT MAS issue, at the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
 - b. Any replacement of primary forest or loss of HCVs;
 - c. 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 complies with the RSPO requirements for Partial Certification rule

3.3 Details of findings

The nonconformities for ASA4 are listed below. The summary of the findings by criteria is listed in Appendix A. During the 4th annual surveillance assessment there were two major and a minor nonconformity raised. Melalap Palm Oil Mill and Supply Base Estates submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. Both major nonconformities were closed prior to the completion of this summary report. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1132815M1	<p>Requirements: 2.1.1 Evidence of compliance with relevant legal requirements shall be available. a) Occupational Safety And Health (Use And Standards Of Exposure Of Chemicals Hazardous To Health) Regulations 2000 (Regulation 17. Engineering Control Equipment) b) Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) (Part II Section 6).</p> <p>Evidence of Nonconformity: a) The LEV system that used in the laboratory was not inspected/ tested/ examined at least once a year as required under Occupational Safety And Health (Use And Standards Of Exposure Of Chemicals Hazardous To Health) Regulations 2000. The last inspection was conducted by Chemsain Konsultant Sdn Bhd (Report No: CK/M0109-826/11 dated 27/2/12) which inspected on 9/11/2011. b) In Melalap estate the domestic water analysis for the purpose of ensuring that the water supply is suitable for consumption was not conducted since 1/11/13. c) In Sapong estate, the domestic water analysis has been conducted on 17/11/14 and 16/5/14 by the Sime Darby Research S/B laboratory but was not include microbiological testing such as E. Coli and Coliform for ensuring that the water supply is suitable for consumption. The testing such as E. Coli and Total coliform as stated on sustainable plantation management system Manual (SOP for taking water sample from stream/rivers) Appendix 7 v.1 issued on 1/11/2008 page 3.</p> <p>Statement of Nonconformity: 1. Melalap Mill: The annual inspection of the LEV system by Registered Hygiene Technician was not carried out. 2. Melalap and Sapong Estate: Drinking water analysis was not carried out to confirm the water supply is suitable for consumption.</p> <p>Corrective Action Plan and close out: The Melalap mill has given the letter of engagement (Ref. number 4300268213) of the hygiene technician. The result need to be sent to the audit team. The LEV system that used in the laboratory was inspected/ tested/ examined by OSHE Global Solutions Sdn Bhd and completed on 17 January 2015. Briefing to the laboratory staff was given on 16 January 2015. The management has appointed the lab assistant to ensure the LEV inspection carried out. The water analysis was carried out on 8 December 2014. The result dated 17 December 2014. Training was given to the water sampling coordinator on 5 January 2015. The testing covers E. Coli and Total coliform as stated on sustainable plantation management system Manual (SOP for taking water sample from stream/rivers) Appendix 7 v.1 issued on 1/11/2008 page 3.</p> <p>Status: The nonconformity was closed on 31 January 2015.</p>	Major

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1132815M2	<p>Requirements: 5.1.1 An environmental impact assessment (EIA) shall be documented. Sime Darby Plantation Mill Quality Management System (Sub-section 5.4 – Environmental Aspects and Impacts evaluation procedure No. 3 (h))</p> <p>Evidence of Nonconformity: Melalap Mill: During the document audit on 1/12/14, it was found that the aspects and impacts risk assessment was last reviewed and updated on 1/10/14 with no changes. It was noted the compost plant operation which is managed by contractor (DOE approval Ref. No.: SPE-15/2014 under mill), POME belt press filter operation and effluent Evaporator were not included in the environmental impact assessment. Sime Darby Plantation Mill Quality Management System (Sub-section 5.4 – Environmental Aspects and Impacts evaluation procedure No. 3 (h)) requires to include potential regulatory and legal exposure, concerns of interested parties, effect on public image and conservation issues (energy, water, paper and wildlife).</p> <p>Statement of Nonconformity: Aspects and impacts risk assessment did not cover all the operations.</p> <p>Corrective Action Plan and close out: The mill has carried out the Environmental Aspect Impact review on 2 December 2014 for the compost plant Serial Number EIE/2014/12-01 using the Environmental Impact Evaluation Form. The impact was identified as 5 – Contamination to land. Mitigation measures were included such as ensure there is no leachate from the EFB at the compost plant. The immediate correction was accepted. The prevention plans to carry out annual EAI will be followed up during the next assessment.</p> <p>Status: The nonconformity was closed on 31 January 2015.</p>	Major
1132815N1	<p>Requirements: 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained</p> <p>Evidence of Nonconformity: The Sabah state regulation which applicable to Melalap mill, Melalap estate and Sapong estate were not included in the legal and other requirement register which updated on the 19/11/14 and 28/10/14 respectively. The regulation such as 1. Environment Protection (Prescribed Activities) (Environmental Impact Assessment) Order 2005 2. Sabah Labour Ordinance 1950 3. Sabah Land Ordinance (Sabah Cap.68) was not documented in the legal and other requirement register.</p> <p>Statement of Nonconformity: Legal and Other Requirement Register (LORR) did not make reference to Sabah State Regulations.</p> <p>Corrective Action Plan and close out: The implementation of the corrective action plan will be followed up during the recertification assessment.</p>	Minor

Observation	
OBS #	Description
Nil	-

Positive Findings	
PF #	Description
1	Stakeholders have positive feedback on the certification units contribution to local development.
2	Biodiversity areas are well maintained and preserved.

Issues raised by Stakeholders

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Melalap Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

IS #	Description
1	Issues Local and Foreign workers representative: No issue regarding pay and condition of work. The representative highlighted that they are treated equally. All foreign workers have access to all facilities similar to local workers.
	Management Responses The management treat all employees equally and no discrimination.
	Audit Team Findings No disputes were highlighted by foreign workers interviewed during field visit.
2	Issues School teacher: It was re-confirmed that the management always support school activities. The relationship is good. No other issues.
	Management Responses Management assists wherever possible.
	Audit Team Findings No other issues.
3	Issues Contractors: Contractors confirm payment is prompt as per agreed contract.
	Management Responses Payment is made as per the agreed terms.
	Audit Team Findings No other issues.

3.3.1 Status of Nonconformities Previously Identified and Observations

All the previous nonconformity was followed up and remains closed. The corrective action plans effectively implemented.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
997687N2	Requirements: 6.3.2: The system resolves disputes in an effective, timely and appropriate manner.	Minor
	Evidence of Nonconformity: At Sapong estate complaint form for workers to highlight issues related to housing, services etc is established. However, there is no sufficient information seen on actions taken to resolve the reported grievances. For example request repair dated 27th September 2013 and dated 09th October 2013 from Sapong Estate were not resolved.	

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	<p>The status of the delay in providing the cooking oil was not explained and communicated to workers. No any memo was sited. Feedback on the status of the request for transport for school children was not given to the workers. No any letters sighted.</p>	
	<p>Statement of Nonconformity:</p>	
	<p>Corrective Action: The management revised grievances form on 31/12/13 to suit the local situation and communicate to workers. Briefing on cooking oil delay to workers and representatives was conducted. Briefing on Grievance mechanism was carried out on 31/12/13 to create awareness among employees. During the ASA4 there were no any delays on providing the cooking. Recent briefing is carried out at the master to ensure all workers get the latest information. Feedback system was implemented and confirm by the workers representative. There were no outstanding issues at the time of audit.</p>	
	<p>Status: The minor nonconformity was closed on 1 December 2014.</p>	

Observation	
OBS #	Description
1	5.2.3: Sapong and Melalap Estate: The signboard for the HCV 6 area (Graveyard) was faded. ASA4: During this audit it was noted that the signboards are well painted and maintained.
2	6.2.3: At Sapong Estate maintenance of a list of stakeholders is available. The Forest Departments name was missing. ASA4: The updated stakeholder list consist of all the relevant stakeholders.

3.3.2 Summary of the nonconformities and status

CAR Ref.	CLASS	ISSUED	STATUS
CR01	Major	20/5/2010	Closed 19/7/2010
CR02	Major	20/5/2010	Closed 28/1/2012
CR03	Minor	20/5/2010	Upgraded to Major 28/1/2012
CR04	Minor	20/5/2010	Closed 28/1/2012
CR05	Minor	20/5/2010	Closed 28/1/2012
CR06	Minor	28/1/2012	Closed 28/3/2012
CR07	Minor	28/1/2012 Upgraded 8/1/2013	Closed 19/2/2013
CR08	Minor	28/1/2012	Closed 8/1/2013
CR09	Minor	8/1/2013	Closed 27/11/2013
CR10	Minor	8/1/2013	Minor Upgraded to Major. See ref. 997687M1
997687M0	Major	27/11/2013	Closed 24/1/2014
997687M1	Major	27/11/2013	Closed 24/1/2014
997687N2	Minor	27/11/2013	Closed on 1/12/2014
1132815M1	Major	3/12/2014	Closed on 31/01/2015
1132815M2	Major	3/12/2014	Closed on 31/01/2015
1132815N1	Minor	3/12/2014	"open"

Assessment Conclusion and Recommendation:	
<p>It is concluded that Melalap Certification Unit and supply base complies with the RSPO P&C 2013, Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Melalap Certification Unit is approved and continued.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
<p>Name: Ahmad Fauzi Haji Jantan</p>	<p>Name: A. Senniah</p>
<p>Company name: Melalap Certification Unit</p>	<p>Company name: BSI Services Malaysia Sdn. Bhd.</p>
<p>Title: Mill Manager</p>	<p>Title: Lead Auditor</p>
<p>Signature:</p> <p>GUTHRIE INDUSTRIES MALAYSIA SDN BHD (COMPANY NO 002548-U) MELALAP OIL MILL</p> <p><i>[Signature]</i></p> <p>AHMAD FAUZI BIN JANTAN (MILL MANAGER)</p>	<p>Signature:</p> <p><i>[Signature]</i></p>

Appendix A: Summary of the Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Information on environmental, social and legal issues which are relevant to RSPO P&C and to stakeholders is shared for effective participation and decision making during stakeholder meeting. Requests for information from the Regulatory Department were attended and no noncompliance was noted. Publicly available documents such as land title, OSH plan, HGV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available.	Comply
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed.	Comply
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.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance -	Publicly available management documents covers Land titles, OHS plans, EIA, SIA, HCV documentation, Pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and Continual improvement plans. All operating units have individual documents and records to demonstrate compliance to this indicator. Some of the Sime Darby Group information are accessible through website link: http://www.simedarby.com RSPO Public summary reports are publicly available on request at each certification unit and at the head office Plantation Sustainability and Quality Management (PSQM) Department.	Comply
Criteria 1.3:			
Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Policy committing to a code of ethical conduct and integrity in all operations and transactions is available. This has been documented and shared with employees.	Complied
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1:			
There is compliance with all applicable local, national and ratified international laws and regulations.			

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Criterion / Indicator		Assessment Findings	Compliance
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	Legal and Other Requirement Register register (LORR) covering the applicable local and international laws are available. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. Mill: MPOB permit 535146004000 valid till 31/12/14. Estate: MPOB license no: 531977002000 which valid until 31/08/15. Permit to engage foreign workers No: JTK.H.TNM:600-4/1/577 valid from 12/06/14 till 11/06/15 as per (Seksyen 118, Ordinan Buruh (Sabah bab 67)Machinery permits valid and current. However there were some lapse noted: 1. Melalap Mill: The annual inspection of the LEV system by Registered Hygiene Technician was not carried out. 2. Melalap and Sapong Estate: Drinking water analysis was not carried out to confirm the water supply is suitable for consumption. Details in section 3.3 above.	Non Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. LORR updated on the 3/11/14 at mill and on 19/1/14 at estates. However it was found that Legal and Other Requirement Register (LORR) did not make reference to Sabah State Regulations such as Environment Protection (Prescribed Activities) (Environmental Impact Assessment) Order 2005 2. Sabah Labour Ordinance1950 3. Sabah Land Ordinance (Sabah Cap.68) was not documented in the legal and other requirement register.	Non Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, PSQM team, OHS Department and head office Group Compliance Department.	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations.	Complied
Criterion 2.2:			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land title and land lease documents is available. There is no change in the land ownership. All the land belongs to Sime Darby at the parent company.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Melalap Estate and sharing the estate boundary.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified. Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified. Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified. Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Sime Darby and land ownership documents verified. Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes. Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	The estate lands are legally owned by the company and no other users were identified within the land area. Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The estate lands are legally owned by the company and no other users were identified within the land area. Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The estate lands are legally owned by the company and no other users were identified within the land area. Complied
Principle 3: Commitment to long-term economic and financial viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc. Complied
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	There will be no replanting at both estates for the next 5 years. The oldest palm is 14 years. Complied
Principle 4: Use of appropriate best practices by growers and millers		

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	External Mill Advisor and a Planting Advisor (PA) inspect and report on the operations on annual basis (PA visited the estate on 12/5/2014 report No.: SOU27/ME/01/13-14..The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators.	Complied
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	The records of monitoring and the actions taken maintained for more than 12 months. Records were verified during the document review found compliance. Calibration of weighbridge Serial No.: 081650251: Done by Metrology Corporation Malaysia through Avery Malaysia Sdn. Bhd on 16/10/14. DOE quarterly report: Dated 14/10/14 for the period of July – September 2014. DOSH visit: 24/2/2014 for air compressor inspection. No issues highlighted.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	The mill records the origins of all third-party sourced Fresh Fruit Bunches (FFB). The records are maintained beginning at the weigh bridge onwards with MPOB license printed on the weigh bridge notes.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield	Complied
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizer recommendation for FY2014/15 revised on 11/8/2014. Recommendation for the field P02MA block 5 (21.59ha) was applied with 2.50kg/palm MOP. Application records match the recommendation. Fertilizer application records held on file "Fertiliser Application Records"	Complied
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Sime Darby Seeds and Agriculture Services Sdn Bhd prepare the annual fertilizer recommendation. Leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. Agronomy visited on 11/8/14 for field observation and recommend necessary action to be taken for area indicating nutrient deficiency.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	POME application is managed from Melalap Palm Oil Mill and effluent discharged into furrow system as part of land application. EFB application only applied to selected fields. Average about 45mt/ha EFB applied.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	All the estates hold copies of soil map. Soil maps and field visit confirm that there is no fragile soil on the estates.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Management strategy in place for plantings on slopes above >10°. Planting terraces had been constructed where slope >10°. Fields are established with cover crops and soft grasses and ferns.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates visited have implemented annual Road Maintenance Programme. Roads inspected during field audit are generally in a good condition due to the lateritic soil. Road maintenance carried out internally with grader and compactor. Road maintenance includes road grading, e-surfacing wherever necessary, road side drain upkeep, culvert upkeep, road side silt pits construction etc. Monthly progress records are prepared and sent to head office. Road side pruning and silt pit construction are in the road maintenance plan. i.e. Road side pruning has been completed at field number 02B1 in November 2014	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil.	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	Sime Darby Seeds and Agriculture Services Sdn Bhd carry out water analysis of the river (upstream and downstream) water sample to reflect the estates and mills current activities which may have negative impacts. River water analysis: River Sunagi Melalap and Sungai Pegalan upstream and downstream. Test report No. : IE619/2014 dated 14/ 8/14 all spec within allowable spec. All operating units maintained monthly rainfall monitoring data. Rainfall monitored and records are sent to agronomist. The rainfall records show high rainfall during the month of November. Rain water harvesting and weekly monitoring of leaking pipe by MA carried out to ensure no water wastage. During water shortage or water pollution, operating units liaising with Sabah Water Department..	Complied
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Buffer zones are marked with red paint and signage erected. Reference was made to Department of Irrigation and Drainage regulations and guidelines from the state authorities. Reinstatement of riparian strips as per Sime Darby plantation’s policy at both side of the stream during replanting is implemented. This was observed during the field visit to the replanted area. Visit to the river at Melalap Estate confirm that the buffer zone was reinstated during replanting and well managed. Use of agrochemical has been ceased and replaced with manual weeding along the buffer strip	Complied
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Mill effluent (POME) used for land application. The permit allows the mill to use the POME for land application with BOD 20 mg/L. Analysis report dated 11/9/14, report No.: EP370/2014 shows BOD: 15ppm below than permitted limit of 20ppm.	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Melalap mill has maintained monitoring on water usage for processing which recorded on daily and summarised month end. Average water used per Mt of FFB processed for the period of June 2013 – July 2014 was 1.37 which is lower than the targeted value of 1.50Mt/FFB Mt.	Complied
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	IPM is documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. Although there have been no outbreaks of leaf eating pests, beneficial plants are being established along roadsides to attract natural predators. The estates have planted beneficial plants such as <i>Turnera subulata</i> .	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist on 11/8/14 during his visit to estates.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment			

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Criterion / Indicator	Assessment Findings	Compliance
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Complied
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Complied
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Complied
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Complied

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4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying.	complied
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders. There are independent FFB suppliers. Interview with the independent suppliers demonstrate knowledge on pesticide handling. MSDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as a Work Instruction on safe handling for the easy understanding of the agrochemical handlers	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management dispose waste material as per regulation for schedule waste and domestic waste.	Complied
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	The last medical surveillance was conducted on 7/7/13 and the 2014 medical surveillance to be conducted after received of CHRA on early of October 2014. CHRA dated 21/10/14 has been conducted by assessor registered with DOSH (JKKP HIE 127/171-2(257)). The arrangement of the medical surveillance has been made with Klinik Mansor on October 2014 but the date need to postpone until early of December based on the request by the doctor. The related correspondence is available. Previous report shows that no serious medical problems were detected and recommendation was given to applicators to continue work.	Complied
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding.	Complied
Criterion 4.7:			
An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
4.7.1	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -	Melalap Palm Oil Mill and Supply Base estates has maintained an approved Health and Safety Policy dated April 2008 that is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the on-site safety officers and monitored by OSH Manager from Head Office.	Complied
4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -	Mill and estates review and update the health and safety risk assessments associated with each task. Hazard Identification Risk Assessment Control (HIRAC) review was reviewed on the 15/11/14 for all tasks at the mill and estate operations. Safety awareness training programme and safety information is posted on notice boards at muster areas and briefings are given regularly at morning muster.	Complied

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4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -	Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations.	Complied
4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -	OSH meeting has been conducted on 14/8/14 at mill attended by 21 persons, 3/5/14 at estate attended by 20 persons. The review of accident record was conducted during the OSH meeting with the quarterly work place inspection and the last was conducted 10/7/14. The score was improved as compare to previous inspection. No any unresolved safety and health issues noted. Assistant manager at each of the operating units are appointed as OSH Coordinators.	Complied
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -	Accident and emergency procedures available and communicated to employees, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping the updated records in JKPP 8 form.	Complied
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care is provided to all the employees. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers (FW) Compensation Scheme. FW Compensation scheme certificate of insurance FW072583 valid from 1/7/14 to 30/6/15.	Complied
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics displayed at the operating units and reported to head office. Without LTA recorded were 96005 man hours as of 30/11/14.	Complied
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied.	Complied
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Records of training for employees available and maintained. Records verified at the Mill and r estates visited covers all aspect of training and RSPO P&C. such as: Safety briefing for new recruit workers for harvesting dated 2/7/14 which attended by 5 workers and trained by Assistant manager. Schedule waste management training on 21/01/14 by PSQM trainer from HQ attended by respective worker from melalap mill, melalap estate and Sapong estate.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
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 continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Similar to last assessment, the Environmental Aspect and Impact Register is available at all the operating units. Palm Oil Mill developed initial Environmental Aspect and Impact in January 2013 due to the new environment occupied by the newly commissioned Melalap Palm Oil Mill. Latest review was conducted on 25/6/2014 for the new financial year 2014/15. Based on the review result Management Action Plans are developed and implemented as part of continuous improvement However at Melalap Mill during the document audit it was found that the aspects and impacts risk assessment was last reviewed and updated on 1/10/14 with no changes. It was noted the compost plant operation which is managed by contractor (DOE approval Ref. No.: SPE-15/2014 under mill), POME belt press filter operation and effluent Evaporator were not included in the environmental impact assessment. Sime Darby Plantation Mill Quality Management System (Sub-section 5.4 – Environmental Aspects and Impacts evaluation procedure No. 3 (h)) requires to include potential regulatory and legal exposure, concerns of interested parties, effect on public image and conservation issues (energy, water, paper and wildlife).	Non Compliance
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	The continuous implementation of the improvements activities were checked during the field and document audit. Improvement includes reinstatement of riparian buffer zones, construction of oil traps, management of schedule waste etc. The responsible person is the Assistant Manager.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Latest review was conducted on 25/6/2014 for the new financial year 2014/15.	Complied
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.			

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5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	HCV Toolkit for Malaysia by WWF – Malaysia was used for the HCV assessment. There was an appropriate consultation process for identification, management and monitoring of HCVs.	Complied
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	There is no any ERT identified within the plantation. There is no ERT in the conservation area within the estates. Common species found in the conservation areas are long tail monkeys, wild boar (<i>Sus scrofa</i>), Black Cobra (<i>naja sp.</i>) and monitor lizard. Ecologist from the PSQM team conducted initial HCV assessment of the possible presence of HCVs within and adjacent to the estates in 2009. BSI audit team already assessed the HCV assessment in 2009 during the initial certification of the supply base. HCV Toolkit for Malaysia by WWF – Malaysia was used for the HCV assessment.	Complied
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signages as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	Management plans were established and monitoring outcomes were reviewed by the estate managers. Ongoing monitoring of the management plan on the status of HCV available.	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There was no HCV set-aside that needs any negotiation process with the local communities.	Complied
Criterion 5.3:			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Documented identification of all wastes were reflected in the Waste Management Plan for the 2014/2015.	Complied
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose. The used chemical containers were disposed through Ng Sian Hap Pottery Factory (sabah) Sdn. Bhd on 31/10/14.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector. Schedule waste disposed through licensed contractor Segar Alam Kinabalu dated 13/8/2014. Consignment note No.: 1463 for SW 409, SW410 and SW305.	Complied
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	The mill production output records and the boilers operational records were monitored monthly. The average renewable energy generated for the period January – October 2014 was 39KWh. Mill continue to implement action plan to reduce the fossil fuel usage by maximising the use of renewable energy. Fossil fuel is used only when there is no processing.	Complied
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted during the field visit and facility visit.	Complied
5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Latest review on pollution activities was conducted on 15/10/2014 for the new financial year 2014/15. Based on the review result Management Action Plans are developed and implemented as part of continuous improvement. The review includes the gaseous emissions, particulates emission and effluent.	Complied
5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented.	Complied
5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers			
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA action plan updated on 1/11/2014 after the stakeholder meeting. Timetable with person in-charge has been included in the plan.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Review process cover impacts from social amenities, environment, road users, employee changes, safety and health issues, surrounding communities, government official, police, labour department, health department, contractors and suppliers	Complied
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Based on the SIA findings and recommendation from the consultant, a timetable with responsibilities for mitigation and monitoring of the social impacts were developed and reviewed as necessary. The assistant manager is responsible for the social issues and communication with the stakeholders.	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Annual SIA improvement plans reviewed in 1/11/2014. The assessment was through meeting with the effected parties and stakeholders.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No Scheme smallholder at Melalap Certification Unit.	Complied
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.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Documented consultation and communication procedures "Handling Social Issues" SOP dated 01 Nov 2008 was established and available.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The responsibility to ensure effective implementation of the SOP is the respective Mill and Estate Managers assisted by social officers. The Social Officer of the respective operating unit handles social issues of the mill and estates.	Complied
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	List of stakeholders updated and maintained. The previous observation was addressed effectively. Stakeholder meeting together with estate on 13/10/14 attended by 39 people. Issues highlighted have been included in the social action plan for improvement.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	A documented dispute resolution procedure is available in Mill and Estate Quality Management System Manual which is effective, timely, appropriate and open to any affected parties. The complaint and grievances is open to effected parties including internal and external stakeholders.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	SOP to resolve social disputes "Handling Social Issues" SOP dated 01 Nov 2008 has been established. Stakeholder meetings are held regularly to identify and give opportunity to stakeholders to complaint or raise disputes. Issues are discussed and consensual agreements reached during stakeholder meetings. Follow-up actions had timelines, responsibilities, and details of actions and monitored by managers for satisfactory conclusion. Minutes of meetings are maintained and reviewed. Complaint by the workers and staff was recorded using housing repairing request form and sampled check was from staff that request for repairing on 18/11/14 and the repairing was completed on the 28/11/14 and accepted by the staff to close the complaint.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled "Handling Land Disputes" SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP is as per in 6.4.1 above.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and conditions such as pay slips shows gross pay, net pay, leave, medical leave pay etc are maintained by the company.	Complied
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.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Employment contract are available in languages understood by workers. Pay and conditions explained to workers by the operating units. Basic daily pay was verified to be in accordance with the Minimum Wage Order 2012. The employment contract is as per the collective agreement between Sabah Plantation Industry Employees Union (SPIEU) and Sime Darby Plantation (Sabah) Sdn. Bhd which is valid till 31/12/2016.	Complied
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance -	Palm Oil Mill and estates provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). There is on-going upgrading of housing. Water is supplied to workers housing through piping. The water tanks are provided for storage purpose.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance -	Accesses to food for the workers are considered adequately and sufficiently.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Workers have freedom to join the workers union. Policy on Freedom of Association dated April 2008.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Worker Union was formed by the workers. Union (SPIEU) Meeting at Melalap mill and estate was on 19/9/2014. Attended by 12 people. At Sapong Estate the meeting was on 29/11/14 together with other stakeholders attended by 3 workers representatives and 2 staffs.	Complied
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Operating units are complied with the minimum age requirement. No employees below the age of 18.	Complied
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.			

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Criterion / Indicator		Assessment Findings	Compliance
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Policy on equal opportunity available and displayed at the offices along with the other policies.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited to overcome the shortage of local workers. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on protection against Sexual Harassment and other forms of harassment available and implemented. There is no any reported case of harassment in the operating units. Gender committee formed to implement the policy. Gender committee meeting held on 12/11/14 attended by 18 members. No any reported case of harassment.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Reproductive rights of the female workers are protected. Female employees are aware that they are entitled for two months paid maternity leave.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Existing grievance procedure to handle grievances from internal and external stakeholders contains flow chart and available in the local language. Grievances and complaints are treated as confidential and not discussed in public.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Current and past prices paid for Fresh Fruit Bunches (FFB) is available for interested parties. Pricing mechanism for FFB follows the MPOB price structure.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	Interview with the FFB suppliers reveal that mill have explained FFB pricing, and pricing mechanisms for FFB.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Interview confirmed that contractors/suppliers and workers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Interview of contractors and workers confirmed payment is made promptly. Inspection to the "Grievance Book" indicated no complaint was raised in relation to processing of the payment. Sample contract and payment record of FFB transporter (Company reg. no.: SAB 1067 M) for the month of November 2014 found as per the contract.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	Contributions are regularly made to school activities and community activities. This was confirmed by school teachers and local community during interview. Company also allow access to local community to access through the estate roads. Consultations with the local communities are held to encourage them to highlight and suggest any activities for local community development	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholders.	Complied
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	All employees are legal with local identification card for local employees and foreign employees are with valid passports and working permits. No evident of trafficked workers were found during the audit.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract substitution was noted.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The existing policy covers the aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations.	Complied
Principle 7: Responsible development of new plantings Melalap Certification unit and supply base did not carry out any new plantings after Nov 2005. Therefore, the requirement of Principle 7 is not applicable during this recertification assessment.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Similar to last assessment all estate are not using paraquat. This continues to be one of the major commitments by all the operating units to stop using paraquat. Environmental impacts of the operations were identified. Environmental Impact Management details the impact mitigation measures and actions required to improve environmental performance for the identified significant impacts. Yield is optimised. The significant environmental impacts of the operations were identified and continuous mitigation implemented to ensure impact is reduced. Program has been developed and implemented to encourage segregation of all wastes at source and recycling of materials where practical. The acceptance by employees is progressively increased with better awareness. Social impacts associated with operations have been prepared and an Action Plan for mitigation of negative social impacts is available.</p>	<p>Complied</p>

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Appendix B: Sime Darby Plantation Sdn. Bhd. Time Bound Plan

TIME BOUND PLAN – Certification Units in Malaysia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
1	Sg Dingin	Certified 2010	Kedah
2	Chersonese	Certified 2011	Perak
3	Elphil	Certified 2011	Perak
4	Flemington	Certified 2011	Perak
5	Seri Intan	Certified 2011	Perak
6	Selaba	Certified 2011	Perak
7	Tennamaram	Certified 2011	Selangor
8	Bkt Kerayong	Certified 2011	Selangor
9	East	Certified 2010	Selangor
10	West	Certified 2010	Selangor
11	Bukit Puteri	Certified 2011	Pahang
12	Kerdau	Certified 2011	Pahang
13	Jabor	Certified 2011	Pahang
14	Labu	Certified 2011	N. Sembilan
15	Tanah Merah	Certified 2010	N. Sembilan
16	Sua Betong	Certified 2014	N. Sembilan
17	Kok Foh	Certified 2011	N. Sembilan
18	Kempas	Certified 2010	Malacca
19	Diamond Jubilee	Certified 2011	Malacca
20	Pagoh	Certified 2014	Johor
21	Chaah	Certified 2010	Johor
22	Gunung Mas	Certified 2010	Johor
23	Bukit Benut	Certified 2011	Johor
24	Ulu Remis	Certified 2011	Johor
25	Hadapan	Certified 2011	Johor
26	Sandakan Bay	Certified 2008. Recertification completed.	Sabah
27	Melalap	Certified 2011	Sabah
28	Binuang	Certified 2009. Recertification completed.	Sabah
29	Giram	Certified 2009. Recertification completed.	Sabah
30	Merotai	Certified 2009. Recertification completed.	Sabah
31	Lavang	Certified 2011	Sarawak
32	Rajawali	Certified 2011	Sarawak
33	Derawan	Certified 2011	Sarawak
34	Pekaka	Certified 2011	Sarawak

TIME BOUND PLAN – Certification Units in Indonesia			
No.	MANAGEMENT UNIT		LOCATION
	P O M	Time Bound	
1	Sekunyir (PT. Indotruba Tengah)	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan
2	Manggala (PT. Tunggal Mitra Plantations)	Certified 2010	Rokan Hilir District – Riau
3	Bk. Ajong (PT. Sime Indo Agro)	Certified 2010	Sanggau District – West Kalimantan
4	Teluk Siak (PT Aneka Inti Persada)	Certified 2011	Pekanbaru, Siak District – Riau
5	Sungai Pinang (PT. Bina Sains Cemerlang)	Certified 2012	Musi Rawas District – South Sumatera
6	Sukamandang (PT. Kridatama Lancar)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
7	Pemantang (PT. Teguh Sempurna)	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
8	Alur Dumai (PT Lahan Tani Sakti)	Certified 2011	Rokan Hilir District – Riau
9	Teluk Bakau (PT. Bhumireksa Nusa Sejati)	Certified 2011	Indra Giri Hilir District – Riau
10	Mandah (PT. Bhumireksa Nusa Sejati)	Certified 2014	Indra Giri Hilir District – Riau
11	Angsana Mini (PT Sajang Heulang)	Certified 2011	Tanah Bumbu District – South Kalimantan

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12	AngsanaPT Ladangrumpun Suburabadi	Certified 2011	Tanah Bumbu District – South Kalimantan
13	Mustika (PT Sajang Heulang)	Certified 2013	Tanah Bumbu District – South Kalimantan
14	Gunung Aru (PT Bersama Sejahtera Sakti)	Certified 2011	Kotabaru District – South Kalimantan
15	Bebunga (PT. Langgeng)	Certified 2011	Kotabaru District – South Kalimantan
16	Blang Simpo (PT Padang Palma Permai)	Certified 2013	Aceh Tamiang, Nangroe Aceh Darussalam
17	Pondok Labu (PT Paripurna Swakarsa)	Certified 2012	Kotabaru District – South Kalimantan
18	Selabak (PT Swadaya Andhika)	Certified 2012	Kotabaru District – South Kalimantan
19	Rantau (PT Laguna Mandiri)	Certified 2012	Kotabaru District – South Kalimantan
20	Betung (PT Laguna Mandiri)	Certified 2014	Kotabaru District – South Kalimantan
21	Ungkaya (PT Tamaco Graha Krida)	Certified 2012	Morowali District – Sulawesi Tengah
22	Ladang Panjang (PT Bahari Gembira Ria)	Certified 2012	Muaro Jambi District - Jambi
23	Rantau Panjang (PT Guthrie Pecconina Indonesia)	Certified 2012	Musi Banyuasin District – South Sumatera
24	MAS (PT Mitra Austral Sejahtera) The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Regular discussions is ongoing between Sime Darby Plantation and the project affected communities.	2015	Sanggau District – West Kalimantan
25	Lembiru (PT Sandika Nata Palma)	Certified 2014	Ketapang District – West Kalimantan

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**Appendix C: Sime Darby Plantation Sdn Bhd – SOU 27 Melalap Certification Unit
 RSPO Certificate Details**

Sime Darby Plantation Sdn. Bhd.
 SOU 27 Management Unit (KKS Melalap)
 14th KM, Jalan Tenom – Keningau, P.O. Box 205,
 89908 Tenom, Sabah,
 MALAYSIA

BSI RSPO Certificate No: SPO 547124

Date of Initial Certificate Issued: 21 January 2011

Date of Expiry: 20 January 2016

RSPO membership number: 1-0008-04-000-00

Applicable Standards: RSPO P&C 2013; RSPO Certification System June 2007 (revised March 2011); Annex 4: Procedures for Annual Surveillance; RSPO P&C MY-NIWG 2010; RSPO Supply Chain Certification Standard November 2011 Module E - CPO Mills: Mass Balance

Melalap Palm Oil Mill and Supply Base					
Location Address		Melalap Palm Oil Mill, 14 th KM, Jalan Tenom – Keningau, P.O. Box 205, 89908 Tenom, Sabah.			
GPS Location		116° 00' 00" E 5° 15' 40" N			
CPO Tonnage Total		20,490			
PK Tonnage Total		4,738			
CPO Claimed for Certification		20,490			
PK Claimed for Certification		4,738			
Own estates FFB Tonnage		92,913			
Scheme Smallholder FFB Tonnage		-			
Company's adjacent Suppliers FFB Tonnage – Other adjacent estates (Certified)		-			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Melalap	1,353	0	892	2,245	34,597
Sapong	2,333	0	1,119	3,452	58,316
TOTAL	3,686	0	2,011	5,697	92,913

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Appendix D: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Senniah	Kelvin	Muhd Haris
Sunday 30/11/2014	PM	Audit Team travelling to the site.	√	√	√
Monday 1/12/2014	08.30 – 09.00	Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).	√	√	√
	09.00 – 12.00	Melalap Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Melalap Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Tuesday 2/12/2014	08.30 – 12.00	Melalap Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	10.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Melalap Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Interim Closing Briefing	√	√	√
Wednesday 3/12/2014	8.30 – 12.00	Sapong Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc and document audit.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 16.30	Sapong Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.30 - 17.00	Preparation for closing meeting.	√	√	√
	17.00 – 17.30	Closing meeting	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders Managers and Assistants Male Mill Staff/Workers Foreman Female Mill Staff/Workers Weighbridge Clerk Foreign Worker Field workers Male and Female Estate workers Hospital Assistant Lab Assistant Union Representatives Gender Committee Representative Boiler operators Engine room operators Store clerk Staff and Workers at workshop</p>	<p>External Stakeholders Contractors Mosque Committee Makaniton Village Representative Sapong Village Representative General Supplier Head of the Villages</p>
<p>Government Departments Labour Department, Tenom Sabah Water Department, Tenom Forest Department Representative Police Representative, Tenom Sapong Government Clinic Representative School Teacher – SK Ladang Sapong</p>	<p>Workers Union and Representative Foreign Workers Representative Sabah Plantation Industry Employees Union Representative, Tenom Sapong Estate, Melalap Estate and Melalap Mill Union Representative</p>

Appendix F: Melalap 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.	Melalap palm oil mill have written documented procedures (RSPO SCCS v.1 Year 2012 dated 1/8/2012) which is similar to other operating units within Sime Darby for the chain of custody with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non certified FFB under Appendix 15. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified FFB and noncertified FFB are processed at Melalap Palm Oil Mill.
E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Melalap Palm Oil mill has documented procedures (RSPO SCCS v.1 Year 2012 dated 1/8/2012) 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 once certified products are available.
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. During the time of assessment certified and non-certified FFB are received. Melalap mill have system to verify at the weighbridge.
E.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure and stated in the SOP (RSPO SCCS v.1 Year 2012 dated 1/8/2012).
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 FFB received. Records of certified and non certified FFB received further verified during the surveillance assessment. 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 in SOP (RSPO SCCS v.1 Year 2012 dated 1/8/2012) 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. Computerized system in place. No PKO and Palm kernel meal at Melalap Palm Oil mill. PK is sold to Sime Darby Futures Trading which is within Sime Darby Group of Companies.
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. Mill is committed to implement the MB system for all purchases and deliveries notes the SCCS model on the Weighbridge Ticket. System in place to indicate CPO/MB and PK/MB on the documents related to the supply chain. Sample documents are available as reference.
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.	There is no outsourcing activity directly handled by the mill. The kernel is sold to own kernel crushing plant through Sime Future Trading. The kernel crushing plant have own supply chain certificate and it is independent from the mill.

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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	No sales of certified palm product during the assessment. GreenPalm certificates are sold as a group. The mill has system to carry out sales of certified palm products and makes traceability records as per RSPO requirement. The documents relevant to sales of conventional palm product available. Sample documents for the present conventional palm product sales checked have the following information:
(a) The name and address of the buyer	Name and address of buyer written on the invoice. E.g: Sime Darby Future Trading. The palm products are sold as conventional palm product.
(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.
(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 training.
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.

Actual Certified Palm Production - 2014 (ASA3)

Mill	Processing Capacity	CPO	PK
Melalap Palm Oil Mill	25 mt/hr	18,845	4,069

Actual Sales of Certified Palm Products - 2014 (ASA3)

Month	CPO (Certified)	Buyer	PK (Certified)	Buyer
Jan. – December 2014	0	N/A	0	N/A

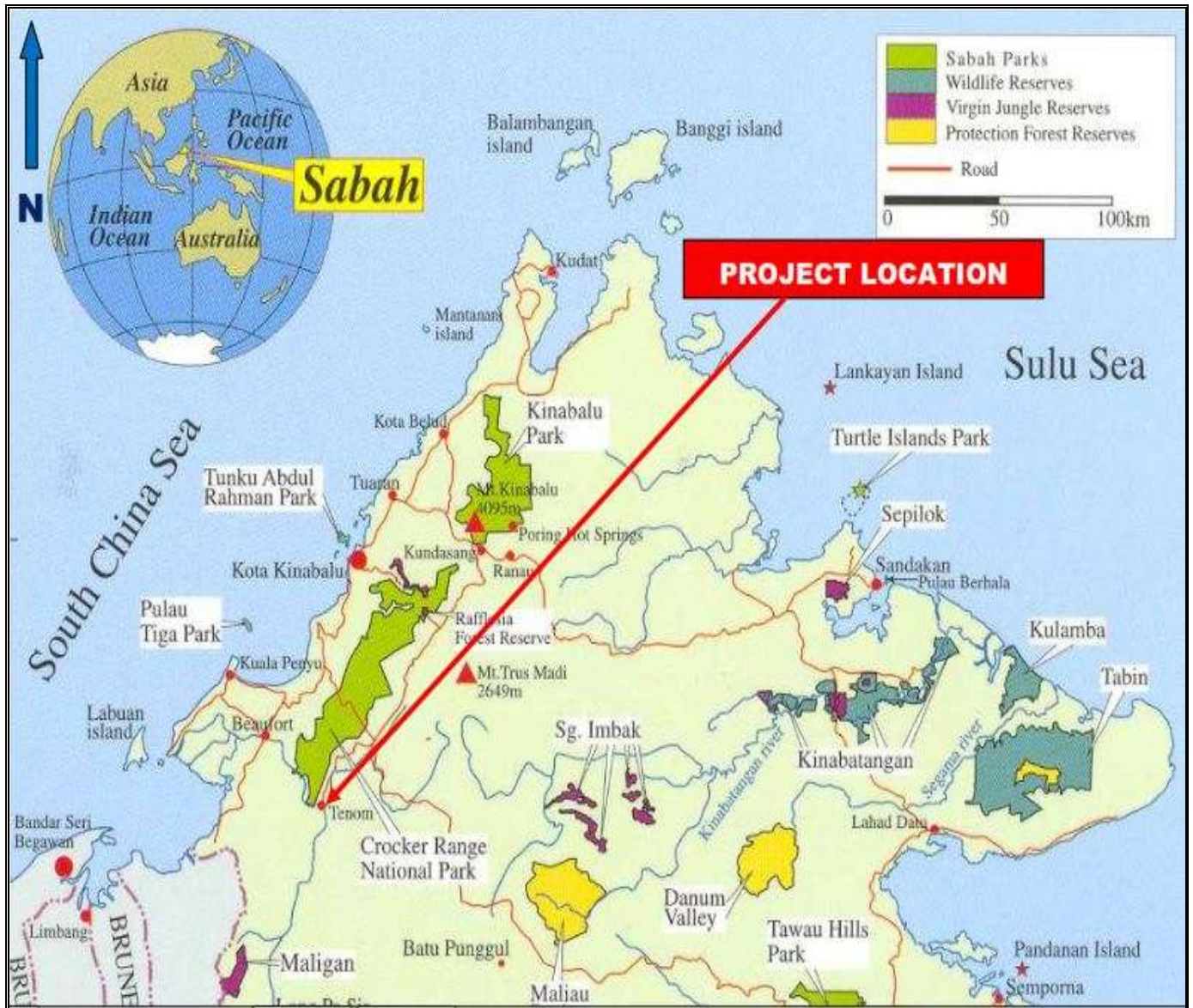
Remark: No certified palm product sales. Palm product sold as conventional palm product.

Actual Certified FFB Received Monthly - 2014 (ASA3)

Month	Melalap Estate	Sapong Estate	Total FFB/Month
January 2014	3,446	3,454	6,900
February 2014	3,227	4,402	7,629
March 2014	3,501	5,204	8,705
April 2014	3,459	4,485	7,944
May 2014	3,111	5,114	8,225
June 2014	2,451	4,651	7,102
July 2014	2,072	4,195	6,267
August 2014	1,684	2,542	4,226
September 2013	1,816	2,665	4,481
October 2014	2,781	4,283	7,064
November 2014	2,769	3,915	6,684
December 2014	3,285	3,499	6,784
Total	33,602	48,409	82,011

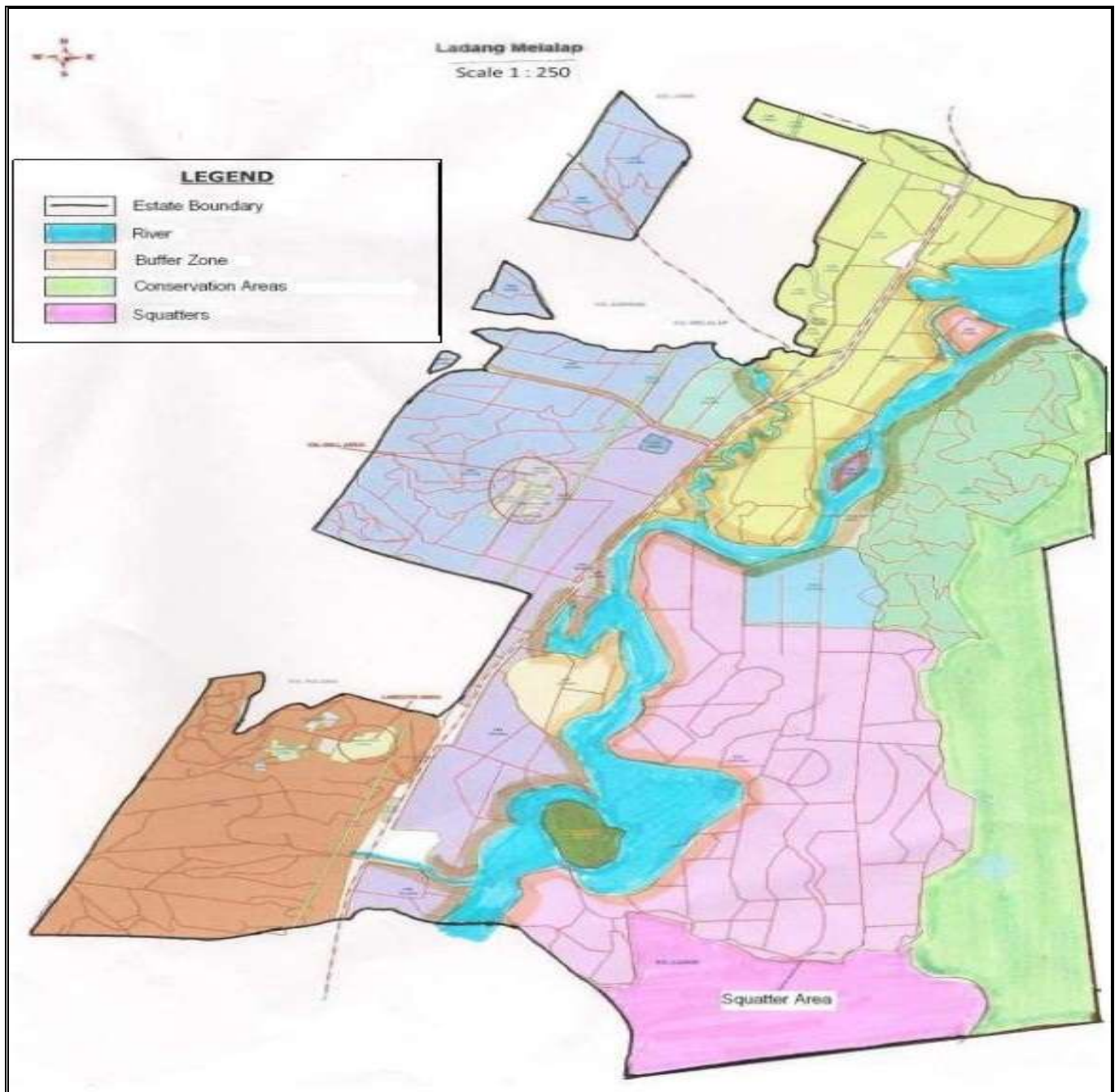
Appendix G

Map shows location of the Melalap Palm Oil Mill and Supply Base in Sabah, Malaysia



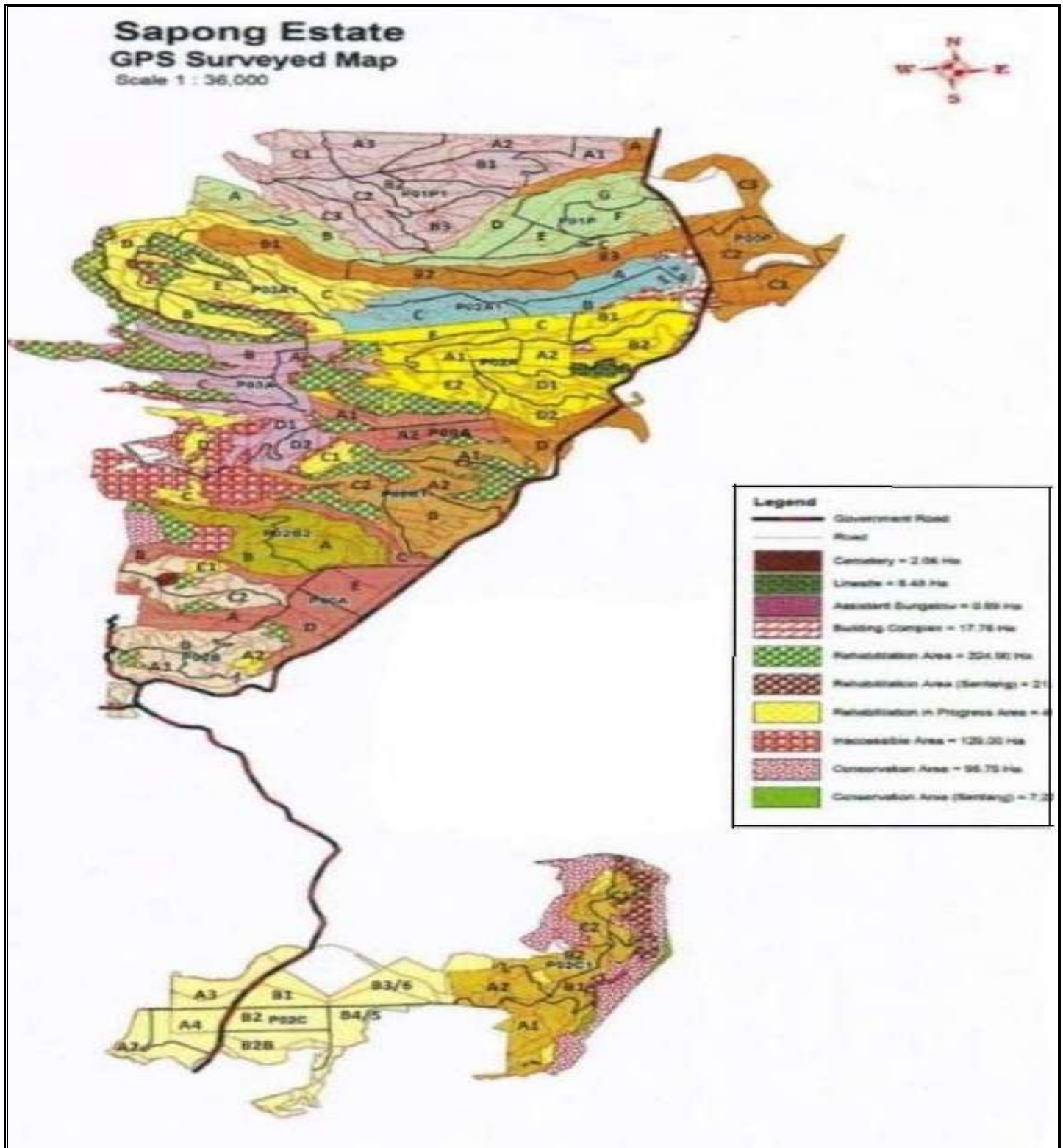
Appendix H

Melalap Estate field map



Appendix I

Sapong Estate Field Map



Appendix I

List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
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
IPM	Integrated Pest Management
MPOM	Melalap Palm Oil Mill
MAPA	Malaysian Agriculture Producers Association
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure