

**RSPO PRINCIPLE AND CRITERIA –
1st ANNUAL SURVEILLANCE ASSESSMENT (ASA2_1)
Public Summary Report**

| |
|---|
| Sime Darby Plantation Berhad |
| Client company Address: Level 3A, Main Block, Plantation Tower No, 2, Jalan PJU 1A/7 47301 Ara Damansara Selangor, Malaysia |
| Certification Unit: Strategic Operating Unit (SOU 26) Sandakan Bay Palm Oil Mill Location of Certification Unit: Locked Bag 39, Suanlamba District 90009 Sandakan Sabah, Malaysia |

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Section 1: Scope of the Certification Assessment

| 1. Company Details | | | |
|---|--|---------------------------------|--|
| RSPO Membership Number | 1-0008-04-000-00 | Membership Approval Date | 06/09/2004 |
| Parent Company Name | Sime Darby Plantation Berhad | | |
| Address | Level 3A, Main Block, Plantation Tower 2, Jalan PJU 1A/7 47301, Ara Damansara, Selangor, Malaysia | | |
| Subsidiary (Certification Unit Name) | Strategic Operating Unit (SOU 26) | | |
| Address | Sandakan Bay Palm Oil Mill, Locked Bag, Suanlamba District 90009 Sandakan, Sabah, Malaysia | | |
| Contact Name | Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr Hudal Firdaus Lahuri (Sandakan Bay Palm Oil Mill Manager) | | |
| Website | www.simedarbyplantation.com | E-mail | shylaja.vasudevan@simedarbyplantation.com kks.sandakan.bay@simedarbyplantation.com |
| Telephone | +603-78484379 (Head Office) +6089-622276/247225 (Mill) | Facsimile | +603 78484363 (Head Office) +6089-622276 (Mill) |

| 2. Certification Information | | | |
|-------------------------------|--|------------------------------------|------------|
| Certificate Number | RSPO 537872 | Date of First Certification | 01/10/2008 |
| | | Certificate Start Date | 01/10/2018 |
| | | Certificate Expiry Date | 30/09/2023 |
| Scope of Certification | Palm oil and Palm Kernel Production | | |
| Applicable Standards | RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E) | | |

| 3. Other Certifications | | | |
|-------------------------|--|-------------------------------|-------------|
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| MSPO 682050 | MS 2530-4 Malaysian Sustainable Palm Oil (MSPO) Part 4 | BSI Services Malaysia Sdn Bhd | 08/02/2023 |
| MSPO 689878 | MS 2530-3 Malaysian Sustainable Palm Oil (MSPO) Part 3 | | |

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| 4. Location(s) of Mill & Supply Bases | | | |
|--|---|------------------------|------------------|
| Name (Mill / Supply Base) | Location [Map Reference #] | GPS Coordinates | |
| | | Latitude | Longitude |
| Sandakan Bay Palm Oil Mill | Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia | 5° 38' 26" N | 118° 10' 03" E |
| Segaliud Estate | WDT 250 90009 Sandakan, Sabah, Malaysia | 5° 43' 33" N | 117° 45' 20" E |
| Sentosa Estate | Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia | 5° 36' 19" N | 118° 10' 19" E |
| Tigowis Estate | Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia | 5° 44' 57" N | 118° 13' 03" E |
| Tun Tan Estate | Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia | 5° 38' 29" N | 118° 10' 45" E |
| Tunku Estate | Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia | 5° 42' 31" N | 118° 10' 48" E |

| 5. Description of Supply Base | | | | | |
|--------------------------------------|---|---------------------|--|----------------------------|-------------------------|
| Estate | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
| Segaliud Estate | 4,252.75 | 261.19 | 306.19 | 4,820.13 | 88.22 |
| Sentosa Estate | 3,208.73 | 74.64 | 262.17 | 3,545.54 | 90.5 |
| Tigowis Estate | 1,879.99 | 9.93 | 184.10 | 2,074.02 | 90.64 |
| Tun Tan Estate | 2,775.05 | 4.74 | 345.81 | 3,125.60 | 88.78 |
| Tunku Estate | 2,887.48 | 30.00 | 281.57 | 3,199.05 | 90.27 |
| Total | 15,004.00 | 380.50 | 1,379.84 | 16,764.34 | |

Remark: GPS re-surveyed by Internal GPS Team for SOU26 which was approved by regional CEO on June 2018.

| 6. Plantings & Cycle | | | | | | | |
|----------------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Estate | Age (Years) | | | | | Mature** | Immature |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| Segaliud Estate | 1,173.31 | 2,238.60 | 473.83 | 195.84 | 171.17 | 3,079.44 | 1,173.31 |
| Sentosa Estate | 1,174.16 | 1,124.14 | - | 226.55 | 683.88 | 2,034.57 | 1,174.16 |
| Tigowis Estate | 543.90 | 988.11 | - | 347.98 | - | 1,336.09 | 543.90 |
| Tun Tan Estate | 867.72 | 1,083.45 | 0 | 341.07 | 482.81 | 1,907.33 | 867.72 |
| Tunku Estate | 1,289.28 | 666.08 | | 932.12 | | 1,598.20 | 1,289.28 |
| Total (ha) | 5,148.33 | 6,100.38 | 473.83 | 2,043.56 | 1,337.86 | 9,955.63 | 5,048.37 |

Remark: GPS re-surveyed by Internal GPS Team for SOU26 which was approved by regional CEO on June 2018.

| 7. Certified Tonnage of FFB (Own Certified Scope) | | | |
|---|-----------------------------------|--------------------------------|----------------------------------|
| Estate | Tonnage / year | | |
| | Estimated (Oct 2018-Sept 2019) | Actual (June 2018-May 2019) | Forecast (Oct 2019-Sept 2020) |
| Segaliud Estate | 61,297.23 | 59,620.39 | 60,299.34 |
| Sentosa Estate | 42,727.98 | 34,773.23 | 39,200.00 |
| Tigowis Estate | 28,136.20 | 24,938.30 | 23,908.75 |
| Tun Tan Estate | 30,799.04 | 31,153.16 | 30,875.34 |
| Tunku Estate | 33,413.35 | 31,562.57 | 34,824.36 |
| Total | 196,373.80 | 182,047.65 | 189,107.79 |

| 8. Certified Tonnage of FFB (from other certified unit(s)) if applicable * | | | |
|--|-----------------------------------|--------------------------------|----------------------------------|
| Estate | Tonnage / year | | |
| | Estimated (Oct 2018-Sept 2019) | Actual (June 2018-May 2019) | Forecast (Oct 2019-Sept 2020) |
| | N/A | | N/A |
| | | | |
| Total | | | |

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| 9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable | | | |
|---|-----------------------------------|--------------------------------|----------------------------------|
| Independent FFB Supplier | Tonnage / year | | |
| | Estimated (Oct 2018-Sept 2019) | Actual (June 2018-May 2019) | Forecast (Oct 2019-Sept 2020) |
| XXX | N/A | 31,549.46 | N/A |
| Total | N/A | 31,549.46 | N/A |

| 10. Certified Tonnage | | | |
|--|-----------------------------------|--------------------------------|----------------------------------|
| Mill Capacity: 60 MT/hr SCC Model: MB | Estimated (Oct 2018-Sept 2019) | Actual (June 2018-May 2019) | Forecast (Oct 2019-Sept 2020) |
| | FFB | FFB | FFB |
| | 196,373.80 mt | 182,047.65 mt | 189,107.79 mt |
| | CPO (OER: 22.00 %) | CPO (OER: 22.12%) | CPO (OER: 22.06%) |
| | 43,202.24 mt | 40,273.30 mt | 41,717.18 mt |
| | PK (KER: 5.04%) | PK (KER: 4.98%) | PK (KER: 4.97%) |
| 9,818.69 mt | 9,066.80 mt | 9,398.66 mt | |

| 11. Actual Sold Volume (CPO) | | | | | |
|-------------------------------------|----------------|-------------------------|-----|--------------|--------------|
| | RSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSB | | |
| CPO (MT) | - | - | - | 26,526.82 mt | 26,526.82 mt |

1. Total credit sold : 11,000 mt which makes total of 37,526.82 mt sold. Mass balance sheet confirmed there is no double counting.

| 12. Actual Sold Volume (PK) | | | | | |
|------------------------------------|----------------|-------------------------|-----|--------------|-------------|
| | RSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | RSB | | |
| PK (MT) | 3,757.66 mt | | -- | 5,623.78 mt | 9,381.44 mt |

| 13. Actual Group certification Claims | | |
|--|--------|----------------------|
| | Credit | Physical Volume (MT) |
| IS-CSP0 | | |
| IS-CSPKO | | |
| IS-CSPKE | | |

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site annual surveillance assessment was conducted from 25-28/06/2019. 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. A range of environmental and social factors were covered. This includes 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 and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

Meetings were held 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

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the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and 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 Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

| Assessment Program | | | | | |
|--------------------------------------|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Name (Mill / Supply Base) | Year 1 (Recertification) | Year 2 (ASA 2_1) | Year 3 (ASA 2_2) | Year 4 (ASA 2_3) | Year 5 (ASA 2_4) |
| Sandakan Bay Palm Oil Mill | √ | √ | √ | √ | √ |
| Segaliud Estate | √ | | | √ | |
| Sentosa Estate | | √ | | √ | |
| Tigowis Estate | | √ | | | √ |
| Tun Tan Estate | | | √ | | √ |
| Tunku Estate | √ | | √ | | |

Tentative Date of Next Visit: June 22, 2020 – June 25, 2020

Total No. of Mandays: 10.0 mandays including one day SC audit for mill

2.2 BSI Assessment Team:

| Team Member Name | Role <i>(Team Leader or Team member)</i> | Qualifications <i>(Short description of the team members)</i> |
|-------------------------|---|--|
| Mohd Hafiz Mat Hussain | Team Leader | He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, supply chain, estate best practices, social issues and workers/stakeholders consultation. |
| Hafriazhar Mohd Mokhtar | Team Member | Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands and Africa During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages. |
| Muhammad Masran Fadzli | Team Member | Fadzli graduated in Bachelor of Forestry Science at University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO9001 and ISO14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. He covered Mill & Estate Best Practices, Legal, OSH, Workers Consultation & etc. |

Accompanying Persons:

| No. | Name | Role |
|-----|-------|------|
| | -Nil- | |

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

| Date | Time | Subjects | MH | MF | HMM |
|--|-------------|---|----|----|-----|
| Tuesday, 25/6/19 Sandakan Bay Palm Oil Mill | 08:00-08:30 | Opening Meeting at SBPOM: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). Verification on previous audit findings | √ | √ | √ |
| | 08:30–12:00 | 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, meeting stakeholders etc. | √ | √ | √ |
| | 12:00–13:00 | BREAK | | | |
| | 13:00–16:30 | Sandakan Bay 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. | √ | √ | √ |
| | 16:30–17:00 | Interim Closing Briefing | √ | √ | √ |
| Wednesday, 26/6/19 Sentosa Estate | 08:30-12:00 | Sentosa 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. | √ | √ | √ |
| | 09:00–12:00 | Meeting with stakeholders for SBPOM, Sentosa Estate and Tigowis Estate (Government, village rep,smallholders, Union Leader, contractor etc.) | - | - | √ |
| | 12:00–13:00 | LUNCH | | | |
| | 13:00–16:30 | Sentosa 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 | √ | √ | √ |
| Thursday, 27/6/19 Tigowis Estate | 08:30-12:00 | Tigowis 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. | √ | √ | √ |
| | 12:00–13:00 | LUNCH | | | |
| | 13:00–16:30 | Tigowis 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 | √ | √ | √ |

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| Date | Time | Subjects | MH | MF | HMM |
|---|-------------|---|----|----|-----|
| Friday, 28/6/19 Sandakan Bay Palm Oil Mill | 08:30-12:00 | RSPO Supply Chain General Chain of custody: Element 5.1 – 5.13 | √ | √ | |
| | 12:00–13:00 | LUNCH/Friday Prayer | √ | √ | |
| | 13:00–16:30 | RSPO Supply Chain CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: <i>Mass Balance</i> | √ | √ | |
| | 16:00-16:30 | Verify any outstanding issues & Preparation for closing meeting | √ | √ | |
| | 16:30-17:30 | Closing meeting | √ | √ | |

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- Sime Darby Plantation Berhad Multiple Management Units / Time Bound Plan
- RSPO P&C 2013 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C GA-NIWG 2017
- RSPO P&C INA-NIWG 2016
- RSPO P&C MY-NIWG 2014
- RSPO P&C PNG-NIWG 2017

3.2 Time Bound Plan progress for multiple management units

| Time Bound Plan | | |
|--|---|------------|
| Requirement | Remarks | Compliance |
| Does the plan include all current subsidiaries, estates and mills? | The time bound plan includes all SOUs in Malaysia and Indonesia. Malaysia - Effectively 34 SOUs: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down. Indonesia - Effectively 25 SOUs. For Liberia operations, a new mill is being set up and commissioned in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Based on the latest information, the unit will be surrender to government. The negotiation process is still on going. | Yes |
| Have all the estates and mills certified within five years after obtaining RSPO membership? | For Liberia operations, a new mill is being set up and commissioned in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Based on the latest information, the unit will be surrender to government. The negotiation process is still on going. | Yes |
| Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available. | In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified. | Yes |

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| | <p>*RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in completed. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Based on the latest information, the unit will be surrender to government. The negotiation process is still on going.</p> <p>SDPL (Liberia Operation) has undergone RSPO Main Certification audit scheduled on 19 to 23 March 2018, but the assessment was only completed conducted and put on-hold due to security & safety issue. After due consideration on the current engagement with the House of Representative in Liberia, SDP management decided to postpone the time bound plan of RSPO Certification to 2019 until satisfactory resolution and demonstration of progress towards the 15 recommendations by the Special Legislative Committee of the House of Representative, Liberia in managing the potential risks resulting from the RSPO Certification process. Based on the latest information, the unit will be surrender to government. The negotiation process is still on going.</p> | |
| <p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p> | <p>Sime Darby Plantation's time bound plan for certification is initially 3 years, starting 2008-2011. SDP has had all its SOUs (Malaysian & Indonesian) and all Malaysian SOUs have been RSPO certified including 2 new mills have been in Jan and Feb 2014.</p> <p>For Indonesian operations, currently, 1 SOU in Indonesia (PT MAS) is pending for RSPO Certification due to social legacy issues.</p> <p>SDP's is actively working on its certification targets given the span across a large geographical location and over 200 estates and mills in operation.</p> <p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes and a new oil mill in Liberia has been commissioned in Feb 2016.</p> <p>SDP's time bound plan has been revised to take into consideration the social challenges encountered in Indonesia for the remaining SOU (PT MAS) yet to be certified.</p> <p>Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p> <p>For Indonesia operation, the reported Case No: DSF 007 between the parties PT Mistra Austral Sejahtera (a subsidiary of Sime Darby Plantation Sdn Bhd) and Kerunang/Entapang community. New status has been</p> | <p>Yes</p> |

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| | | |
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| | updated for dispute tracker for following case, http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes#007 | |
| Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised | No lapses. | Yes |
| Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised | No. | Yes |
| Have there been any stakeholder comments? | Up to date, there is no comment. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat. | Yes |
| Un-Certified Units or Holdings | | |
| No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. | HCV assessment has been conducted for uncertified units i.e. PT Mas (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011). | Yes |
| Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure. | A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1 st quarter of 2019. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14? | Yes |
| Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker . The progress on the Liabilities shall be verified and reported. | Latest update based on RSPO Case Tracker (19 potential liabilities; 5 LUCA submitted, 1 LUCA is passed, 1 CN submitted, 1 CN approved) on LUCA submission status as per below table: | Yes |

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| | <p style="text-align: center;">SIME DARBY PLANTATION: LUCA SUBMISSION TIMELINE</p> <table border="1"> <thead> <tr> <th>No.</th> <th>PT/ Company</th> <th>Report Submission to RSPO</th> <th>Current Status (14 Aug 2018)</th> </tr> </thead> <tbody> <tr><td>1.</td><td>PT Lahan Tani Sakti</td><td>Submitted on 31 May 2017</td><td>LUCA approved by reviewer</td></tr> <tr><td>2.</td><td>PT Bina Sains Cemerlang</td><td>Submitted on 29 Sept 2017</td><td>Shapefiles submitted to RSPO</td></tr> <tr><td>3.</td><td>PT Swadaya Andika</td><td>Submitted on 6 Oct 2017</td><td>Shapefiles submitted to RSPO</td></tr> <tr><td>4.</td><td>PT Langgeng Muara Makmur</td><td>Submitted on 8 Dec 2017</td><td>Shapefiles submitted to RSPO</td></tr> <tr><td>5.</td><td>PT Laguna Mandiri</td><td>Submitted on 20 Dec 2017</td><td>Shapefiles submitted to RSPO</td></tr> <tr><td>6.</td><td>PT Kridatama Lancar</td><td>Submitted on 22 Sept 2017</td><td></td></tr> <tr><td>7.</td><td>PT Paripurna Swakarsa</td><td>Submitted on 29 Sept 2017</td><td></td></tr> <tr><td>8.</td><td>PT Sime Indo Agro</td><td>Submitted on 10 Nov 2017</td><td></td></tr> <tr><td>9.</td><td>PT Bhumireksa Nusa Sejati</td><td>Submitted on 12 Dec 2017</td><td></td></tr> <tr><td>10.</td><td>PT Budidaya Agro Lestari</td><td>Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017</td><td></td></tr> <tr><td>11.</td><td>PT Teguh Sempurna</td><td>Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017</td><td></td></tr> <tr><td>12.</td><td>PT Bahari Gembira Ria</td><td>Submitted on 29 Dec 2017</td><td rowspan="8">Shapefiles to be submitted to RSPO by 17 Aug 2018</td></tr> <tr><td>13.</td><td>PT Guthrie Pecconina Indonesia</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>14.</td><td>PT Sajang Heulang</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>15.</td><td>PT Bersama Sejahtera Sakti</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>16.</td><td>PT Tunggal Mitra Plantation</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>17.</td><td>PT Ladangrumpun Suburabadi</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>18.</td><td>PT Aneka Inti Persada</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>19.</td><td>PT Mitra Austral Sejahtera</td><td>Submitted on 29 Dec 2017</td></tr> </tbody> </table> <p>Note: SDP's LUCA is still in queue for review process pending finalization of the contract between RSPO and the reviewer. Sime Darby Plantation has also submitted its RSPO Compensation Plan (CP) for evaluation by RSPO.</p> | No. | PT/ Company | Report Submission to RSPO | Current Status (14 Aug 2018) | 1. | PT Lahan Tani Sakti | Submitted on 31 May 2017 | LUCA approved by reviewer | 2. | PT Bina Sains Cemerlang | Submitted on 29 Sept 2017 | Shapefiles submitted to RSPO | 3. | PT Swadaya Andika | Submitted on 6 Oct 2017 | Shapefiles submitted to RSPO | 4. | PT Langgeng Muara Makmur | Submitted on 8 Dec 2017 | Shapefiles submitted to RSPO | 5. | PT Laguna Mandiri | Submitted on 20 Dec 2017 | Shapefiles submitted to RSPO | 6. | PT Kridatama Lancar | Submitted on 22 Sept 2017 | | 7. | PT Paripurna Swakarsa | Submitted on 29 Sept 2017 | | 8. | PT Sime Indo Agro | Submitted on 10 Nov 2017 | | 9. | PT Bhumireksa Nusa Sejati | Submitted on 12 Dec 2017 | | 10. | PT Budidaya Agro Lestari | Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017 | | 11. | PT Teguh Sempurna | Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017 | | 12. | PT Bahari Gembira Ria | Submitted on 29 Dec 2017 | Shapefiles to be submitted to RSPO by 17 Aug 2018 | 13. | PT Guthrie Pecconina Indonesia | Submitted on 29 Dec 2017 | 14. | PT Sajang Heulang | Submitted on 29 Dec 2017 | 15. | PT Bersama Sejahtera Sakti | Submitted on 29 Dec 2017 | 16. | PT Tunggal Mitra Plantation | Submitted on 29 Dec 2017 | 17. | PT Ladangrumpun Suburabadi | Submitted on 29 Dec 2017 | 18. | PT Aneka Inti Persada | Submitted on 29 Dec 2017 | 19. | PT Mitra Austral Sejahtera | Submitted on 29 Dec 2017 | |
|---|--|--|---|---------------------------|------------------------------|----|---------------------|--------------------------|---------------------------|----|-------------------------|---------------------------|------------------------------|----|-------------------|-------------------------|------------------------------|----|--------------------------|-------------------------|------------------------------|----|-------------------|--------------------------|------------------------------|----|---------------------|---------------------------|--|----|-----------------------|---------------------------|--|----|-------------------|--------------------------|--|----|---------------------------|--------------------------|--|-----|--------------------------|--|--|-----|-------------------|--|--|-----|-----------------------|--------------------------|---|-----|--------------------------------|--------------------------|-----|-------------------|--------------------------|-----|----------------------------|--------------------------|-----|-----------------------------|--------------------------|-----|----------------------------|--------------------------|-----|-----------------------|--------------------------|-----|----------------------------|--------------------------|--|
| No. | PT/ Company | Report Submission to RSPO | Current Status (14 Aug 2018) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | PT Lahan Tani Sakti | Submitted on 31 May 2017 | LUCA approved by reviewer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | PT Bina Sains Cemerlang | Submitted on 29 Sept 2017 | Shapefiles submitted to RSPO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | PT Swadaya Andika | Submitted on 6 Oct 2017 | Shapefiles submitted to RSPO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | PT Langgeng Muara Makmur | Submitted on 8 Dec 2017 | Shapefiles submitted to RSPO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | PT Laguna Mandiri | Submitted on 20 Dec 2017 | Shapefiles submitted to RSPO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | PT Kridatama Lancar | Submitted on 22 Sept 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | PT Paripurna Swakarsa | Submitted on 29 Sept 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | PT Sime Indo Agro | Submitted on 10 Nov 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | PT Bhumireksa Nusa Sejati | Submitted on 12 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. | PT Budidaya Agro Lestari | Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. | PT Teguh Sempurna | Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. | PT Bahari Gembira Ria | Submitted on 29 Dec 2017 | Shapefiles to be submitted to RSPO by 17 Aug 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13. | PT Guthrie Pecconina Indonesia | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14. | PT Sajang Heulang | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15. | PT Bersama Sejahtera Sakti | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. | PT Tunggal Mitra Plantation | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17. | PT Ladangrumpun Suburabadi | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18. | PT Aneka Inti Persada | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19. | PT Mitra Austral Sejahtera | Submitted on 29 Dec 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3. | No stakeholder comments or complaints received. | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1 | None noted. No stakeholder comments or complaints received. | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available. | Yes | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)

| Progress of scheme smallholders or outgrowers towards compliance with relevant standards | | |
|--|----------------|------------|
| Requirement | Remarks | Compliance |
| Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years. | Not Applicable | N/A |

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3.4 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the 2nd annual surveillance assessment there were four (4) Minor raised. The Sandakan Bay Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

| Summary of Total Number of Nonconformity | | | |
|---|---|--|-------------------------------------|
| Nonconformity | | | |
| NCR Ref # | 1795017-201904-N1 | Clause & Category (Major / Minor) | Indicator 4.7.5 Minor |
| Date Issued | 28/06/2019 | Due Date | Next annual surveillance assessment |
| Closed (Yes / No) | No | Date of nonconformity Closure | "Open" |
| Statement of Nonconformity: | The fire drill was not conducted as per established procedure. | | |
| Requirement Reference: | 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. | | |
| Objective Evidence: | Based on document review at Sandakan Bay POM, found that Fire evacuation drill was not conducted for 2019 as per emergency preparedness and response procedure (SD/SDH/GSQM/ESH/206). The last fire drill was conducted on 16/03/2018. | | |
| Corrections: | Mill management has conducted the fire drill on 26/06/2019. | | |
| Root Cause Analysis: | No specific person in charge (PIC) to monitor the firefighting equipment and drill. | | |
| Corrective Actions: | Mill Management will appoint a PIC to monitor the firefighting equipment and drill. | | |
| Assessment Conclusion: | The CAP was accepted. The effective implementation will be verified during next assessment. | | |

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| Summary of Total Number of Nonconformity | | | |
|---|--|--|-------------------------------------|
| Nonconformity | | | |
| NCR Ref # | 1795017-201904-N2 | Clause & Category (Major / Minor) | Indicator 4.6.10 Minor |
| Date Issued | 28/06/2019 | Due Date | Next annual surveillance assessment |
| Closed (Yes / No) | No | Date of nonconformity Closure | "Open" |
| Statement of Nonconformity: | The proper disposal of waste materials were not effectively understand and demonstrate by the workers as per established procedure, Landfill Management (SD/SDP/PSQM(ESH)/203-EN7) | | |
| Requirement Reference: | Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). | | |
| Objective Evidence: | Sentosa Estate The estate have provided 3R bin at the housing area for recycle waste. However, during site visit at Landfill area in P19A, found that used of plastic bottles were dump in the landfill. | | |
| Corrections: | Estate has plan to conduct briefing on 3R awareness program in accordance to the Landfill Management SOP to the workers in August 2019. | | |
| Root Cause Analysis: | <ol style="list-style-type: none"> 1. The 3R awareness program for workers found not included in the estate's waste management plan. 2. Monitoring of the activities under the Landfill Management SOP is not effective. | | |
| Corrective Actions: | 3R awareness program will be included in the estate's yearly waste management plan and monitored on yearly basis | | |
| Assessment Conclusion: | The CAP was accepted. The effective implementation will be verified during next assessment. | | |

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| Summary of Total Number of Nonconformity | | | |
|---|---|--|-------------------------------------|
| Nonconformity | | | |
| NCR Ref # | 1795017-201904-N3 | Clause & Category (Major / Minor) | Indicator 5.1.2 Minor |
| Date Issued | 28/06/2019 | Due Date | Next annual surveillance assessment |
| Closed (Yes / No) | No | Date of nonconformity Closure | "Open" |
| Statement of Nonconformity: | The EIA mitigation plan was not effectively monitored and implemented as per the EIA Mitigation plan for replanting, submitted and approved by Environment Protection Department under section 'Kawalan Bahan Minyak dan Sisa Toksik' item no. 22. | | |
| Requirement Reference: | 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. | | |
| Objective Evidence: | Sighted at the replanting area, the contractor's skid tank for diesel were placed at field P19A without proper mitigation plan as per EIA for replanting approved by EPD. | | |
| Corrections: | <ol style="list-style-type: none"> 1. The skid tank has been removed from the field immediately on 26/06/2019. 2. The contractor has change the skid tank method to diesel drum container with proper tray containment and will be placed at estate's store facilities. | | |
| Root Cause Analysis: | The contractor has just decided to place the skid tank at the field and no specific briefing has been given yet by the estate management to the contractor in terms of skid tank for diesel in accordance to relevant EIA mitigation plan for replanting. | | |
| Corrective Actions: | <ol style="list-style-type: none"> 1. Estate management will include briefing on relevant EIA mitigation plan for replanting during replanting kick off meeting with contractor to ensure the EIA mitigation plan is followed. 2. Estate to conduct regular monitoring on contractor compliance to the EIA mitigation plan during the replanting works. | | |
| Assessment Conclusion: | The CAP was accepted. The effective implementation will be verified during next assessment. | | |

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| Summary of Total Number of Nonconformity | | | |
|---|--|--|-------------------------------------|
| Nonconformity | | | |
| NCR Ref # | 1795017-201904-N4 | Clause & Category (Major / Minor) | Indicator 4.1.2 Minor |
| Date Issued | 28/06/2019 | Due Date | Next annual surveillance assessment |
| Closed (Yes / No) | No | Date of nonconformity Closure | "Open" |
| Statement of Nonconformity: | Mechanism to check implementation of procedures not consistently in place. | | |
| Requirement Reference: | A mechanism to check consistent implementation of procedures shall be in place. | | |
| Objective Evidence: | Visit to Clinic in Tigowis estate found raw food with no proper labeling being stored in refrigerator used for medications including vaccines storage. No clear or specific procedures/instructions available to either allow or not allow such practice that generally looks unsuitable. The practice was inconsistent to the other visited clinic sites. | | |
| Corrections: | The food had been removed immediately from clinic's refrigerator. | | |
| Root Cause Analysis: | Insufficient monitoring by the estate management on the items allowed/not allowed to be kept in the freezer compartment at the Clinic. | | |
| Corrective Actions: | Estate management will put clear instruction of 'no food storage allowed' signage on the clinic's refrigerator that use for storage of medication and conduct spot checks on the storage item in the Clinic refrigerator. | | |
| Assessment Conclusion: | The CAP was accepted. The effective implementation will be verified during next assessment. | | |

| Opportunity for Improvements | |
|-------------------------------------|--------------------|
| OFI # | Description |
| OFI 1 | -Nil- |

| Positive Findings | |
|--------------------------|--------------------------------------|
| PF # | Description |
| PF 1 | Good commitment from the management. |

3.4.1 Status of Nonconformities Previously Identified and Observations

| Non-Conformity | | | |
|------------------------------------|---|--|-----------------------|
| NCR Ref # | 1649805-201805-M1 | Clause & Category (Major / Minor) | Indicator 4.7.2 Major |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 20/08/2018 |
| Statement of Nonconformity: | Machine Operation safety precaution control was not fully effective. | | |
| Requirement Reference: | 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. | | |
| Objective Evidence: | Sandakan Bay POM – The latte machine in the workshop was found with faulty emergency stopper button. | | |
| Corrective Actions: | Mill to include latte machine in the workshop monthly machine inspection. | | |
| Assessment Conclusion: | <p>Verification during on-site Major NCR close out:</p> <p>Evidence verified on-site:</p> <ol style="list-style-type: none"> 1) The stopper has been repaired and tested to be functioning well during the site verification 2) Monthly inspection workshop equipment form was effectively utilised as checking report of the condition of all the equipment available in the mill. <p><u>Verification during ASA2 1:</u></p> <p>During site visit, the stopper was functioning well for all machine. The inspection for all workshop equipment was conducted accordingly. Thus, the Major NCR remain closed.</p> | | |

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| Non-Conformity | | | |
|------------------------------------|---|--|-----------------------|
| NCR Ref # | 1649805-201805-M2 | Clause & Category (Major / Minor) | Indicator 6.3.2 Major |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 20/08/2018 |
| Statement of Nonconformity: | Documentation of both the process by which a dispute was resolved and the outcome was not proper documented. | | |
| Requirement Reference: | Documentation of both the process by which a dispute was resolved and the outcome shall be available. | | |
| Objective Evidence: | Segaliud Estate: Workers Complaint Book was not implemented effectively where there was no evidence to show that all the complaints were resolved and the complainants have not acknowledged on the complaint book. The status of the complaints was recorded in progress since October 2017. | | |
| Corrective Actions: | Estate to appoint specific person in charge (PIC) to maintain and tracking the status of complaint. | | |
| Assessment Conclusion: | <p>Verification during on-site Major NCR close out:</p> <p>Evidence verified on-site:</p> <ol style="list-style-type: none"> Based on interview, the PIC (En. Ruslan Dahlan) was able to explain his task regarding the monitoring of progress of solving the complaints. The status of the complaints since Oct 2017 has been updated. Based on the records, all the complaints have been resolved and acknowledged by the complainants. <p>The correction and corrective actions evidence was found to be adequate and effectively implemented. Thus, the NCR is closed on 20/8/2018</p> <p><u>Verification during ASA2 1:</u> Except for internal complaints and reports related to housing matters, no any external disputes involved in Sandakan Bay POM and its estates. Internal complaints documentation on issue and resolution was available. For example, the implementation was as per Carta Aliran Pengendalian Isu Sosial Ladang Sentosa. Sample records of communication:</p> <ul style="list-style-type: none"> Log book record of response from internal & external; Date: 19/6/2019 – Permohonan pembaharuan kebenaran untuk masuk ke Ladang Sentosa untuk menjual ikan; No. kenderaan SAA6321G & SS6321U Complaint book Sentosa Estate; 28/5/2019; Workers housing repair – replace of water cock Records of SIME Card issuance “Sime Card Reporting” Aduan lampu rosak 2 units 19/6/2019 Paip sinki tersumbat 19/6/2019 Records shown all complaints were resolved timely. <p>Thus, the major NCR remain closed.</p> | | |

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| Non-Conformity | | | |
|------------------------------------|---|--|-----------------------|
| NCR Ref # | 1649805-201805-M3 | Clause & Category (Major / Minor) | Indicator 2.1.1 Major |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 20/08/2018 |
| Statement of Nonconformity: | Compliance of Employment Act 1955 and Minimum Wage Order 2016 was not fully implemented. | | |
| Requirement Reference: | Evidence of compliance with relevant legal requirements shall be available. | | |
| Objective Evidence: | <p>In Segaliud Estate, it was found that worker (Employee No.: 122577 - Piece rated loader RM 805.35) who has worked at least 26 days in July 2017 did not achieve the Minimum Wage Order 2016.</p> <p>In Sandakan Bay POM, the sampled workers were not entitled for the 5 full holiday pay as below:</p> <p>a. Employee No.: 34352 (Only 4.5 days paid)</p> <p>b. Employee No.: 34419 (Only 4.5 days paid)</p> <p>Besides, the workers who worked more than 120 hours of overtime were not paid for the balance hours as the system has set the limit until 120 hours of overtime per month. Sampled of workers' attendance records and payslip as below:</p> <p>a. Employee No.: 34414 (July'17 – 134 hours and August'17 – 120 hours)</p> <p>b. Employee No.: 34419 (July'17 – 125 hours and August'17 – 134 hours)</p> <p>Besides, the permit (Serial No.: 08(0010)KBN) for exceeded 104 hours of overtime per month was expired on 1/5/2015. The mill management has applied for renewal on 9/4/2015 and a follow-up on 23/5/2018. However, the permit has yet to be received from Labour Department and the mill management was continued to offer overtime exceeded 104 hours to workers. Sampled of the payslips and attendance records that shown the workers have worked more than 104 hours of overtime per month as below:</p> <p>a. Employee No.: 34414 (July'17 – 134 hours, August'17 – 120 hours, September'17 - 120 hours and April'18 - 107 hours)</p> <p>b. Employee No.: 34419 (July'17 – 125 hours, August'17 – 134 hours and September'17 - 109 hours)</p> <p>c. Employee No.: 34347 (September'17 - 115 hours and April'18 - 112 hours)</p> | | |
| Corrective Actions: | <p>Segaliud Estate Management to inform/brief all workers especially piece rated workers during morning muster on the target productivity for them to achieve the minimum wage and issuance of warning/show-cause letter for those not achieving the productivity target.</p> <p>Sandakan Bay POM</p> <ol style="list-style-type: none"> 1. Mill will seek assistance from SAP team on improving the Mill SAP system-check roll. 2. Mill to request approval from zone office management for the recruitment of new workers. 3. Mill to follow up with Labour department regarding the permit issuance. | | |
| Assessment Conclusion: | <p>Verification during on-site Major NCR close out:</p> <p>Evidence verified on-site: Segaliud Estate:</p> <ol style="list-style-type: none"> 1. Minutes of meeting dated 15/8/2018 between management and the affected workers to explain about the reason of minimum wage was not met. Based on the check-roll attendance record, the turn-out days in July 2017 of the employee (122577) was only 23 days instead of 26 days. Moreover, the daily | | |

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| | <p>target of productivity i.e. 15 mt/loader/day was also not met. Hence, the minimum wage was not met. However, the SAP system attendance record is only able to capture 0.5 day as 1.0 day. Hence, 26 days appear in the payslip instead of 23.</p> <p>2. Warning letters dated 20/7/2017 & 18/9/2017 to the affected employee due to he stopped working earlier than working time.</p> <p>Sandakan Bay POM:</p> <ol style="list-style-type: none"> 1. Payslip printout that the affected workers have been reimbursed 2. Letter dated 2/7/2018 from the Mill Manager to the Regional GM with regards to application for 11 more manpower so that working overtime can be reduced. The application had been approved and recruitment is ongoing and expected to be completed in October 2018 3. Permit from Labour Dept. to allow the mill giving their workers to have more than 104 hr/month (but not exceeding 120 hr/month) of overtime. The permit validity is from 25/7/2018 to 24/7/2020. 4. E-mail conversation between the mill and Sime Darby's IT Dept. to rectify the technical limitation of overtime registration in the SAP system <p>The correction and corrective actions evidence was found to be adequate and effectively implemented. Thus, the NCR is closed on 20/8/2018.</p> <p><u>Verification during ASA2 1:</u> Documentations of pay and conditions available as per following: Mill sample:</p> <ul style="list-style-type: none"> - Employee ID # 60570; Role: Process Operator; Date join: 1/4/2019 - Employee ID # 68375; Role: General Gang; Date join: 1/7/2011 - Employee ID # 118568; Role: Workshop Apprentice; Date join: 3/12/2015 - Employee ID # 60570; Role: Process Operator; Date join: 1/4/2019 - Employee ID # 148876; Role: Process General Gang; Date join: 1/3/2019 - Employee ID # 34315; Role: Weighbridge Clerk; Date join: 12/11/2005 <p>Sentosa Estate sample:</p> <ul style="list-style-type: none"> - Employee ID # 141647; Role: Water Attendant; Date join: 1/4/2018 - Employee ID # 149096; Role: Harvester; Date join: 1/3/2019 - Employee ID # 125149; Role: Upkeep; Date join: 1/9/2016 - Employee ID # 147141; Role: Sprayer; Date join: 1/12/2018 - Employee ID # 148522; Role: Security guard; Date join: 14/2/2019 <p>Tigowis Estate sample:</p> <ul style="list-style-type: none"> - Employee ID # 107478; Role: Harvester; Date join: 14/11/2014 - Employee ID # 122367; Role: Sprayer; Date join: 1/6/2016 - Employee ID # 133035; Role: Field Worker; Date join: 1/5/2017 - Employee ID # 142530; Role: Field Worker; Date join: 1/5/2018 - Employee ID # 99453; Role: Bunch Counter; Date join: 1/3/2014 <p>Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to the Sabah Labour Ordinance 2005.</p> <p>Based on the reviewed records of payslips, pocket check-roll book and computer check-roll records, as at current status, there was none has crossed 80 hours of overtime. Verified the payslips, the payment and calculation of over time well distributed.</p> <p>The overtime rate after 8 hours daily rated is: upkeeping</p> |
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| | <ul style="list-style-type: none"> - Mon - Sat – daily rated / 8 hours x 1.5 - Sunday - daily rated / 8 hours x 2.0 - Public holiday – daily rated / 8 hours x 3.0 <p>The overtime rate after 8 hours piece rated is: harvesters</p> <ul style="list-style-type: none"> - Mon - Sat – flat rate - Sunday – flat rate x 2.0 - Public holiday – flat rate x 3.0 <p>Thus, the major NCR remain closed.</p> |
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| Non-Conformity | | | |
|------------------------------------|--|--|--------------------------|
| NCR Ref # | 1649805-201805-N1 | Clause & Category (Major / Minor) | Indicator 4.7.3 Minor |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 28/06/2019 |
| Statement of Nonconformity: | The Personal Protective Equipment (PPE) implementation among the workers was not fully effective. | | |
| Requirement Reference: | 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. | | |
| Objective Evidence: | Segaliud Estate: Noticed a carpenter was working on piping works behind the diesel skid tank without wearing proper PPE i.e. safety shoe and hand glove. Sandakan Bay POM: 2 Outsourced Transporter company workers were found unloading materials without wearing proper PPE (e.g. safety shoe & safety helmet) and safety induction training. | | |
| Corrective Actions: | Segaliud Estate: To conduct refresher training for all workers on PPE. Sandakan Bay POM Mill: To establish SOP at mill’s auxiliary police post for transporter or contractor which included on the safety aspect. | | |
| Assessment Conclusion: | Verification during ASA2_1: The training was conducted accordingly eg: Safety training for operation dated 10/04/2019 and Training on PPE for workers dated 3/04/2019. Sighted the records of trainin at POM and estate. The SOP at mill’s auxiliary police post for transporter or contractor was available for verification. The corrective action plan was effectively implemented. Thus, the Minor NCR was closed on 28/6/2019. | | |

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| Non-Conformity | | | |
|------------------------------------|--|--|---------------------------|
| NCR Ref # | 1649805-201805-N2 | Clause & Category (Major / Minor) | Indicator 6.10.3 Minor |
| Closed (Yes / No) | Yes | Date of nonconformity Closure | 28/06/2019 |
| Statement of Nonconformity: | Contract agreement between the management and the contractors were found expired. | | |
| Requirement Reference: | Contract agreement between the management and the contractors were found expired. | | |
| Objective Evidence: | Contract agreement (Letter of Award with Ref. No. of LOA: T/SDPSB/SE/FFB/1014/005) for FFB transporter in Segaliud Estate was found expired on 30/4/2017 and the contractor was still provided services in the estate. | | |
| Corrective Actions: | Estate to follow up with procurement department regarding the contract agreement. | | |
| Assessment Conclusion: | <p>Verification during ASA2_1: The contractor agreement for the FFB transporter was available. Sighted the agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Ooi Trading which was valid until 31/10/2019.</p> <p>Contracts are fair, legal and transparent as per sample sighted for following: - Agreement between Sime Darby Plantation (Sabah) Sdn. Bhd. And Yee Ping Trading Sdn. Bhd. on Transportation of Crude Palm Oil (CPO) and Palm Kernel (PK) dated 19/12/2017. Agreement was commencing from 1/11/2017 and valid until 31/10/2020.</p> <p>Evidence shown expiring agreements will be review prior to extension or re-agreement based on the performance and suitability of vendor.</p> <p>The corrective action plan was effectively implemented. Thus, the minor NCR was closed on 28/6/2019.</p> | | |

| Opportunity for Improvement | |
|------------------------------------|--------------------|
| OFI# | Description |
| OFI 1 | -Nil- |

3.4.2 Summary of the Nonconformities and Status

| CAR Ref. | Category (Major / Minor) | P&C Indicator | Issued Date | Status & Date (Closure) |
|-------------------|--------------------------|---------------|-------------|-------------------------|
| 1649805-201805-M1 | Major | 4.7.2 | 28/06/2018 | Closed on 20/08/2018 |
| 1649805-201805-M2 | Major | 6.3.2 | 28/06/2018 | Closed on 20/08/2018 |
| 1649805-201805-M3 | Major | 2.1.1 | 28/06/2018 | Closed on 20/08/2018 |
| 1649805-201805-N1 | Minor | 4.7.3 | 28/06/2018 | Closed on 28/06/2019 |
| 1649805-201805-N2 | Minor | 6.10.3 | 28/06/2018 | Closed on 28/06/2019 |
| 1795017-201904-N1 | Minor | 4.7.5 | 28/06/2019 | "Open" |
| 1795017-201904-N2 | Minor | 4.6.10 | 28/06/2019 | "Open" |
| 1795017-201904-N3 | Minor | 5.1.2 | 28/06/2019 | "Open" |
| 1795017-201904-N4 | Minor | 4.1.2 | 28/06/2019 | "Open" |

3.5. Stakeholders Consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Sandakan Bay Palm Oil Mill Certification Unit's (SOU 26) 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. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.


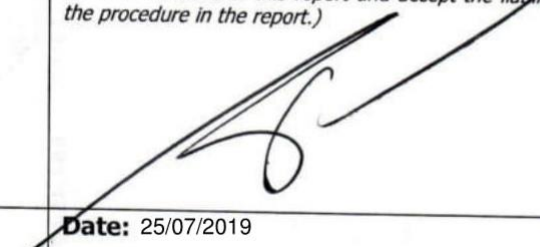
Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their 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 below.

| List of Stakeholders Contacted | |
|--|---|
| <p>Internal Stakeholders</p> <p>Mill operators Harvester Sprayer Hospital & Clinic assistants</p> | <p>Union/Contractors/Local Communities</p> <p>Smallholder Sundry shop owner</p> |
| <p>Government Departments</p> <p>No complaint by NGO for Sandakan Bay CU. Therefore, NGO was not contacted.</p> | <p>NGO</p> <p>No complaint by NGO for Sandakan Bay CU. Therefore, NGO was not contacted.</p> |

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| IS # | Description |
|------|---|
| 1 | <p>Feedbacks: Smallholder – having oil palm estate at boundary of Tigowis Estate. No boundary or trespassing issue with Sime Darby Estate. FFB supplied to Sandakan Bay POM. No issue in price and payment.</p> <p>Management Responses: External FFB suppliers among smallholders always been consulted to ensure good relationship.</p> <p>Audit Team Findings: No further issue.</p> |
| 2 | <p>Feedbacks: Sundry shop owner – been renting Sime Darby’s premises to operate sundry shop since past 2 years. Tendering process to bid for operating sundry shop was fair and transparent. Sufficient amenities provided including electricity, water and dustbin with fair rental price.</p> <p>Management Responses: Annual tendering will be open to any local business owner to operate sundry shop within Sime Darby’s premises. Consideration to extend operation contract will be done upon performance.</p> <p>Audit Team Findings: No further issue.</p> |
| 3 | <p>Feedbacks: Crèche (NEST) minder – good facilities provided by company as Nursery for Estate’s Toddlers (NEST) with sufficient minder to take care of children.</p> <p>Management Responses: Management has to ensure sufficient resource available to take care of worker’s children.</p> <p>Audit Team Findings: No further issue.</p> |
| 4 | <p>Feedbacks: Hospital & Clinic assistants – sufficient clinic facilities provided with visit done by panel clinic doctor on monthly basis. No any issue of viral disease among employees local and foreign.</p> <p>Management Responses: Management has to ensure sufficient medical facilities to be provided to all employees due to remote locations of estates.</p> <p>Audit Team Findings: No further issue.</p> |

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| Formal Signing-off of Assessment Conclusion and Recommendation | |
|---|---|
| <p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Sandakan Bay Palm Oil Mill Certification Unit (SOU 26) has complied with the RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Sandakan Bay Palm Oil Mill Certification Unit (SOU 26) is continued.</p> | |
| Report prepared by | Acceptance of Assessment Conclusion |
| Name: Mohd Hafiz Mat Hussain | Name: Mohd Syafrie Bin Asis |
| Company Name: BSI Services Malaysia Sdn Bhd | Company Name: Sime Darby Plantation Berhad |
| Title: Lead Auditor | Title: Manager |
| Signature:  | Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>  |
| Date: 23/07/2019 | Date: 25/07/2019 |

Appendix A: Summary of 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 - | Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, and EIA, Management Plans & Continuous Improvement Plans and company policies are available. | Complied |

| Criterion / Indicator | | Assessment Findings | | | Compliance |
|--|---|--|-----------------|----------|------------|
| 1.1.2 | Records of requests for information and responses shall be maintained. -Major compliance | Records of requests for information and the SOU's responses are filed and maintained at the respective estate/mill offices. Sighted the following records among others as following samples: | | | Complied |
| | | Sandakan Bay POM | | | |
| | | Date | Details | Inquirer | |
| 2 | 19/11/18 | Annual Inspection | DOSH | | |
| 6 | 02/12/18 | House repair | Staff | | |
| 7 | 20/12/18 | House repair | Staff | | |
| | | Sentosa Estate | | | |
| | | Date | Details | Inquirer | |
| 1 | 28/5/19 | House repair | Workers | | |
| 2 | 19/6/19 | Request to sell fish | External hawker | | |
| 3 | 19/6/19 | Housing light replacement | Workers | | |
| | | Tigowis Estate | | | |
| | | Date | Details | Inquirer | |
| 1 | 20/4/19 | House repair | Staff | | |
| 2 | 20/4/19 | House repair | Staff | | |
| 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. | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|-----------------|
| <p>1.2.1 Publicly available documents shall include, but are not necessary limited to:</p> <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). <p>- Major compliance –</p> | <p>All the documents were made publicly available except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. Sime Darby Plantation Berhad continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Procedure for complaints and grievances were available through Sime Darby Plantation Bhd website: http://www.simedarbyplantation.com/Sustainability.aspx</p> <p>Documents that publicly available are such as social and environment impact assessment, action plan, meeting minutes and audit reports.</p> <p>Besides, policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> | <p>Complied</p> |
| <p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p> | | |
| <p>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.</p> <p>-Minor compliance</p> | <p>Sime Darby Plantation Berhad has implemented Code of Business Conduct handbook which covers all operations in the plantation. Attitude of fair, integrity and ethic should be implemented during any business process. The company is strictly prohibited to have any bribery related in the business processes. Briefing of policy was given to the all the workers on 27/3/2019. Policy was displayed at the notice board in the office and housing area</p> | <p>Complied</p> |
| <p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p> | | |

| | | | |
|--------------|--|---|-----------------|
| <p>2.1.1</p> | <p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p> | <p>SOU26 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU26 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p><u>Sandakan Bay POM:</u></p> <ol style="list-style-type: none"> 1. MPOB license: 508777804000 (validity period 1/12/2018-30/11/2019) for 288,000 MT. 2. DOE License: 003534 (validity period 01/07/2018 - 30/06/2019) 3. Diesel Permit # S012899, ref PPDNKK.SDK.02/2000(SK) BL22018044513, (validity 1/11/2018 – 31/10/2019), Quantity: 19,200 liter. 4. Energy commission license no: 2018/03407; serial no: 33166 (validity period 12/1/2019 – 11/1/2020). 5. CF for boiler: PMD10230 valid until 6/9/2020 6. CF Air receiver: PMT 475 valid until 15/7/2019 7. CF sterilizer: SB PMT 728 valid until 6/8/2019 8. CF steam separator: PMT89266 valid until 3/12/2019 <p><u>Sentosa Estate:</u></p> <ol style="list-style-type: none"> 1. MPOB license: 530353002000 (validity period 1/6/2019-31/5/2020) 2. Diesel Permit # S012892, ref PPDNKK.SDK.14/2007(SK) BL22018042182, (validity 17/12/2018 – 18/12/2019), Quantity: 18,000 liter 3. Energy commission license no: 2019/00491; serial no: 35139 (validity period 27/5/19 – 26/5/20) 4. Energy commission license no: 2019/00280; serial no: 34764 (validity period 15/2/19 – 14/2/20) 5. Energy commission license no: 2019/00491; serial no: 35139 (validity period 27/5/19 – 26/5/20) 6. Energy commission license no: 2019/00924, 2019/00922, 2019/00923; | <p>Complied</p> |
|--------------|--|---|-----------------|

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | | <p>serial no: 35834, 35838, 35839 (validity period 28/6/19 – 27/6/20).</p> <p>7. CF Air receiver: SB PMT 997 valid until 18/5/2020</p> <p>8. Sentosa Estate Permit Potongan Daripada Gaji Pekerja; Serial # 600-1/2/13/125(11/KBN/2018-0147); Validity: 24/4/2018 – 23/4/2020</p> <p>9. Sentosa Estate Lesen Untuk Menggaji Pekerja Bukan Pemastautin; License # JTK.H.KBN.600-4/1/1/01261/0097; Validity: 20/8/2018 – 19/8/2019</p> <p>10. Permit Potongan Daripada Gaji Pekerja; Serial</p> <p><u>Tigowis Estate:</u></p> <p>1. MPOB license: 528342002000 (validity period 1/4/2019-31/3/2020)</p> <p>2. Diesel Permit # S019023, ref PPDNKK.SDK.07/2011(SK) BL22019000879, (validity 23/1/2019 – 22/1/2020), Quantity: 20,000 liter</p> <p>3. Energy commission license no: 2019/00220, serial no: 34559 (validity period 10/2/2019-9/2/2020)</p> <p>4. CF Air receiver: SB PMT 998 valid until 7/6/2020</p> | |
| 2.1.2 | <p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p> | <p>SOU26 had documented the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment.</p> <p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4a: Procedure for Legal and Other Requirements dated 1 November 2008.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| 2.1.3 | A mechanism for ensuring compliance shall be implemented. - Minor compliance - | <p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 1 November 2008.</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Sandakan Bay POM - Latest review was done on 1/3/2019 Sentosa Estate - Latest review was done on 30/5/2019 Tigowis Estate - Latest review was done on 28/2/2019</p> | Complied |
| 2.1.4 | A system for tracking any changes in the law shall be implemented. - Minor compliance - | <p>Tracking system to identify changes in the relevant regulations is available through the head office, website information and is communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p> | Complied |
| <p>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.</p> | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|------------|
| 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 - | <p>Sentosa Estate and Tigowis Estate operation is on country lease and lease land. Land titles and copy of land titles are available during the audit.</p> <p>Sentosa Estate land titles sample were sighted for:</p> <ol style="list-style-type: none"> 1. Country lease # CL075109545 2. Country lease # CL075112686 3. Country lease # CL075109447 4. Country lease # CL075109492 <p>Latest Majlis Perbandaran Sandakan land cess payment receipt # 07201901001705; Date: 28/1/2019; Payment voucher # PV/CQ 2019-Jun19-001</p> <p>Tigowis Estate land titles and quit rent were sighted for:</p> <ol style="list-style-type: none"> 1. Country lease # CL075322833 <p>Latest Jabatan Tanah & Ukur Sabah quit rent payment ref. # NPO/EP-0619/02; Date: 5/12/2018; Payment voucher # PV/2019/TGE011</p> | Complied |
| 2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance - | <p>Estates visited has demarcated the legal boundary clearly with concrete pole, fencing and security trenches along the estates boundary.</p> <p><u>Sentosa Estate</u> Sighted the boundary marking at P19A clearly demarcated with fencing and red and white colour concrete pole.</p> <p><u>Tigowis Estate</u> The estate was clearly demarcated with trenches and fencing. Sighted the boundary at P94G5 adjacent with Felcra.</p> | Complied |

| 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 SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | 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 SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | 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 SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | 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 SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | 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. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| 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 - | There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | Complied |
| 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 - | There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 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 | There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | 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 | There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company. | 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 - | <p>The mill has established forecast business plan for five financial years from FY 2019 till 2024 as guideline for the mill to run the operation. Plan was review on annually basis. The plan covers the FBB process, cost for labour, mill maintenance, EVIT and administration cost.</p> <p>The estates visited has established forecast business plan for five financial years from FY 2019 till 2024 as guideline for the estates to run the daily operation and documented in the MPLAN. The plan was reviewed on annually basis. The business plan covers the Area statement, Crop production, Field maintenance cost, Harvesting, FFB transportation, Labour overhead/cost and administration cost.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | |
|--|--|---|------------|---------|--|----|----|------|--------|--------|------|--------|--------|------|--------|-----------|------|--------|-----------|----------|
| 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 - | <p>SOU 26 estates have long range replanting program from FY 2019 - 2022. Replanting is planned for low yield field area, tall palm and older than 25 years old.</p> <p>Program for the next financial year as follow:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Hectare</th> </tr> <tr> <th>SE</th> <th>TE</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>336.04</td> <td>149.37</td> </tr> <tr> <td>2020</td> <td>366.74</td> <td>248.02</td> </tr> <tr> <td>2021</td> <td>287.47</td> <td>Completed</td> </tr> <tr> <td>2022</td> <td>164.93</td> <td>Completed</td> </tr> </tbody> </table> | Year | Hectare | | SE | TE | 2019 | 336.04 | 149.37 | 2020 | 366.74 | 248.02 | 2021 | 287.47 | Completed | 2022 | 164.93 | Completed | Complied |
| Year | Hectare | | | | | | | | | | | | | | | | | | | |
| | SE | TE | | | | | | | | | | | | | | | | | | |
| 2019 | 336.04 | 149.37 | | | | | | | | | | | | | | | | | | |
| 2020 | 366.74 | 248.02 | | | | | | | | | | | | | | | | | | |
| 2021 | 287.47 | Completed | | | | | | | | | | | | | | | | | | |
| 2022 | 164.93 | Completed | | | | | | | | | | | | | | | | | | |
| Principle 4: Use of appropriate best practices by growers and millers | | | | | | | | | | | | | | | | | | | | |
| Criterion 4.1: | | | | | | | | | | | | | | | | | | | | |
| Operating procedures are appropriately documented, consistently implemented and monitored. | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|-----------------------------|
| 4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance - | <p>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. Noted updated procedure under SOP for water analysis and RSPO SCCS procedure:</p> <p>i) SPMS, Appendix 7: SOP for water quality monitoring, issue: 2 dated 1/6/16.</p> <p>SOP for sampling guideline</p> <p>ii) Water and Wastewater Sampling Guideline, issue: 1 dated 1/6/16.</p> <p>iii) RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15, version: 2, issue: 2 dated October 2016.</p> | <p>Complied</p> |
| 4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance - | <p>Plantation Advisory Department, Performance Monitoring Unit, Quality Management Unit (PSQM) inspect and report to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements.</p> <p>Visit to Clinic in Tigowis estate found raw food with no proper labeling being stored in refrigerator used for medications including vaccines storage. No clear or specific procedures/instructions available to either allow or not allow such practice that generally looks unsuitable. The practice was inconsistent to the other visited clinic sites. Thus, minor NCR was raised.</p> | <p>Minor nonconformance</p> |

| | | | |
|--------------|---|--|-----------------|
| <p>4.1.3</p> | <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p> | <p>Sime Darby has established a system to monitor the mill and estate operation. The Structured Oil Recovery Assessment (SORA) (for Mill) / Structured Crop Recovery Assessment (SCRA) (for estates) and Planning and Monitoring Unit visited the operating units quarterly. Their reports covers on all aspect of operation. In addition, visit by agronomist was made yearly. The report focusing on rainfall, yield [performing and under-performing], palm nutrition status, field observation agronomic matters and fertilizer recommendation has been included in the report. All the reports of monitoring were available at estate and mill office for references.</p> <p><u>Sandakan Bay Palm Oil Mill</u> Mill advisor visit was conducted once a year. Latest visit was conducted on 18-19/1/2019 and 10-11/7/2018. Refer report no. SOU 26/SBM/01/19 and SOU 26/SBM/01/2018 with score ratings at 75.00 and 71.00 respectively. All areas of concern raised has been addressed by the mill in February 2019. Performance Monitoring Unit visit on quarterly basis. Latest visit was conducted in 12-15/2/2019. Refer report dated 18/2/2019. No major issue raised during the visit with score ratings at 4. All areas of concern raised has been addressed by the mill.</p> <p><u>Sentosa Estate</u> Latest Plantation Advisor visit was conducted on 20-22/2/2019. Refer report no. SAB/SOU 26/STE/1-2019. No major issue raised during the visit with score ratings at 81.07.</p> <p>Performance Monitoring Unit visit on quarterly basis. Latest visit was conducted in 26/1/2019. No major issue raised during the visit with score ratings at 4. All areas of concern raised has been addressed by the mill. Structured Crop Recovery Assessment (SCRA) visit the estate on quarterly basis. Latest visit was conducted 15/2/2019. Refer report dated 18/2/2019. No major issue raised during the visit with score ratings at 99%.</p> | <p>Complied</p> |
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|--|--|--|------------|
| | | <p><u>Tigowis Estate:</u> Latest Plantation Advisor visit was conducted on 11 – 13/4/2019. Refer report no. SAB/SOU 26/TGE/1-2019. No major issue raised during the visit with score ratings at 78.55. Action taken for all issue/comment raised during the visit was documented in Monthly Progress Report.</p> <p>Performance Monitoring Unit visit on quarterly basis. Latest visit was conducted in 24/1/2019. No major issue raised during the visit with score ratings at 3.5. All areas of concern raised has been addressed by the mill.</p> | |
| 4.1.4 | <p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -</p> | <p>The mill received 10% of third party crop from various source. The mill keep records for all source FFB source such as the FFB dispatch chit, OCP grading form and weight bridge ticket. Information stated in the document as follows: FFB dispatch chit: i. Supplier Name, ii. MPOB License no. iii. Lorry no. and driver name iv. Dispatch chit no. v. Field no. / year planting Weighbridge ticket i. Supplier Name, ii. MPOB License no. iii. Lorry no. and driver name iv. Ticket no. v. nett weight, supplier weight Total of FFB received by the supplier was summarize daily and documented in FFB received summary report by supplier.</p> | Complied |
| <p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|------------|
| 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 according the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield has been implemented. Sighted the evidence that the implementation includes fertilizer programs, EFB manuring and etc. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance | |
|-----------------------|---|---|-----------------|
| 4.2.2 | <p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p> | <p>Fertilizer application program is based on the recommendation by Agronomist and documented in Agronomic and Fertilizer Recommendation Report. Records off application are maintained and available for review. Observed the recommendation and implementation record for FY 2018/19:</p> <p><u>Sentosa Estate:</u> Observed application records as per agronomist recommendation: Month program: Feb/Mar 19 Field: 1994A1 Ha program: 77.00 ha Type: MOP Rate/palm: 2.00 kg/palm Month applied: 16/5/2018</p> <p>Month program: May/June 19 Field: 2010A Ha program: 70.28 ha Type: CCM 44 Rate/palm: 2.50 kg/palm Month applied: 30/5/2019</p> <p><u>Tigowis Estate:</u> Month program: Feb/Mar 19 Field: 2012A Ha program: 85.85 ha Type: CCM 44 Rate/palm: 2.50 kg/palm Month applied: 28-26/2/2019</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
|-----------------------|---|------------|
| 4.2.3 | <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p> <p>Plant Nutrition and Protection Unit (PNU) prepare the annual fertilizer recommendation base leaf analysis result. Leaf analysis show the nutrient level was used as the guidance for the recommendation. The report attached with Agronomic and Fertiliser Recommendation Report. Soil analysis carried out at 5 years interval as per company S.O.P by Sime Darby Research Sdn. Bhd.</p> <p><u>Sentosa Estate</u> Latest leaf sampling has been carried out in 24/9/2018. Leaf analysis show the nutrient level was used as the guidance for the recommendation. The report attached with Agronomic and Fertiliser Recommendation Report. Latest soil analysis has been carried out in Oct 2018. The report has yet to be received by the estate.</p> <p><u>Tigowis Estate</u> Latest leaf sampling has been carried out in April 2017. Foliar nutrient status was enclosed with Agronomic and Fertiliser Recommendation Report dated 15/1/2018 as per email dated 14/4/2019. Latest soil analysis has been carried out on 25/10/2018. The report has yet to be received by the estate</p> | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|-----------------|
| <p>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 -</p> | <p>SOU 26 estates continued to implement nutrient recycling strategy such as EFB mulching in the field area. Sighted the sampled records of EFB application for the following months:</p> <p><u>Sentosa Estate</u> May 2019: 756.00 mt Apr 2019: 421.80 mt Mar 2019: 400.00 mt</p> <p><u>Tigowis Estate</u> Feb 2019: 35.88 mt Mar 2019: 39.89 mt Apr 2019: 44.88 mt May 2019: 41.54 mt</p> | <p>Complied</p> |
| <p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p> | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|-----------------|
| <p>4.3.1</p> <p>Maps of any fragile soils shall be available. - Major compliance -</p> | <p>Soil series map available for both estates visited.</p> <p><u>Sentosa Estate</u> Sighted the soil series map issued by R&D Precision Agriculture Unit dated 9/3/2016. No fragile soil categorized in the estate. Most soil in the estate are from Kumansi 59.58%, Kuah 20.58%, Kechor 7.00%, Jeram 5.75%, Gong Chenak 4.54%, Talisai 1.68%, Stom 0.49% and Malau 0.38%.</p> <p><u>Tigowis Estate</u> Sighted the soil series map issued by R&D Precision Agriculture Unit dated 1/2/2012. No fragile soil categorized in the estate. Most soil in the estate are from Kumansi 36.38%, Kuah 27.98%, Kedah 11.28%, Numantoi 6.83%, Komel 6.61%, Tualang 3.49%, Yang Li 2.11%, Jeram 1.23%, Gong Chenak 1.18%, Talisai 0.68%, Stom 1.42% and Jempol 0.22%.</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | |
|---|---|-----------------|------------------------|----|-------------------|-------|---|-------|---|---------|-----|---------|-----|-----------------|
| <p>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 -</p> | <p>The company has established SOP for planting on slopes, documented in Agricultural Reference Manual ver. 1 Section 4 issued on 1/7/2018.</p> <table border="1" data-bbox="981 491 1832 730"> <thead> <tr> <th>Slopes (degree)</th> <th>Terrace Width (meters)</th> </tr> </thead> <tbody> <tr> <td><2</td> <td>Straight Planting</td> </tr> <tr> <td>2 – 6</td> <td>Straight Planting. Water conservation terrace at 32m interval</td> </tr> <tr> <td>6 -12</td> <td>5</td> </tr> <tr> <td>12 – 18</td> <td>4.3</td> </tr> <tr> <td>18 - 25</td> <td>3.6</td> </tr> </tbody> </table> <p>Areas with greater than 25 degree slopes should not be planted but be left out for biodiversity purpose.</p> <p>Sighted the replanting area of P19 at Sentosa Estate and Tigowis Estate, the area with 5 degree and above planted with terrace planting.</p> | Slopes (degree) | Terrace Width (meters) | <2 | Straight Planting | 2 – 6 | Straight Planting. Water conservation terrace at 32m interval | 6 -12 | 5 | 12 – 18 | 4.3 | 18 - 25 | 3.6 | <p>Complied</p> |
| Slopes (degree) | Terrace Width (meters) | | | | | | | | | | | | | |
| <2 | Straight Planting | | | | | | | | | | | | | |
| 2 – 6 | Straight Planting. Water conservation terrace at 32m interval | | | | | | | | | | | | | |
| 6 -12 | 5 | | | | | | | | | | | | | |
| 12 – 18 | 4.3 | | | | | | | | | | | | | |
| 18 - 25 | 3.6 | | | | | | | | | | | | | |
| <p>4.3.3 A road maintenance programme shall be in place. - Minor compliance -</p> | <p><u>Sentosa Estate</u> The estate has established Road Maintenance Program for Mature and Young Mature area FY 2019. The maintenance work include road grading, compacting, patching pot hole and road side drain. The program was monitored on monthly basis.</p> <p><u>Tigowis Estate</u> The estate has established Road Maintenance Program FY 2019. The maintenance work include road grading, compacting and resurfacing. The program was monitored on monthly basis. The actual activity was conducted earlier than program due to permissible weather during the 1st quarter of 2019.</p> | <p>Complied</p> | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 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 categorized 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 or soil categorized as problematic or fragile soil at all estates visited. | 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 categorized as problematic or fragile soil at all estates visited. | Complied |
| Criterion 4.4: Practices maintain the quality and availability of surface and ground water. | | | |

| | | | |
|--------------|---|---|-----------------|
| <p>4.4.1</p> | <p>An implemented water management plan shall be in place. - Minor compliance -</p> | <p>The mill has established water management plan and documented in Water Management Plan: Reduction of Water Usage, Contingency and Water Discharge. The plan was reviewed on annually basis. In the management plan stated the issue, action to be taken, action by, time frame and status. Sighted the implementation of the management plan as follows: i. The mill has established the baseline for water consumption/FFB processed @ 1.50 m3/ton FFB. The mill monitored the consumption on monthly basis. ii. The mill monitored the water quality for drinking (monthly), DOE for mill discharge (monthly) and WQI (3 monthly). Sighted the water sampling result as follows: see notes</p> <p><u>Sentosa Estate:</u> The estate has established Water Management Plan and documented in Contingency Plan During Water Shortage, Action Plan for Reduction of Water Usage and Irrigation Management Pln. Sighted the implementation of the plan as follows: i. Sighted at the housing area, the house was provided with tank for rain water harvesting. The rain water was used for household use. ii. The estate has established was supply scheduled for the housing area for 6.00 – 9.00 am and 2.00 – 5.00 pm.</p> <p><u>Tigowis Estate:</u> The estate has established water management plan and documented in Identification and Management of Wastewaters and Contingency Plan During Water Shortage. Sighted the implementation of the management plan as follows: i. Sighted during site visit at chemical mixing area, wastewater from chemical mixing was collected into collection sump and recycled for chemical mixing.</p> | <p>Complied</p> |
|--------------|---|---|-----------------|

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| | | ii. Sighted at the housing area, the house was provided with tank for rain water harvesting. The rain water was used for household use. | |
| 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 - | <p><u>Sentosa Estate:</u> Sighted during site visit at Sg. Suan Lamba Besar in P94, palms along the buffer zone was painted with red color rings. There are no spraying activity along the river buffer zone and the vegetation along are well preserved. Noted during interview with sprayers shows the understanding on prohibition of spraying activities at the riparian buffer zone area.</p> <p><u>Tigowis Estate:</u> Sighted during site visit at Sg. Harvest in P15B, palms along the buffer zone was painted with white color rings. There are no spraying activity along the river buffer zone and the vegetation along are well preserved.</p> | Complied |

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|-----------------------|---|--|-----------|--|--|------------|-----------|-----------|-----------|--|----|------|------|------|--|-----|-------|-------|-------|--|----------|-------|-------|-------|--|------|-----------|----------|----------|--|----|------|------|------|--|-----|-------|-------|-------|--|----------|---------|--------|--------|--|----------|
| 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 - | <p>In POM, effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report). Noted the following quarterly report submitted to DOE as follow:</p> <p>4th quarter 2018</p> <table border="1"> <tr> <td>Date</td> <td>4/10/2018</td> <td>6/11/2018</td> <td colspan="2">3/12/2018</td> </tr> <tr> <td>pH</td> <td>8.51</td> <td>8.60</td> <td colspan="2">8.41</td> </tr> <tr> <td>BOD</td> <td>18.00</td> <td>21.00</td> <td colspan="2">19.00</td> </tr> <tr> <td>S. Solid</td> <td>16.00</td> <td>20.00</td> <td colspan="2">20.00</td> </tr> </table> <p>1st quarter 2019</p> <table border="1"> <tr> <td>Date</td> <td>12/1/2019</td> <td>8/2/2019</td> <td colspan="2">1/3/2019</td> </tr> <tr> <td>pH</td> <td>8.56</td> <td>8.57</td> <td colspan="2">8.50</td> </tr> <tr> <td>BOD</td> <td>25.00</td> <td>13.00</td> <td colspan="2">16.00</td> </tr> <tr> <td>S. Solid</td> <td>1344.00</td> <td>925.00</td> <td colspan="2">781.00</td> </tr> </table> <p>The results for all effluent analysis found to be confirm as requirement stated in "Jadual Pematuhan no. 003534".</p> | | | | Date | 4/10/2018 | 6/11/2018 | 3/12/2018 | | pH | 8.51 | 8.60 | 8.41 | | BOD | 18.00 | 21.00 | 19.00 | | S. Solid | 16.00 | 20.00 | 20.00 | | Date | 12/1/2019 | 8/2/2019 | 1/3/2019 | | pH | 8.56 | 8.57 | 8.50 | | BOD | 25.00 | 13.00 | 16.00 | | S. Solid | 1344.00 | 925.00 | 781.00 | | Complied |
| Date | 4/10/2018 | 6/11/2018 | 3/12/2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 8.51 | 8.60 | 8.41 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 18.00 | 21.00 | 19.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S. Solid | 16.00 | 20.00 | 20.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | 12/1/2019 | 8/2/2019 | 1/3/2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 8.56 | 8.57 | 8.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 25.00 | 13.00 | 16.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S. Solid | 1344.00 | 925.00 | 781.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|------------|------|------|-----|------|------|-----|------|------|-----|------|------|-----|------|------|-----|------|------|-----|------|--|-----|------|--|-----|------|--|-----|------|--|-----|------|--|-----|------|--|-----|------|--|----------|
| 4.4.4 | Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance - | <p>The mill conducted the water consumption monitoring per FFB process on monthly basis. The mill has established a baseline for water consumption at 1.50 L/ton FFB processed. Sighted the records of monitoring as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>1.63</td><td>1.80</td></tr> <tr><td>Feb</td><td>1.25</td><td>1.71</td></tr> <tr><td>Mar</td><td>1.38</td><td>1.62</td></tr> <tr><td>Apr</td><td>1.31</td><td>1.74</td></tr> <tr><td>May</td><td>1.46</td><td>1.83</td></tr> <tr><td>Jun</td><td>1.42</td><td></td></tr> <tr><td>Jul</td><td>1.33</td><td></td></tr> <tr><td>Aug</td><td>1.96</td><td></td></tr> <tr><td>Sep</td><td>1.69</td><td></td></tr> <tr><td>Oct</td><td>1.47</td><td></td></tr> <tr><td>Nov</td><td>1.56</td><td></td></tr> <tr><td>Dec</td><td>1.57</td><td></td></tr> </tbody> </table> | Month | 2018 | 2019 | Jan | 1.63 | 1.80 | Feb | 1.25 | 1.71 | Mar | 1.38 | 1.62 | Apr | 1.31 | 1.74 | May | 1.46 | 1.83 | Jun | 1.42 | | Jul | 1.33 | | Aug | 1.96 | | Sep | 1.69 | | Oct | 1.47 | | Nov | 1.56 | | Dec | 1.57 | | Complied |
| Month | 2018 | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 1.63 | 1.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 1.25 | 1.71 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 1.38 | 1.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr | 1.31 | 1.74 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 1.46 | 1.83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 1.42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 1.33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 1.96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 1.69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 1.47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 1.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 1.57 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|-----------------|
| <p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -</p> | <p>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 are continue to plant beneficial plants such as <i>Turnera subulata</i>.</p> <p><u>Sentosa Estate:</u> IP management was implemented accordingly. Sighted the implementation as follows: i. Sighted the planting records of beneficial plant Cassia, Tunera and Antognant at ratio of 60: 20: 20 as follows: Jan 2019: 139.86 ha Feb 2019: 135.40 ha Mar 2019: 99.72 ha Apr 2019: 12.83 ha May 2019: 11.21 ha</p> <p><u>Tigowis Estate:</u> IP management was implemented accordingly. Sighted the implementation as follows: i. Sighted the planting records of beneficial plant Cassia, Tunera and Antognant at ratio of 60: 20: 20 as follows: Dec 2018: 35.69 ha Mar 2019: 41.78 ha May 2019: 112.96 ha</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|-----------------|
| <p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -</p> | <p>IPM training is given by the Plantation executives, field supervisor and chemical supplier with knowledge in agriculture. Interview with the management team confirm their understanding of the benefit of planting beneficial plant to control pest.</p> <p>Sighted the training records for IPM implementer as follows:</p> <p><u>Sentosa Estate:</u> i. Rat baiting training dated 15/4/2019 ii. IPM: Beneficial Plant planting training dated 15/2/2019</p> <p><u>Tigowis Estate:</u> i. P&D spraying training dated 30/10/2018 ii. Rat baiting training dated 27/9/2018</p> | <p>Complied</p> |
| <p>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment</p> | | |
| <p>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 -</p> | <p>The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are:</p> <p>Immature planting (sample) - General weeds : Glyphosate - Legume & broad leave : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate</p> <p>Mature planting - VOPs : glyphosate & sodium chlorate</p> <p>The selection is also evaluated by the agronomist during his visit to the estate.</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|-----------------|-----------|-----------|--------|------|------|--------|------|------|--------|------|------|--------|------|------|--------|------|------|-------|-----------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|-----------------|
| <p>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 -</p> | <p>Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate. Summary sampled of Ai/Ha from estate visited for FY 2019 as per below:</p> <p>Sentosa Estate:</p> <table border="1" data-bbox="981 587 1514 791"> <thead> <tr> <th>Month</th> <th>Herbicide</th> <th>Pesticide</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>0.84</td> <td>0.43</td> </tr> <tr> <td>Feb 19</td> <td>0.03</td> <td>0.29</td> </tr> <tr> <td>Mar 19</td> <td>0.95</td> <td>0.01</td> </tr> <tr> <td>Apr 19</td> <td>0.04</td> <td>0.48</td> </tr> <tr> <td>May 19</td> <td>1.90</td> <td>0.02</td> </tr> </tbody> </table> <p>Tigowis Estate:</p> <table border="1" data-bbox="981 855 1337 1059"> <thead> <tr> <th>Month</th> <th>Pesticide</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>0.306</td> </tr> <tr> <td>Feb 19</td> <td>0.307</td> </tr> <tr> <td>Mar 19</td> <td>0.225</td> </tr> <tr> <td>Apr 19</td> <td>0.126</td> </tr> <tr> <td>May 19</td> <td>0.105</td> </tr> </tbody> </table> | Month | Herbicide | Pesticide | Jan 19 | 0.84 | 0.43 | Feb 19 | 0.03 | 0.29 | Mar 19 | 0.95 | 0.01 | Apr 19 | 0.04 | 0.48 | May 19 | 1.90 | 0.02 | Month | Pesticide | Jan 19 | 0.306 | Feb 19 | 0.307 | Mar 19 | 0.225 | Apr 19 | 0.126 | May 19 | 0.105 | <p>Complied</p> |
| Month | Herbicide | Pesticide | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 19 | 0.84 | 0.43 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 19 | 0.03 | 0.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar 19 | 0.95 | 0.01 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 19 | 0.04 | 0.48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 19 | 1.90 | 0.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Month | Pesticide | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 19 | 0.306 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 19 | 0.307 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar 19 | 0.225 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 19 | 0.126 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 19 | 0.105 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>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 -</p> | <p>The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|-----------------------|---|---|
| 4.6.4 | <p>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.</p> <p>- Minor compliance -</p> | <p>Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. Only class III and class IV chemical was used in the estates.</p> <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|---|-----------------|
| <p>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 -</p> | <p>Pesticides operators for all estates visited has been provided with proper Personal Protective Equipment. Observed during site visit, the PPE provided to the operators such as google, half face respirator, nitril hand glove, rubber boot and apron. Additional, the operators has been given training regarding the usage safety and health issue and proper way for chemical application by the plantation executives, manager, and asst. manager and chemical supplier with knowledge on chemical handling and applications. All chemical applicator attend monthly medical check-up done by the Medical Assistant. Observed the implementation during site visit and workers interview in following estate:</p> <p><u>Sentosa Estate:</u> Pesticides operators has been provided with training. The latest training for pesticides operators as follows: i. SOP, SDS, Chemical Handling training dated 7/5/2019 ii. Refresher training for sprayer training by PSQM dated 19/9/2018 iii. PPE and SDS training dated 16/2/2019 iv. SOP, Chemical Handling and Calobration training dated 15/3/2019.</p> <p><u>Tigowis Estate:</u> i. Sprayer refresher training dated 25/9/2019 ii. P&D sprayer training dated 11/6/2019 iii. Manuring training dated 10/5/2019</p> | <p>Complied</p> |
| <p>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 -</p> | <p>All pesticides were store in designated store under lock and key. The balance of remaining pesticides solution were kept at designated area in the store. Sighted during site visit, all the pesticides and the remaining balance were kept in the chemical store.</p> | <p>Complied</p> |

| Criterion / Indicator | | Assessment Findings | Compliance |
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| 4.6.7 | Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance - | The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5. | Complied |
| 4.6.8 | Pesticides shall be applied aurally 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 at SOU 26 | 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 at SOU 26. Employees demonstrate knowledge and skills on pesticide handling. MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster for the easy understanding of the agrochemical handlers. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
|-----------------------|--|-----------------------------|
| <p>4.6.10</p> | <p>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 -</p> <p>Sime Darby has established Standard Operating Procedure for waste management documented in: i. Landfill Management, refer SOP no. SD/SDP/PSQM(ESH)/203-EN7 ii. Scheduled Waste Management, refer SOP no. SD/SDP/PSQM(ESH)/203-EN1 Noted during the interview with workers shows the understanding of the SOP established.</p> <p><u>Sentosa Estate:</u> Sighted during site visit at Landfill area in P19A, found that numbers of mineral water plastic bottles were dump in the landfill. The mill have provided 3R bin at the housing area for recycle waste. This shows the proper waste disposal are not effectively understand by the workers.</p> <p>The estate have provided 3R bin at the housing area for recycle waste. However, during site visit at Landfill area in P19A, found that used of plastic bottles were dump in the landfill. Thus, minor NCR was raised.</p> <p><u>Tigowis Estate:</u> Landfill located at P10A. The area located away from the housing compound and watercourse. No SW and recycle waste sighted in the landfill. Noted during interview with harvester show the understanding on the proper waste disposal.</p> | <p>Minor nonconformance</p> |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|--|----------------|--------------------------|--------|--------|-------|------------|-------------|----------------|--------|-------------|-------|-------------|-------|------------|-------------|----------------|-------|-------------|--------|-------------|----------|
| 4.6.11 | Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance - | <p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for sprayers which conducted by Klinik Mabello (Paris)- (HQ/13/DOC/00/315) for .</p> <table border="1"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>80183</td> <td rowspan="3">19/12/2018</td> <td>Fit to work</td> <td rowspan="3">Sentosa Estate</td> </tr> <tr> <td>132924</td> <td>Fit to work</td> </tr> <tr> <td>60719</td> <td>Fit to work</td> </tr> <tr> <td>31877</td> <td rowspan="3">19/12/2018</td> <td>Fit to work</td> <td rowspan="3">Tigowis Estate</td> </tr> <tr> <td>86286</td> <td>Fit to work</td> </tr> <tr> <td>105064</td> <td>Fit to work</td> </tr> </tbody> </table> | ID No | Date of Medical check up | Result | Estate | 80183 | 19/12/2018 | Fit to work | Sentosa Estate | 132924 | Fit to work | 60719 | Fit to work | 31877 | 19/12/2018 | Fit to work | Tigowis Estate | 86286 | Fit to work | 105064 | Fit to work | Complied |
| ID No | Date of Medical check up | Result | Estate | | | | | | | | | | | | | | | | | | | | |
| 80183 | 19/12/2018 | Fit to work | Sentosa Estate | | | | | | | | | | | | | | | | | | | | |
| 132924 | | Fit to work | | | | | | | | | | | | | | | | | | | | | |
| 60719 | | Fit to work | | | | | | | | | | | | | | | | | | | | | |
| 31877 | 19/12/2018 | Fit to work | Tigowis Estate | | | | | | | | | | | | | | | | | | | | |
| 86286 | | Fit to work | | | | | | | | | | | | | | | | | | | | | |
| 105064 | | Fit to work | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| 4.6.12 | No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance - | There are female pesticide operators at Sentosa Estate. Based on the interview with female sprayers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding. Sighted the health surveillance programme for sprayer. At Sentosa Estate, the latest pregnancy check for sprayers (ID No: 147137, 147141, 80183) was done on 17/4/2019 while for Tigowis Estate, the latest monitoring by VMO was done on 20/6/2019 for sprayers (ID No: 31877, 86286, 105064). | 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: | | | |

| | | | |
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| <p>4.7.1</p> | <p>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 -</p> | <p>SOU26 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in POM and estates.</p> <p>Chemical Health Risk Assessment (CHRA) Sandakan Bay POM - CHRA conducted on 25/05/2015 by registered assessor JKPP HIE 127/171-2(298). The action plan has been established as per the recommendation from the assessor. The next review for CHRA will be conducted on 2020.</p> <p>Sentosa Estate - CHRA conducted on 1/6/2017 by registered assessor JKPP KIM 127/453/6(30). The action plan has been established as per the recommendation from the assessor. The next review for CHRA will be conducted on 2022.</p> <p>Tigowis Estate - CHRA conducted on 2/6/2017 by registered assessor JKPP KIM 127/453/6(30). The action plan has been established as per the recommendation from the assessor. The next review for CHRA will be conducted on 2022.</p> <p>LEV inspection The annual inspection, examination and testing of engineering control equipment (LEV) was conducted on 20/2/2019 for 1 units of Fume hood. Sighted the report dated 11/4/2019 (HQ/15/JHII/00/206-2019/019) by DAB OH Sdn Bhd. From the report, the assessor conclude that the LEV system installed and operated met the minimum required face velocities, hood flow rate and duct transport velocities for the system.</p> <p>Monthly LEV Monitoring The management was conducted the monthly LEV monitoring as per recommended by the LEV assessor. The latest monitoring was done on 10/6/2019 by lab supervisor.</p> | <p>Complied</p> |
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| Criterion / Indicator | Assessment Findings | Compliance |
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| | <p>Sandakan Bay POM - Annual audiometric testing was conducted on 10/11/2018 by DAB OH Sdn Bhd, HQ/10/DOC/00/167. Total of 58 workers were sent for the annual testing. 15 workers were found hearing impairment. Appropriate control measures were taken based on the OHD recommendations for these 15 workers.</p> | |

| Criterion / Indicator | Assessment Findings | Compliance |
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| <p>4.7.2</p> | <p>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.</p> <p>- Major compliance -</p> <p>SOU26 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Appropriate control measure has been determined and revised in the HIRARC register.</p> <p>Sandakan Bay Palm Oil Mill - HIRARC was reviewed accordingly on 30/4/2019 and approved by the Manager. Mill activities was identified and risk assessed with respect to reception station, fruit handling station, sterilization station, threshing station, pressing station, boiler station, laboratory station, working at height, new boiler (construction).</p> <p>At the Sentosa Estate and Tigowis Estate, among the HIRARC carried out covered activities like security, office operation, store, weeding, harvesting, replanting work, power generation station.</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
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| <p>4.7.3</p> | <p>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.</p> <p>- Minor compliance -</p> <p>Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p> <p>Suitable PPE has been provided to the workers based on the information in the MSDS and CHRA assessor’s recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <ul style="list-style-type: none"> i. Sandakan Bay POM –Sampled PPE issuance record dated 21/6/2019 for workers work at workshop was sighted. ii. Sentosa Estate – Sampled PPE issuance record dated 7/3/2019 for sprayers. iii. Tigowis Estate – Sampled PPE issuance record dated 12/11/2018 for harvesters (ID No: 137457, 142520) <p>Verified that the mill & estates chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. SDS were available at the site. The person in charge understands the information written in Safety Data Sheet.</p> <p>The Personal Protective Equipment (PPE) wearing among the workers was not fully effective.</p> | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
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| <p>4.7.4</p> | <p>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.</p> <p>- Major compliance -</p> <p>The OSH policy is well briefed to all workers. Interview with workers reveal that they understand the policy and the importance of safety at work. Sandakan Bay POM.</p> <p>OSH/ESH meeting conducted on quarterly basis. The OSH meeting minutes available and seen the meeting minutes which was conducted on 4/4/2019, 4/1/2019 (Sandakan Bay POM) and 14/6/19, 8/3/2019 (Tigowis Estate) has been adequately covered. Verified that the OSH Committee Members chart and the appointment letters has been issued accordingly for year 2018-2020.</p> | <p>Complied</p> |

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| <p>4.7.5</p> | <p>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 -</p> | <p>Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <ol style="list-style-type: none"> 1. Sandakan Bay POM – Fire evacuation drill was not conducted for 2019. 2. Sentosa Estate – Fire drill was last conducted on 8/2/2019 to test the state of readiness during emergency situation. 3. Tigowis Estate – Fire rescue drill was last conducted on 4/11/2018 to test the state of readiness during emergency situation. <p>Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <ol style="list-style-type: none"> 1. Training for First Aid is conducted in annually. Sufficient first aiders trained. E.g. First Aid Training at Sentosa Estate was conducted on 7/5/2019. At Tigowis Estate the first aid training was conducted on 4/1/2019. 2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. 3. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date. 4. Portable emergency eye wash facility available at chemical store, workshop, mixing area and laboratory and are in good working condition. <p>Sandakan Bay POM: So far 1 accident occurred for year 2018. JKPP 8 was sent to DOSH accordingly on 05/01/2019. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH regular inspection on machinery conducted on 19/11/2018 and comments highlighted by DOSH was noted and action taken accordingly.</p> | <p>Minor nonconformance</p> |
|--------------|---|--|-----------------------------|

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|---|------------|
| | | <p>Sentosa Estate: 2 accidents occurred for year 2018. JKPP 8 was sent to DOSH accordingly on 15/01/2019. For 2019, there was no accident case occurred.</p> <p>Tigowis Estate: 4 accidents occurred for year 2018. JKPP 6 was submitted to DOSH accordingly for accident above than 4 days MC (eg: accident on 12/6/2018 with 14 days MC at block 31 for harvesting activity, the JKPP 6 submitted to DOSH on 19/6/2018). JKPP 8 was sent to DOSH accordingly on 17/01/2019. For 2019, there was no accident case occurred.</p> <p>Based on document review at Sandakan Bay POM, found that Fire evacuation drill was not conducted for 2019 as per emergency preparedness and response procedure (SD/SDH/GSQM/ESH/206). The last fire drill was conducted on 16/03/2018. Thus, Minor NC was raised.</p> | |
| 4.7.6 | All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance - | <p>Medical care and accident insurance is provided and covered to all the employees under SOCSO scheme. Sighted the records, form 8A as follow: a) Sandakan Bay POM: contribution for SOCSO for the month of March 2019, April 2019 and May 2019 was sighted. b) Sentosa Estate and Tigowis Estate: contribution for SOCSO for the month of March 2019, April 2019 and May 2019 was sighted</p> | Complied |
| 4.7.7 | Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance - | <p>Records on Lost Time Accident (LTA) metrics at mill/estates had been verified. JKPP 8 ben submitted to DOSH annually as follows: Sandakan Bay POM: JKPP 8 submitted for year ending 2018 to DOSH on 5/1/19. Tigowis Estate: JKPP 8 submitted for year ending 2018 to DOSH on 17/1/2019 Sentosa Estate: JKPP 8 submitted for year ending 2018 to DOSH on 15/1/19.</p> | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 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 - | Formal training program for the year 2018 available and implemented. Regular assessment of training conducted to ensure understanding among the employees. Trainings conducted include a formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System. The various trainings conducted and the training records maintained to be acceptable. | Complied |
| 4.8.2 | Records of training for each employee shall be maintained. - Minor compliance - | Records of training for each employee are available in Mill and estates. Cross refer with 4.7.3. Sampled following training records: Sandakan Bay POM: a) Safety training for operation dated 10/4/2019 b) Training on PPE for workers dated 3/4/2019 c) Working at height training dated 20/3/2019 d) Training on grading dated 8/3/2019 e) Training on LOTO dated 6/3/2019 Sentosa Estate: a) HCV training dated 31/5/2019 b) Company policy training dated 31/5/2019 c) SOP training for Nursery for Estate Toddlers (NEST) dated 14/5/2019 d) Spraying training dated 7/5/2019 e) Manuring training dated 13/5/2019 f) Rat baiting training dated 15/4/2019 g) scheduled waste training dated 10/4/2019 Tigowis Estate: a) Spraying Training dated 11/6/2019 b) Manuring training dated 10/5/2019 c) Felling & chipping training dated 25/4/2019 d) Rat baiting training dated 20/2/2019 e) Harvesting training dated 29/1/2019 f) Chemical handling training dated 20/12/2018 | Complied |

| 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. | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|-----------------------|---|------------|
| 5.1.1 | <p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p> <p>Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts. The assessment covers all main and support operation at mill and estate.</p> <p>For replanting program, SOU 27 has conducted EIA assessment as per requirement in Section 12D(1), Environmental Protection Enactment. The EIA has been approved by the Sabah State Environmental Protection Department. As per letter no. JPAS/PP/SDK/600-1/11/1/303(36).</p> <p><u>Sandakan Bay Palm Oil Mill</u> The mill has conducted the aspects and impacts assessment and documented in Environmental aspects impacts and Environmental impact evaluation form. The assessment was reviewed on annually basis or as there's changes in mill operation. Latest review was conducted on 1/3/2019</p> <p><u>Sentosa Estate:</u> The estate has conducted the aspects and impacts assessment and documented in Environmental aspects impacts and Environmental impact evaluation form. The assessment was reviewed on annually basis or as there's changes in estate operation. Latest review was conducted on 30/5/2019.</p> <p><u>Tigowis Estate:</u> The estate has conducted the aspects and impacts assessment and documented in Environmental aspects impacts and Environmental impact evaluation form. The assessment was reviewed on annually basis or as there's changes in estate operation. Latest review was conducted on 31/12/2018. No changes for estate activities recorded since the last review.</p> | Complied |

| | | | |
|--------------|--|---|-----------------------------|
| <p>5.1.2</p> | <p>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 -</p> | <p>SOU 26 has established Environmental Management the document was available in the estates/mill for review. The management plan established base on operation with significant impact to the environment. The management plan was reviewed annually. The management plan stated the environmental issue, mitigation actions, monitoring plan and person responsible for monitoring implementation.</p> <p><u>Sandakan Bay Palm Oil Mill</u> The mill has established the environmental management plan base on the significant impacts identified in the environmental aspects impacts assessment conducted. The plan was reviewed on annually basis. Sighted the implementation of the management plan as follows: i. Smoke density calibration was conducted twice a year. Latest calibration was conducted on 27/5/2019 as per invoice no 0012353</p> <p>ii. ID fan, ASH Airlock and Cyclone cone inspection was conducted on weekly basis. Sighted the inspection records for the month of February, March and April 2019 recorded in Weekly Inspection and Cleaning Log Book</p> <p><u>Sentosa Estate</u> The estate has established the environmental management plan base on the significant impacts identified in the environmental aspects impacts assessment conducted. The plan was reviewed on annually basis. Latest review was conducted on 11/4/2019. Sighted the implementation of the management plan as follows: i. Cover crop was planted at slope and at land slice prone area. Sighted the LCC planting along road at P18. ii. Sighted at the replanting area P19A, the contractor diesel container were stored in the field. This was against the EIA Mitigation plan for replanting, submitted and approve by Environment Protection Department under section 'Kawalan Bahan Minyak dan Sisa Toksik' item no. 22 which stated that the Diesel container should be:</p> | <p>Minor nonconformance</p> |
|--------------|--|---|-----------------------------|

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| | | <p>iii. Fuel storage area must be protected from rain and located not less than 50 meter from water course</p> <p>iv. the fuel storage area must be equipped with drainage and oil trap system</p> <p>Thus, the minor NCR was raised.</p> <p>Tigowis Estate: The estate has established a management plan base on significant aspect identified in the environmental aspects impacts assessment conducted. The plan was documented in Pollution Prevention Plan and reviewed on annually basis. The latest review was conducted on 31/12/2018.</p> <p>Sighted the implementation as follows:</p> <p>i. Chemical container in the chemical store was put in secondary containment/designated tray to prevent chemical spillage if the chemical container puncture or break.</p> | |
| 5.1.3 | <p>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.</p> <p>- Minor compliance -</p> | <p>The monitoring records of the Environment Improvement Plan / Pollution Prevention Plan / Continuous Improvement Plan are available. The plan was reviewed annually.</p> | Complied |
| <p>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 and operations managed to best ensure that they are maintained and/or enhanced.</p> | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|-----------------------|---|------------|
| 5.2.1 | <p>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).</p> <p>- Major compliance -</p> <p>Internal Sime Darby competent personnel conducted Biodiversity assessment & HCV identification within SOU 26 landholdings. Report was prepared by PSQM Dept of Sime Darby Plantation Bhd on May 2013. The objective of this assessment is having additional ground check on the existing identified HCV area done on 2007 in order to be detailed and accurate in database and mapping. Besides, the assessment also covers all the 5 estates. Following potential HCV were identified in sampled estate:</p> <p>a) Sentosa estate</p> <ul style="list-style-type: none"> - River buffer zone- 45.45 ha - Isolated patches of forest-22.36 ha (potential HCV 4) - Swamp – 5.57 ha - >25° degree slopes- 52.28 ha (potential HCV 4) - Cemetery – 0.62ha (potential HCV 6) <p>b) Tigowis estate</p> <ul style="list-style-type: none"> - River buffer zone- 15.83 ha - Water catchment area – 2.87 ha (potential HCV 4) - Ponds – 10.56 ha - Isolated patches of forest- 7.06 ha (potential HCV 4) <p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|-----------------|
| 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 - | <p>No RTE was identified within the planted area based on the HCV assessment report dated May 2013.</p> <p>Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. HCV monitoring log book at Sentosa Estate was sighted while at Tigowis Estate, the monitoring for HCV area dated 22/5/2019 was sighted.</p> <p>Signages that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited (Sentosa Estate) found to have been satisfactorily maintained.</p> | <p>Complied</p> |
| 5.2.3 There shall b 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 - | <p>Training related to HCV was conducted accordingly. At Sentosa Estate, the training was conducted on 31/5/2019 while at Tigowis Estate, the spraying training especially at riparian are for sprayers was conducted on 11/6/2019.</p> | <p>Complied</p> |
| 5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> • 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 - | <p>HCV management plan FY2019 at Sentosa Estate and Tigowis Estate was established. The scope includes the riparian buffer zone, area 25° slope and establishment of maintaining water catchment areas, pond and swaps. Verification were also made during on-site assessment and found to be satisfactory. However, there is no RTE species found at both estate visited.</p> | <p>Complied</p> |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 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 were no HCV set-asides for local communities identified in all the estates. | 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 - | <p>SOU 26 has identified waste products and sources of pollution and documented in Waste Management Action Plan FY 2018/19.</p> <p>For mill, the waste has been categorized into three group:</p> <ul style="list-style-type: none"> i. Domestic Waste i.e. Rubbish and Sewage ii. Industrial Waste i.e. EFB, POME iii. Scheduled Waste i.e. used lubricant, used lubricant container, Spent Chemicals, Used Chemical container, Clinical waste. <p><u>Sentosa Estate</u></p> <p>For estate, the waste has been categorized into three group:</p> <ul style="list-style-type: none"> i. Domestic Waste i.e. Rubbish and Sewage ii. Mill Waste i.e. EFB iii. Scheduled Waste i.e. used lubricant, used lubricant container, Spent Chemicals, Used Chemical container Clinical waste. | Complied |

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| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|------------|
| 5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance - | The estates visited has identified all chemical and the containers as Scheduled Waste as waste identification conducted. The chemical and containers were disposed through licensed contractors, Lagenda Bumimas Sdn. Bhd. Sighted the disposal records as follows: <u>Sandakan Bay Palm Oil Mill</u> i. 24/4/2019 for SW 409; C/N no. 2019050716Y8HN3M ii. <u>Sentosa Estate</u> i. 14/5/2019 for SW 409; C/N no. 2019051510X4E8GI ii. 15/11/20118 for SW 409; C/N no. B002842 <u>Tigowis Estate</u> i. 14/5/2019 for SW 409; C/N no. 2019051613XITB2G ii. 19/11/2018 for SW 409; C/N no. B002878 | Complied |

| | | | |
|--------------|--|--|-----------------|
| <p>5.3.3</p> | <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p> | <p>SOU26 has established waste management plan and reviewed on annually basis. The plan has identified the waste category, location generated, mitigation plan, person responsible and monitoring period. Sighted the implementation of the management plan at mill and estate visited as follows:</p> <p><u>Sandakan Bay Palm Oil Mill</u> The mill has established Management Plan and documented in Waste Management Action Plan and Segregation and Temporary Storage of Waste. The plan was reviewed annually. Latest review was conducted on 1/7/2018.</p> <p>Sighted the disposal records for Scheduled waste as follows: a. 17/4/2019 for SW 306; C/N no. 2019042106V984F b. 17/4/2019 for SW 305; C/N no. 2019042319W61DHK</p> <p><u>Sentosa Estate</u> The estate has established the Waste Management Plan and reviewed on annually basis. Sighted the implementation of the management plan as follows: i. Domestic waste was collected twice a week and dump at landfill area as per SOP established. ii. Scheduled waste were disposed by licensed contractors. Sighted the disposal records for Scheduled waste as follows: a. 14/5/2019 for SW 305; C/N no. 20190515I083EJBV b. 15/11/2018 for SW 305; C/N no. B002841</p> <p><u>Tigowis Estate</u> The estate has established the Waste Management Plan based on the waste identification conducted and reviewed on annually basis. Sighted the implementation of the management plan as follows:</p> | <p>Complied</p> |
|--------------|--|--|-----------------|

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|--|--|------------|
| | i. Regular monitoring on cleanliness and hygiene was conducted on weekly basis by the Hospital Assistant during linesite inspection. Sighted the linesite inspection records dated 15/6/2019 and 22/6/2019. ii. The estate conduct the domestic waste collection twice a week. Sighted the records of domestic waste collection for the month of May 2019 recorded in Running Log Input Form for TF 002/TR701. iii. Scheduled waste were disposed by licensed contractors. Sighted the disposal records for Scheduled waste as follows: a. 14/5/2019 for SW 305; C/N no. 2019051613YWCLMB b. 14/5/2019 for SW 410; C/N no. 2019051613OWQYDN b. 19/11/2018 for SW 305; C/N no. B002878 | |
| Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised. | | |

| <p>5.4.1</p> | <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p> | <p>The mill has established the Energy Management Plan to improve the efficiency of the use of fossil fuel and renewable energy. Sighted the monitoring of diesel, electrical, fibre and shell consumption as follows:</p> <table border="1" data-bbox="981 459 1608 774"> <thead> <tr> <th>Month</th> <th>Fibre & Shell usage/CPO</th> <th>Diesel consumption/FF B</th> </tr> </thead> <tbody> <tr> <td>Jul 18</td> <td>4.52</td> <td>6.14</td> </tr> <tr> <td>Aug 18</td> <td>4.41</td> <td>5.26</td> </tr> <tr> <td>Sep 18</td> <td>4.43</td> <td>4.34</td> </tr> <tr> <td>Oct 18</td> <td>4.37</td> <td>3.55</td> </tr> <tr> <td>Nov 18</td> <td>4.57</td> <td>3.49</td> </tr> <tr> <td>Dec 18</td> <td>4.81</td> <td>3.30</td> </tr> </tbody> </table> <p><u>Sentosa Estate</u> The estate has established Diesel Usage Management Plan to improve the efficiency of the use of fossil fuel. Sighted the monitoring of diesel usage as follows:</p> <table border="1" data-bbox="981 938 1406 1216"> <thead> <tr> <th>Month</th> <th>Diesel consumption/FF B</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>12.69</td> </tr> <tr> <td>Feb 19</td> <td>15.84</td> </tr> <tr> <td>Mar 19</td> <td>13.44</td> </tr> <tr> <td>Apr 19</td> <td>14.87</td> </tr> <tr> <td>May 19</td> <td>17.55</td> </tr> </tbody> </table> <p>Sighted the implementation of the management plan as follows: i. 2 block of new housing area were equipped with solar panel as alternative energy source.</p> | Month | Fibre & Shell usage/CPO | Diesel consumption/FF B | Jul 18 | 4.52 | 6.14 | Aug 18 | 4.41 | 5.26 | Sep 18 | 4.43 | 4.34 | Oct 18 | 4.37 | 3.55 | Nov 18 | 4.57 | 3.49 | Dec 18 | 4.81 | 3.30 | Month | Diesel consumption/FF B | Jan 19 | 12.69 | Feb 19 | 15.84 | Mar 19 | 13.44 | Apr 19 | 14.87 | May 19 | 17.55 | <p>Complied</p> |
|--------------|--|--|-------|-------------------------|-------------------------|--------|------|------|--------|------|------|--------|------|------|--------|------|------|--------|------|------|--------|------|------|-------|-------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|-----------------|
| Month | Fibre & Shell usage/CPO | Diesel consumption/FF B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul 18 | 4.52 | 6.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug 18 | 4.41 | 5.26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep 18 | 4.43 | 4.34 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 18 | 4.37 | 3.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 18 | 4.57 | 3.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec 18 | 4.81 | 3.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Month | Diesel consumption/FF B | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 19 | 12.69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 19 | 15.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar 19 | 13.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 19 | 14.87 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 19 | 17.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <p><u>Tigowis Estate:</u> The estate has established Diesel Usage Management Plan to improve the efficiency of the use of fossil fuel. Sighted the monitoring of diesel usage as follows:</p> <table border="1" data-bbox="981 491 1406 770"> <thead> <tr> <th>Month</th> <th>Diesel consumption/FF B</th> </tr> </thead> <tbody> <tr> <td>Jan 19</td> <td>10.96</td> </tr> <tr> <td>Feb 19</td> <td>9.18</td> </tr> <tr> <td>Mar 19</td> <td>13.99</td> </tr> <tr> <td>Apr 19</td> <td>9.83</td> </tr> <tr> <td>May 19</td> <td>12.47</td> </tr> </tbody> </table> <p>Sighted the implementation of the management plan as follows: i. The estate has been choose as Sime Darby pilot project to reduce diesel consumption for Genset to biofuel as per email from Biogas Operation Team dated 31/5/2019</p> | Month | Diesel consumption/FF B | Jan 19 | 10.96 | Feb 19 | 9.18 | Mar 19 | 13.99 | Apr 19 | 9.83 | May 19 | 12.47 | |
|--------|-------------------------|---|-------|-------------------------|--------|-------|--------|------|--------|-------|--------|------|--------|-------|--|
| Month | Diesel consumption/FF B | | | | | | | | | | | | | | |
| Jan 19 | 10.96 | | | | | | | | | | | | | | |
| Feb 19 | 9.18 | | | | | | | | | | | | | | |
| Mar 19 | 13.99 | | | | | | | | | | | | | | |
| Apr 19 | 9.83 | | | | | | | | | | | | | | |
| May 19 | 12.47 | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 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 - | Company have policy on 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. | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------|---|---|-----------|-----------|-----------|-----------|----|------|------|------|-----|-------|-------|-------|----------|-------|-------|-------|------|-----------|----------|----------|----|------|------|------|-----|-------|-------|-------|----------|---------|--------|--------|-----------------|
| <p>5.6.1</p> | <p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p> | <p>The assessment of polluting activity has been conducted in aspects and impacts analysis conducted. Various monitoring has been conducted including the effluent analysis, stack monitoring and river water monitoring. Noted the following quarter report in the SBPOM:-</p> <p>4th quarter 2018</p> <table border="1" data-bbox="981 523 1870 659"> <tr> <td>Date</td> <td>4/10/2018</td> <td>6/11/2018</td> <td>3/12/2018</td> </tr> <tr> <td>pH</td> <td>8.51</td> <td>8.60</td> <td>8.41</td> </tr> <tr> <td>BOD</td> <td>18.00</td> <td>21.00</td> <td>19.00</td> </tr> <tr> <td>S. Solid</td> <td>16.00</td> <td>20.00</td> <td>20.00</td> </tr> </table> <p>1st quarter 2019</p> <table border="1" data-bbox="981 722 1870 858"> <tr> <td>Date</td> <td>12/1/2019</td> <td>8/2/2019</td> <td>1/3/2019</td> </tr> <tr> <td>pH</td> <td>8.56</td> <td>8.57</td> <td>8.50</td> </tr> <tr> <td>BOD</td> <td>25.00</td> <td>13.00</td> <td>16.00</td> </tr> <tr> <td>S. Solid</td> <td>1344.00</td> <td>925.00</td> <td>781.00</td> </tr> </table> <p>The results for all effluent analysis found to be confirm as requirement stated in "Jadual Pematuhan no. 003534". For continuous emission reporting system, it always online and send to HQ of Department of Environment in Putrajaya. Sighted the measurement of dust particulate concentration analysis report as follows:</p> <p>i. Report no.: SAHEN/SDKBAY-01/19-01 Date test: 18/3/2019 Chimney 1 – SB PMD 10221 Result: 0.031 g/nm³. Conform to Malaysian Standard MS1596: 2003 @ 0.40 g/nm³ @ 12% CO₂</p> <p>i. Report no.: SAHEN/SDKBAY-02/19-01 Date test: 18/3/2019 Chimney 2 – SB PMD 10230</p> | Date | 4/10/2018 | 6/11/2018 | 3/12/2018 | pH | 8.51 | 8.60 | 8.41 | BOD | 18.00 | 21.00 | 19.00 | S. Solid | 16.00 | 20.00 | 20.00 | Date | 12/1/2019 | 8/2/2019 | 1/3/2019 | pH | 8.56 | 8.57 | 8.50 | BOD | 25.00 | 13.00 | 16.00 | S. Solid | 1344.00 | 925.00 | 781.00 | <p>Complied</p> |
| Date | 4/10/2018 | 6/11/2018 | 3/12/2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 8.51 | 8.60 | 8.41 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 18.00 | 21.00 | 19.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S. Solid | 16.00 | 20.00 | 20.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date | 12/1/2019 | 8/2/2019 | 1/3/2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pH | 8.56 | 8.57 | 8.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOD | 25.00 | 13.00 | 16.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S. Solid | 1344.00 | 925.00 | 781.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| | | Result: 0.03 g/nm ³ . Conform to Malaysian Standard MS1596: 2003 @ 0.40 g/nm ³ @ 12% CO ₂ | |
| 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 adequately documented. It was noted that the sustainability team have established plans for implementation and monitoring of GHG emissions. | 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 - | Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points. The water samples were sent to Sime Darby R&D Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Quarterly reporting to DOE was also done and record documented. | Complied |
| <p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</p> <p>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.</p> | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | | | |
|-----------------------|---|--|------------|-------------|------------|---|------------------|---|-------------|--|-----------------|--|----------|
| 6.1.1 | A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance - | Social Impact Assessment (SIA) Report SOU 26 Sandakan Bay; July 2013 SOU 26 – Sandakan Bay POM; Updated 1 st July 2017 Latest external stakeholder for POM was conducted on 27/3/2019. Internal stakeholder meeting POM also conducted on 27/3/2019. Sentosa Estate SOU 26; Social Impact Assessment Report 2012/13 Sentosa Estate External Stakeholder meeting; Date: 7/6/2019 Tigowis Estate External Stakeholder meeting; Date: 11/6/2019 | Complied | | | | | | | | | | |
| 6.1.2 | There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance - | The assessment was conducted with the participation of relevant stakeholders such as local communities, contractors and suppliers. Attendance list was maintained and sighted. | 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 - | A sample Management Plan on Social Impact Assessment Tigowis Estate; Updated 29/5/2019 was sighted as following: <table border="1" data-bbox="981 826 1854 1093"> <thead> <tr> <th>Area/issue</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td>Replanting</td> <td>Re-deployment of harvester at yielding area</td> </tr> <tr> <td>Gender Committee</td> <td>Active communication on relevant gender matters</td> </tr> <tr> <td>Stakeholder</td> <td>Maintenance of relevant stakeholder consultation records</td> </tr> <tr> <td>Safety & Health</td> <td>Continuous monitoring of safety and health performance</td> </tr> </tbody> </table> | Area/issue | Action plan | Replanting | Re-deployment of harvester at yielding area | Gender Committee | Active communication on relevant gender matters | Stakeholder | Maintenance of relevant stakeholder consultation records | Safety & Health | Continuous monitoring of safety and health performance | Complied |
| Area/issue | Action plan | | | | | | | | | | | | |
| Replanting | Re-deployment of harvester at yielding area | | | | | | | | | | | | |
| Gender Committee | Active communication on relevant gender matters | | | | | | | | | | | | |
| Stakeholder | Maintenance of relevant stakeholder consultation records | | | | | | | | | | | | |
| Safety & Health | Continuous monitoring of safety and health performance | | | | | | | | | | | | |

| Criterion / Indicator | | Assessment Findings | Compliance | | | | | | | | |
|---|---|--|----------------|-------------|----------|--|-----------|--|----------|--|----------|
| 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 - | <p>Latest review was for Sentosa Estate Social Action Plan FY 2019 - Towards RSPO/MSPO in Sime Darby Plantations; date: 30/5/2019:</p> <table border="1"> <thead> <tr> <th>Area/issue</th> <th>Action plan</th> </tr> </thead> <tbody> <tr> <td>Linesite</td> <td>Cencus at housing site was conducted and if any damage or effected facilities, it will be repaired and recorded in a book. Regular consultation with workers</td> </tr> <tr> <td>Pollution</td> <td> <ul style="list-style-type: none"> - Create awareness to the workers on the importance of waste management and control. No open burning - Regular sanitation check by estate's clinic to ensure good & clean surrounding at linesite </td> </tr> <tr> <td>Requests</td> <td>- To provide a written form for record of request from internal & external parties</td> </tr> </tbody> </table> | Area/issue | Action plan | Linesite | Cencus at housing site was conducted and if any damage or effected facilities, it will be repaired and recorded in a book. Regular consultation with workers | Pollution | <ul style="list-style-type: none"> - Create awareness to the workers on the importance of waste management and control. No open burning - Regular sanitation check by estate's clinic to ensure good & clean surrounding at linesite | Requests | - To provide a written form for record of request from internal & external parties | Complied |
| Area/issue | Action plan | | | | | | | | | | |
| Linesite | Cencus at housing site was conducted and if any damage or effected facilities, it will be repaired and recorded in a book. Regular consultation with workers | | | | | | | | | | |
| Pollution | <ul style="list-style-type: none"> - Create awareness to the workers on the importance of waste management and control. No open burning - Regular sanitation check by estate's clinic to ensure good & clean surrounding at linesite | | | | | | | | | | |
| Requests | - To provide a written form for record of request from internal & external parties | | | | | | | | | | |
| 6.1.5 | Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance - | There were no scheme smallholders involved in the certification unit. | Not applicable | | | | | | | | |
| <p>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.</p> | | | | | | | | | | | |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|------------|
| 6.2.1 Consultation and communication procedures shall be documented. - Major compliance - | <p>Sime Darby Plantation Berhad has developed Procedure for External Communication, Sime Darby Plantation Estate Quality Management System – Standard Operation Manual, Sub-section 5.5, Appendix 5.5.3.2, version 1, issue date 1/11/2008. The procedure has outlined the process of handling complaints from stakeholders and the time frame for external communication to be dealt with. The time frame to provide feedback is within two weeks from the date of receipt of communication and within one week of the completion of the investigation.</p> <p>For example, the implementation was as per Carta Aliran Pengendalian Isu Sosial Ladang Sentosa. Sample records of communication:</p> <ul style="list-style-type: none"> - Log book record of response from internal & external; Date: 19/6/2019 – Permohonan pembaharuan kebenaran untuk masuk ke Ladang Sentosa untuk menjual ikan; No. kenderaan SAA6321G & SS6321U - Complaint book Sentosa Estate; 28/5/2019; Workers housing repair – replace of water cock - Records of SIME Card issuance “Sime Card Reporting” - Aduan lampu rosak 2 units 19/6/2019 - Paip sinki tersumbat 19/6/2019 <p>Records shown all complaints were resolved timely.</p> | Complied |
| 6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance - | <p>Nominated management official responsible for social issues were as following:</p> <ul style="list-style-type: none"> - Mill Social Officer Muhammad Na’imushahmi Ghazali (Sr. AM); Perlantikan Sebagai Pegawai Rasmi yang bertanggungjawab ke atas isu-isu sosial untuk Sandakan Bay; Date: 31/3/2019 - Sentosa Estate Social Officer Alias Kasman (Sr. AM); letter of appointment date: 1/7/2018 - Tigowis Estate Social Officer Hasnan Abdul Latif (Sr. AM); letter of appointment date: 1/1/2019 | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|------------|
| 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 Stakeholder; Date review: 2018/2019, was developed in Sentosa Estate, Tigowis Estate and Sandakan Bay POM where stakeholders such as government authorities, local communities, contractors, suppliers and neighbouring plantations were included into the list. Latest external stakeholder for POM was conducted on 27/3/2019. Internal stakeholder meeting POM also conducted on 27/3/2019. For estates as following: - Sentosa Estate External Stakeholder meeting; Date: 7/6/2019 - Tigowis Estate External Stakeholder meeting; Date: 11/6/2019 | Complied |
| 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 - | Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue. | Complied |
| 6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance – | Except for internal complaints and reports related to housing matters, no any external disputes involved in Sandakan Bay POM and its estates. Internal complaints documentation on issue and resolution was available. | 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 - | Sime Darby Plantation Berhad has developed Flowchart and Procedures on Handling Land Disputes, version 1 and issue date: 1/11/2008. The procedure has detailing the process if any issues reported by local communities regarding land dispute. Negotiation process will be initiated which included the Estate Management, Land Management Department, Regional Heads, Zone Heads, third parties' involvement including stakeholders. Compensation of calculation and distribution to the affected parties will be determined by Land Management Department. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|--|
| 6.4.2 | <p>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.</p> <p>- Minor compliance -</p> | <p>The same SOP on Handling Land Disputes above also specifying the mechanism for calculating and distributing fair compensation in good manner.</p> <p>Complied</p> |
| 6.4.3 | <p>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.</p> <p>- Major compliance -</p> | <p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.</p> <p>Complied</p> |
| <p>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.</p> | | |

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| <p>6.5.1</p> | <p>Documentation of pay and conditions shall be available. - Major compliance -</p> | <p>Documentations of pay and conditions available as per following: Mill sample: - Employee ID # 60570; Role: Process Operator; Date join: 1/4/2019 - Employee ID # 68375; Role: General Gang; Date join: 1/7/2011 - Employee ID # 118568; Role: Workshop Apprentice; Date join: 3/12/2015 - Employee ID # 60570; Role: Process Operator; Date join: 1/4/2019 - Employee ID # 148876; Role: Process General Gang; Date join: 1/3/2019 - Employee ID # 34315; Role: Weighbridge Clerk; Date join: 12/11/2005 Sentosa Estate sample: - Employee ID # 141647; Role: Water Attendant; Date join: 1/4/2018 - Employee ID # 149096; Role: Harvester; Date join: 1/3/2019 - Employee ID # 125149; Role: Upkeep; Date join: 1/9/2016 - Employee ID # 147141; Role: Sprayer; Date join: 1/12/2018 - Employee ID # 148522; Role: Security guard; Date join: 14/2/2019 Tigowis Estate sample: - Employee ID # 107478; Role: Harvester; Date join: 14/11/2014 - Employee ID # 122367; Role: Sprayer; Date join: 1/6/2016 - Employee ID # 133035; Role: Field Worker; Date join: 1/5/2017 - Employee ID # 142530; Role: Field Worker; Date join: 1/5/2018 - Employee ID # 99453; Role: Bunch Counter; Date join: 1/3/2014 Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to the Sabah Labour Ordinance 2005. Based on the reviewed records of payslips, pocket check-roll book and computer check-roll records, as at current status, there was none has crossed 80 hours of overtime. Verified the payslips, the payment and calculation of overt time well distributed. The overtime rate after 8 hours daily rated is: upkeeping - Mon - Sat – daily rated / 8 hours x 1.5 - Sunday - daily rated / 8 hours x 2.0</p> | <p>Complied</p> |
|--------------|--|---|-----------------|

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|-----------------------|--|-----------------|
| | <ul style="list-style-type: none"> - Public holiday – daily rated / 8 hours x 3.0 <p>The overtime rate after 8 hours piece rated is: harvesters</p> <ul style="list-style-type: none"> - Mon - Sat – flat rate - Sunday – flat rate x 2.0 - Public holiday – flat rate x 3.0 | |
| 6.5.2 | <p>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.</p> <ul style="list-style-type: none"> - Major compliance - | <p>Complied</p> |

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|-----------------|
| <p>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 –</p> | <p>Sentosa Estate was equipped with modern facilities and amenities for workers under its Chester Project development. Housing Complex/NEST/Community Hall Inspections records sample for Sentosa Estate date: 10/5/2019 was sighted including the Domestic Water Sampling Point results:</p> <ul style="list-style-type: none"> - Drinking water analysis test report by Sime Darby Research Sdn. Bhd.; Test report # IE445/2019; Date: 26/4/2019 for parameters: pH, TDS, Turbidity, Chloride & Al* <p>Tigowis Estate Jadual Bulanan Gotong Royong Kawasan Perumahan 2019 sampled latest done on 22/6/2019, 15/6/2019, 3/6/2019 & 24/5/2019.</p> <p>Domestic Water Sampling Point results:</p> <ul style="list-style-type: none"> - Microbiology analysis test report by Sime Darby Research Sdn. Bhd.; Test report # ML219/2019; Date: 25/4/2019 for parameters: E. Coli & Total Coliform | <p>Complied</p> |
| <p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –</p> | <p>Accesses to food for the workers are considered adequately and sufficiently as there were sundry shops inside the compound. Foods and goods price list was displayed during the time of audit and the price was considered reasonable verified through interviewed with workers. Besides, the workers went out to Sandakan town by speed boat after salary to purchase their sundry goods.</p> | <p>Complied</p> |
| <p>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.</p> | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 6.6.1 | A published statement in local languages recognising freedom of association shall be available. - Major compliance - | SDPB has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Sighted the letter i.e. Perlantikan Sebagai Wakil Sabah Plantation Industry Employee Union (SPIEU), SATUBAY (Ladang Sentosa, Ladang Tun Tan Siew Sin dan Kilang Kelapa Sawit Sandakan Bay); Letter date: 1/1/2019 of a worker whom represents the rest of other workers as the representative. | Complied |
| 6.6.2 | Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance - | The minutes of meeting records available as per sighted: - Union meeting Jawatan Kuasa SPIEU Cawangan Sandakan Bersama Majikan 11/8/2018 - Ladang Sentosa Minit Mesyuarat Perlantikan Ketua Suku Kaum; Date: 1/4/2019 | 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 - | The company has developed Child Protection Policy dated January 2015 and they are complied with the minimum age requirement. Through document review on the Checkroll Employee Listing and interviewed with the workers confirmed that all the workers recruited are above 18 years old. Policy was displayed at the notice board in the office and housing area. | 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. | | | |
| 6.8.1 | A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance - | SDPB has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 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 - | The company has recruited workers from different background, nationalities, races and religions without any discrimination. The workers are allowed to transfer to any work station if they found they are unfit for the assigned job verified through interviewed with the workers. | 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 - | Sime Darby Plantation Berhad has developed Workforce Management Unit Liaison & Recruitment (LR) Procedure with Doc. No. WMU/LR-SOPP/MARCH2016, rev. 0 dated 30/3/2016. The recruitment process was clearly stated in the procedure where the recruitment was based age, medical fitness and etc. There is no any discrimination based on religion, gender, nationality and etc during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary and 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 - | Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. Records of communication sighted as following: - Gender meeting Kali Kedua Sabah 2019 Sabah North SOU 26; Date: 21/3/2019 - Minit mesyuarat jawatankuasa Kesatuan Wanita Kali ke-3 2019 Sabah North (SOU 26); Date: 11/5/2019 - Sentosa Estate Surat Lantikan Ahli Jawatankuasa Gender Committee Ladang Sentosa Bagi Sesi tahun 2019; Enny binti Saber (Chief Clerk); Letter date: 19/1/2019 - Tigowis Estate Perlantikan Sebagai Ahli Jawatankuasa Gender Committee Ladang Tigowis; Sufiah binti Jalilul (Checkroll Clerk); Letter date: 17/9/2018 | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|------------|
| 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 - | Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. As a guideline, a Gender Committee Handbook First Edition; 2014 was established and given to all women employee. | 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 - | Specific grievance mechanism available as per Gender Committee Handbook First Edition; 2014. No issues of grievances occurred and reported related to harassment within Sandakan Bay POM SOU. | 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 FFB available publicly being displayed in front of mill weighbridge. Sighted prices of FFB @ 1% OER was RM16.75 for March 2019 and latest RM17.07 for May 2019. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| 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 - | Outside Crop Purchase (OCP) was control by HQ's Global Trading & Marketing (GTM) department. OCP supplier was being assessed by the mill, PSQM and GTM prior to agreement signing. Sighted the sampled OCP Assessment Report and contract agreements between OCP supplier and Sime Darby Plantation as following: <ul style="list-style-type: none"> - Agreement # P/B/0119/FFB01386L; Validity: 1/1 -31/12/2019 - Agreement # P/B/0119/FFB01389L; Validity: 1/1 -31/12/2019 - Agreement # P/B/0119/FFB01379L; Validity: 1/1 -31/12/2019 - Agreement # P/B/0119/FFB01380L; Validity: 1/1 -31/12/2019 Pricing mechanism was clearly stated in Third Schedule of the agreement. The price of FFB paid to smallholders and out-growers is in accordance with the price determined by MPOB. | Complied |
| 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 - | Contracts are fair, legal and transparent as per sample sighted for following: <ul style="list-style-type: none"> - Agreement between Sime Darby Plantation (Sabah) Sdn. Bhd. And Yee Ping Trading Sdn. Bhd. on Transportation of Crude Palm Oil (CPO) and Palm Kernel (PK) dated 19/12/2017. Agreement was commencing from 1/11/2017 and valid until 31/10/2020. - Evidence shown expiring agreements will be review prior to extension or re-agreement based on the performance and suitability of vendor. | Complied |
| 6.10.4 | Agreed payments shall be made in a timely manner. - Minor compliance - | Agreed payments were made in timely manner based on verification through interview with OCP supplier and records of payment sample as per following: <ul style="list-style-type: none"> - Payment voucher # 1600005210; Vendor code: 9001010334; Date: 4/6/2019 - Payment voucher # 1600005820; Vendor code: 9001010606; Date: 20/6/2019 - Payment voucher # 1600005791; Vendor code: 9001010364; Date: 20/6/2019 | Complied |
| Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|---|----------------|
| 6.11.1 | Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance – | The estates’ management have made contribution to the local communities and stakeholders such as donation of cows to the workers for the religion festival, blood donation activity in the estate, encouraged of the participation of parents in the sport day organized by HUMANA, Zumba classes and cooking classes among the female workers. Besides, interviewed with the HUMANA teachers confirmed that the management has provided assistance whenever they requested such as repair and maintenance of the building and provide field for the sport day. In additional, Sandakan POM has provided free boat service once a month to the workers to Sandakan town to purchase their sundry goods. Other specific contributions sampled as following: <ul style="list-style-type: none"> - Rice 10kg every 2month - New workers quarters May 2019 – 2 blocks of 6 units house - Ziarah Silaturahmi Syawal 2019 Open House - Gender committee SOU 26 Iftar & Mothers Day - Hari Raya Korban (sumbangan lembu 2 ekor) plan; Date: 11/8/2019 - Gotong royong seluruh kawasan perumahan dan bangunan Ladang Sentosa - Majlis tahlil dan bacaan yaasin setiap malam jumaat - Lawatan Muhibbah ke SK Sepinong | 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 – | There was no smallholder involved in the certification unit. | Not applicable |
| 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 - | The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment was signed by the workers prior to work. Sampled of foreign workers with valid work permit as sighted as per indicator 6.5.1 above. | Complied |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 6.12.2 | Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance – | No any contract substitution occurred among Sime Darby workers whether local or foreign. | Complied |
| 6.12.3 | Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance - | SDPB has implemented a Sime Darby’s Human Rights Charter on 13/1/2017, version 3.0 where they committed as below: <ul style="list-style-type: none"> a. Providing equal opportunity b. Respecting freedom of association c. Eradicating any form of exploitation d. Ensuring favourable working conditions e. Enhancing Safety and Health f. And etc. <p>Induction training was given to all the new workers during their arrival to the plantations. Company policy, terms and conditions stated in the employment contract and the culture of plantations were briefed to the new workers. Seen the attendance list of the new workers who have attended the induction training dated 1/6/2018.</p> | 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 Social and Humanity Management Policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. Briefing of the policies was conducted on during the stakeholder meetings. Besides, policy is displayed at the notice board in office area and linesite. | Complied |
| 6.13.2 | As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. | There was HUMANA schools in the estate and mill’s compound. The mill and estates have provided free transportation to send the students to school. Interviewed with the HUMANA teachers confirmed that the management has provided assistance whenever they requested. For eg: provide field for their sport day, repair and maintain of the school’s building. | Complied |

| Criterion / Indicator | Assessment Findings | Compliance | |
|---|---|---|----------|
| Principle 7: Responsible development of new plantings | | | |
| <p>Sandakan Bay Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment. The immature areas are replanted area.</p> | | | |
| Principle 8: Commitment to continual improvement in key areas of activity | | | |
| <p>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.</p> | | | |
| 8.1.1 | <p>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>Continual improvement plan was established as follow:</p> <ol style="list-style-type: none"> 1. Reduction of fuel consumption 2. Press PLC control own servicing and programing 3. Desludging pond no. 6 4. Reduction of waste management 5. Oil loss reduction in raw effluent 6. Increase of production dirt and moisture of KER 7. To reduce Sunday harvesting 8. To increase productivity for planting palms 9. To reduce crusher run cost 10. To reduce cost of genset rental | Complied |

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Appendix B: Approved Time Bound Plan

SDP- RSPO Certification Status for Malaysia Operations

| SOU NO | Name of SOU | Location | Date of Certification | End Date of Certification | Certificate Number | Remarks |
|--------|--------------|------------------------|-----------------------|---------------------------|--|-----------------------|
| 1 | Sg. Dingin | Karangan, Kedah | 12 Aug '10 | 11-Aug-20 | RSPO 550179 | N.A |
| 2 | Chersonese | Kuala Kurau, Perak | 5 Oct '11 | 4-Oct-21 | CU-RSPO-815148, RSPO 590800 | N.A |
| 3 | Elphil | Sg Siput, Perak | 18 Jun '11 | 17-Jun-21 | RSPO 550180 | N.A |
| 4 | Flemington | Teluk Intan, Perak | 5 Oct '11 | 4-Oct-21 | CU-RSPO-819144, RSPO 590802 | N.A |
| 5 | Seri Intan | Teluk Intan, Perak | 3 Mar '11 | 2-Mar-21 | CU-RSPO-811218, RSPO 0015 | N.A |
| 5 | Selaba | Teluk Intan, Perak | 3 Mar '11 | 2-Mar-21 | CU-RSPO-819142, RSPO 0016 | N.A |
| 5a | Sg Samak | | 3 Mar '11 | NA | NA | Mill was closed down. |
| 6 | Tennamaram | Bestari Jaya, Selangor | 3 Mar '11 | 2-Mar-21 | CU-RSPO-819143, RSPO 0014 | N.A |
| 7 | Bkt Kerayong | Kapar, Selangor | 15 Apr '11 | 14-Apr-21 | RSPO 550181 | N.A |
| 8 | East | Carey Island, Selangor | 19 May '10 | 18-May-20 | RSPO 543543 | N.A |
| 9 | West | Carey Island, Selangor | 19 May '10 | 18-May-20 | RSPO 543594 | N.A |
| 9a | Sepang | Sepang, Selangor | 19 May '10 | NA | NA | Mill was closed down. |
| 10 | Bukit Puteri | Raub, Pahang | 7 Jul '11 | 6-Jul-21 | CU-RSPO-815147, 18502206 001, 824 502 14020, MUTU – RSPO/091 | N.A |
| 11 | Kerdau | Temerloh, Pahang | 7 Jul '11 | 6-Jul-21 | CU-RSPO-819155, 18502207 001, 824 502 14019, MUTU-RSPO/094 | N.A |
| 12 | Jabor | Kuantan, Pahang | 7 Jul '11 | 6-Jul-21 | CU-RSPO-819156, RSPO 928288, 824 502 16049, MUTU-RSPO/092 | N.A |
| 13 | Labu | Nilai, Negeri Sembilan | 30 Dec '11 | 29-Dec-21 | CU-RSPO-855480 | N.A |

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| SOU NO | Name of SOU | Location | Date of Certification | End Date of Certification | Certificate Number | Remarks |
|--------|-----------------|-------------------------------|-----------------------|---------------------------|---|---|
| 14 | Tanah Merah | Port Dickson, Negeri Sembilan | 19 May '10 | 18-May-20 | RSPO 541905 | |
| 15 | Sua Betong | Port Dickson, Negeri Sembilan | 18/2/2014 | 17-Feb-19 | SGS-RSPOPM-MY14/01364, 824 502 16032 | Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO-819165, certification date: 30 Dec 2011. |
| 16 | Kok Foh | Bahau, Negeri Sembilan | 7 Jul '11 | 6-Jul-21 | CU-RSPO-819157, RSPO 928188, 824 502 16051, MUTU-RSPO/093 | N.A |
| 17 | Kempas | Jasin, Melaka | 19 May '10 | 18-May-20 | RSPO 005 | N.A |
| 18 | Diamond Jubilee | Jasin, Melaka | 5 Oct '11 | 4-Oct-21 | CU-RSPO-819146, RSPO 591224 | N.A |
| 19 | Pagoh | Muar, Johor | 28/1/2014 | 27-Jan-19 | RSPO 600305 | Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill with Certificate No: SPO 549297, certification date: 7 Jan 2011. |
| 19a | Yong Peng | Yong Peng, Johor | 20 Oct '10 | 19-Oct-15 | RSPO 550182 | Mill was closed down. |
| 20 | Chaah | Chaah, Johor | 18 Nov '10 | 17-Nov-20 | RSPO 548299 | N.A |
| 21 | Gunung Mas | Kluang, Johor | 19 May '10 | 18-May-20 | RSPO 901888 | N.A |
| 22 | Bukit Benut | Kluang, Johor | 5 Oct '11 | 4-Oct-21 | CU-RSPO-819147, RSPO 591229 | N.A |
| 23 | Ulu Remis | Layang-layang, Johor | 11 Apr '11 | 10-Apr-21 | SGS-RSPO/PM-00722, 824 502 16042, BV-RSPO-20170705-01 | N.A |
| 24 | Hadapan | Layang-layang, Johor | 29 Mar '11 | 28-Mar-21 | SGS-RSPO/PM-00715, 824 502 16040, BV-RSPO-20170623-01 | N.A |
| 25 | Segaliud | Sandakan, Sabah | 20 May '10 | 19-May-15 | RSPO 547123 | Mill was closed down. |
| 26 | Sandakan Bay | Sandakan, Sabah | 1 Oct '08 | 30-Sep-18 | RSPO 537872 | N.A |
| 27 | Melalap | Tenom, Sabah | 21 Jan '11 | 20-Jan-21 | RSPO 547124 | N.A |
| 28 | Binuang | Kunak, Sabah | 16 Jan '09 | 12-Jul-20 | RSPO 001 | N.A |
| 29 | Giram | Kunak Sabah | 16 Jan '09 | 12-Jul-20 | RSPO 002 | |
| 30 | Merotai | Tawau, Sabah | 16 Jan '09 | 12-Jul-20 | RSPO 004 | |
| 30a | Jeleta Bumi | Kunak, Sabah | 24/5/2010 | NA | NA | Mill was closed down. |
| 30b | Mostyn | Kunak Sabah | 16 Jan '09 | NA | NA | Mill was closed down. |

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| SOU NO | Name of SOU | Location | Date of Certification | End Date of Certification | Certificate Number | Remarks |
|--------|-------------|------------------|-----------------------|---------------------------|-------------------------------|---------|
| 31 | Lavang | Bintulu, Sarawak | 30 Dec '11 | 29-Dec-21 | CU-RSPO-819166, MUTU-RSPO/053 | N.A |
| 32 | Rajawali | Bintulu, Sarawak | 30 Dec '11 | 29-Dec-21 | CU-RSPO-819167, RSPO 0020 | N.A |
| 33 | Derawan | Bintulu, Sarawak | 30 Dec '11 | 29-Dec-21 | CU-RSPO-819169, RSPO 0019 | N.A |
| 34 | Pekaka | Bintulu, Sarawak | 30 Dec '11 | 29-Dec-21 | CU-RSPO-815150, MUTU-RSPO/054 | N.A |

Legends

Certification Withdrawal

NA - NOT APPLICABLE

Note: There are 2 certificate numbers for some SOUs due to transfer of CB.

SDP- RSPO Certification Status for Indonesia Operations

| NO | Name of PT | Name of Mill | Location | Date of Certification | End Date of Certification | Certificate Number | Remarks |
|----|------------------------------|----------------|--|-----------------------|---------------------------|---------------------|------------------|
| 1 | PT LAHAN TANI SAKTI | ALUR DUMAI | Bagan Sinembah/Tanh Putih, Pujud, Rokan Hilir, Riau | 16-Jan-12 | 15-Jan-22 | SGS-RSPO/PC17-00005 | N.A |
| 2 | PT SAJANG HEULANG | ANGSANA MINI | Sebamban, Indonesia | 6-Jul-11 | 6-Jul-16 | MUTU-RSPO/006b | Mill closed down |
| 3 | PT SAJANG HEULANG | MUSTIKA | Sebamban, Indonesia | 3-Jul-13 | 3-Jul-18 | MUTU-RSPO/027 | N.A |
| 4 | PT LADANGRUMPUN SUBURUBADI | ANGSANA | Sebamban, Indonesia | 9-Nov-16 | 8-Nov-21 | MUTU-RSPO/006a | N.A |
| 5 | PT LANGGENG MUARAMAKMUR | BEBUNGA | Pamukan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur | 16-Mar-12 | 3-Aug-22 | MUTU-RSPO/014 | N.A |
| 6 | PT KRIDATAMA LANCAR | SUKAMANDANG | Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah | 2-Sep-16 | 1-Sep-21 | MUTU-RSPO/003 | N.A |
| 7 | PT BAHARI GEMBIRA RIA | LADANG PANJANG | Kumpeh Ulu, Jambi, Muaro Jambi, Jambi | 9-Jul-12 | 28-Nov-22 | MUTU-RSPO/019 | N.A |
| 8 | PT TUNGGAL MITRA PLANTATIONS | MANGGALA | Riau, Indonesia | 25-Nov-10 | 24-Nov-20 | MUTU-RSPO/002 | N.A |
| 9 | PT PARIPURNA SWAKARSA | PONDOK LABU | Pamukan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan | 16-Mar-12 | 19-Jul-22 | MUTU-RSPO/016 | N.A |

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| NO | Name of PT | Name of Mill | Location | Date of Certification | End Date of Certification | Certificate Number | Remarks |
|----|---|----------------|---|-----------------------|---------------------------|--------------------|--|
| 10 | PT BERSAMA SEJAHTERA SAKTI | GUNUNG ARU | Sebamban, Indonesia | 21-Oct-16 | 20-Oct-21 | MUTU-RSPO/005 | N.A |
| 11 | PT GUTHRIE PECCONINA | RANTAU PANJANG | Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan | 16-Mar-12 | 19-Nov-22 | MUTU-RSPO/017 | N.A |
| 12 | PT LAGUNA MANDIRI | RANTAU | Sungai Durian, Kotabaru, Kalimantan Selatan | 30-Dec-11 | 30-Dec-16 | MUTU-RSPO/009 | N.A |
| 13 | | BETUNG | | 1-April-14 | 1-April-19 | MUTU-RSPO/035 | |
| 14 | PT INDOTRUBA TENGAH | SEKUNYIR | Kalimantan Tengah, Indonesia | 23-Nov-10 | 22-Nov-20 | MUTU-RSPO/001 | N.A |
| 15 | PT SWADAYA ANDIKA | SELABAK | Sungai Durian, Kotabaru, Kalimantan Selatan | 16-Mar-12 | 15-Mar-17 | MUTU-RSPO/015 | Cert. discontinued – supply bases extended to Rantau POM |
| 16 | PT BINA SAINS CEMERLANG | SG PINANG | Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan | 11-Sep-12 | 28-Nov-22 | MUTU-RSPO/020 | N.A |
| 17 | PT TEGUH SEMPURNA | PEMANTANG | Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah | 9-Sep-16 | 8-Sep-21 | MUTU-RSPO/004 | N.A |
| 18 | PT BHUMIREKSA NUSA SEJATI | TELUK BAKAU | Pelangiran, Sg. Guntung, Indragiri Iilir, Riau | 01-Dec-16 | 30-Nov-21 | MUTU-RSPO/008 | N.A |
| 19 | | MANDAH | | 1 April 2014 | 1 April 2019 | MUTU-RSPO/036 | |
| 20 | PT ANEKA INTIPERSADA | TELUK SIAK | Tualang, Perawang, Siak, Riau | 8-Dec-16 | 7-Dec-21 | MUTU-RSPO/007 | N.A |
| 21 | PT TAMACO GRAHA KRIDA | UNGKAYA | Witaponda, Kolonodale, Morowali, Sulawesi Tengah | 10-Jul-12 | 28-Dec-22 | MUTU-RSPO/018 | N.A |
| 22 | PT SIME INDO AGRO | BK AJONG | Kalimantan Barat, Indonesia | 18-Jul-16 | 17-Jul-21 | MUTU-RSPO/088 | N.A |
| 23 | PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI | BLANG SIMPO | Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam | 3-May-13 | 3-May-18 | MUTU-RSPO/026 | N.A |
| 24 | PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI | LEMBIRU | Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat | 3-Jul-14 | 2-Jul-19 | MUTU-RSPO/044 | N.A |
| 25 | PT MITRAL AUSTRAL SEJAHTERA | MAS Mill | Desa Rahayu Kec. Parindu Kab.Sanggau, Kalimantan Barat | NA | NA | NA | N.A |

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Legends

| | | |
|----------------------------------|-----------|--------|
| Pending Certification by RSPO EB | Mill down | closed |
|----------------------------------|-----------|--------|

NA - NOT APPLICABLE

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2018 for Sandakan Bay Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in 2018 for Sandakan Bay Palm Oil Mill and supply base are as following:

| Emission per product | tCO ₂ e/tProduct |
|----------------------|-----------------------------|
| CPO | 1.48 |
| PKO | 1.48 |

| Extraction | % |
|------------|-------|
| OER | 21.96 |
| KER | 4.97 |

| Production | t/yr |
|--------------|------------|
| FFB Process | 197,371.67 |
| CPO Produced | 43,352.24 |
| PK Produced | 9818.73 |

| Land Use | Ha |
|-----------------------------|--------|
| OP Planted Area | 15,008 |
| OP Planted on peat | 0 |
| Conservation (forested) | 0 |
| Conservation (non-forested) | 0 |
| Total | 15,008 |

Summary of Field Emission and Sink

| | Own Crop* | | Group | | 3 rd Party | | Total | |
|---|--------------------|--------------------------|--------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------------|
| | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB |
| Emission | | | | | | | | |
| Land Conversion | 127194.87 | 8.48 | 0.74 | 0 | 0 | 0 | 0 | 0 |
| CO ₂ Emissions from Fertiliser | 13094.81 | 0.87 | 0.08 | 0 | 0 | 0 | 0 | 0 |
| N ₂ O Emissions | 8458.58 | 0.56 | 0.05 | 0 | 0 | 0 | 0 | 0 |
| Fuel Consumption | 6235.51 | 0.42 | 0.04 | 0 | 0 | 0 | 0 | 0 |
| Peat Oxidation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sinks | | | | | | | | |
| Crop Sequestration | -120563.87 | -8.03 | -0.7 | 0 | 0 | 0 | 0 | 0 |
| Sequestration in Conservation Area | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 34419.9 | 2.29 | 0.2 | 0 | 0 | 0 | 4973.17 | 0 |

Summary of Mill Emission and Credit

| | tCO ₂ e | tCO ₂ e/tFFB |
|--|--------------------|-------------------------|
| Emission | | |
| POME | 36600.37 | 0.19 |
| Fuel Consumption | 2855.84 | 0.01 |
| Grid Electricity Utilisation | 0 | 0 |
| Credits | | |
| Export of Excess Electricity to Housing & Grid | 0 | 0 |
| Sale Of PKS | 0 | 0 |
| Sale Of EFB | 0 | 0 |
| Total | 39456.21 | 0.2 |

Summary of Kernel Crusher Emission and Credit (if applicable)

| Emissions | tCO ₂ e |
|-------------------------|--------------------|
| PK from own mill | 14560.57 |
| PK from other source | 0 |
| Fuel Consumptions | 0 |
| Total Crusher emissions | 0 |

*This mill has no kernel crusher operation.

| Palm Oil Mill Effluent (POME) Treatment: | |
|---|-----|
| Divert to Compost (%) | 0 |
| Divert to anaerobic diversion (%) | 100 |

| POME Diverted to Anaerobic Digestion: | |
|--|-----|
| Divert to anaerobic pond (%) | 100 |
| Divert to methane captured (flaring) (%) | 0 |
| Divert to methane captured (energy generation) (%) | 0 |

Appendix D: General Chain of Custody Requirements for the Supply Chain

| 5.1 Applicability of the general chain of custody requirements for the supply chain | | | |
|--|---|---|--|
| | Requirement | Evidence For any N/A raised, justification is required. | Compliance (Yes / No or N/A) |
| 5.1.1 | The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification. | Sime Darby Plantation headquarter has the physically handle the RSPO Certified Sustainable oil palm products. All trading, contract and sales were managed by Global Trade Marketing department at Sime Darby Plantation, HQ and held the Palm Trace registration number for respective mill (Sandakan Oil Mill: RSPO_PO1000000065) | Yes |
| 5.1.2 | Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model. | Sandakan Bay POM was not a trader or distributor. | N/A |
| 5.1.3 | Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform. | Sime Darby Plantation Sdn Bhd held RSPO membership number: 1-0008-04-000-00 since 06 September 2004. Company has registered in Palm Trace system as follows: Members ID – Sandakan Oil Mill: RSPO_PO1000000065 Licence valid until 30/9/2019 Member category : Oil Mill | Yes |
| 5.1.4 | Processing aids do not need to be included within an organization’s scope of certification. | There was no processing aids used at Sandakan Bay Palm oil Mill. | N/A |
| 5.2 Supply chain model | | | |

| | | | |
|-----------------------------------|--|---|-----|
| 5.2.1 | The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance. | Sandakan Bay Palm Oil Mill receives and process both certified and noncertified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. | Yes |
| 5.2.2 | The site can use one (1) or a combination of supply chain models as audited and certified by the CB. | Sandakan Bay Palm Oil Mill was certified with Mass Balance Module. | Yes |
| 5.3. Documented Procedures | | | |
| 5.3.1 | The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. | SOP for Sustainable Supply Chain and Traceability, Issue No:4, Dated April 2019 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, product claims, production volume, conversion factor, internal audit, outsourced contractor, training, reclassification of mill's supply chain model, complaints and management review. | Yes |
| | <ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). | Sandakan Bay Palm Oil Mill has prepared a dedicated records and Forms in relation to RSPO Supply Chain Certification. Sustainability training plan & records for year 2019 sighted available during the audit. The training was conducted on 25/5/2019. Interview with weighbridge operator found that she understand on the supply chain for palm oil mill. | Yes |
| | <ul style="list-style-type: none"> • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard. | SOP for Sustainable Supply Chain and Traceability, Issue No:4, Dated April 2019 has identified every responsible personal who involved in the implementation RSPO Supply Chain Certification. Roles and responsibility for RSPO Supply Chain team were clearly defined in the job description. Through the interview with Mill Manager, he can demonstrate awareness of the established procedure. | Yes |

| | | | |
|-------------------------------------|---|---|-----|
| 5.3.2 | <p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> | <p>SDPB has developed SOP for Sustainable Supply Chain and Traceability, Issue No:4, Dated April 2019 has clearly stated the requirement for internal audit need to be conducted relating to sustainability and traceability standard (RSPO Supply Chain Certification Standard’s requirements). The internal audit was conducted on 5/4/2018 by SQM Team.</p> | Yes |
| | <p>ii) effectively implements and maintains the standard requirements within its organization</p> | <p>SOP for Sustainable Supply Chain and Traceability Issue No:4, Dated April 2019 which covered internal audit. The internal audit for supply chain was conducted on 29/5/2019 by SQM team. There was 2 major NCRs raised for supply chain element. It is found that the internal audit was effectively implemented and maintained at Sandakan Bay POM.</p> | Yes |
| 5.4. Purchasing and goods in | | | |
| 5.4.1 | <p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number | <p>When FFB delivered to the mill from the estates, the transporters presented Delivery Order (DO) to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g. of information available in the DO is as follows:</p> <ul style="list-style-type: none"> • Consignment note no. (6740) • Estate’s names (Tigowis Estate – E046) • Date & time of delivery (19/3/2019) • Field No. (2012A) • No. of bunches (696 bunches) • Vehicle no. (SAA1042U) • Seal no. (012354) • Net weight (6520 kg) <p>E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> • Weighbridge ticket no.:20305 | Yes |

| | | | |
|-------|--|---|-----|
| | | <ul style="list-style-type: none"> Name of estates (Sentosa –E045) Field No. (2012A, 2014A, 2014C) Vehicle no. (SAA3127Y) Date (19/3/2019) Total bunches (1113 bunches) Net weight (8250 kg) | |
| | <ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). | The information was available in various documents such as delivery order and weighbridge tickets. | Yes |
| | <ul style="list-style-type: none"> The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance. | The mill has a list of certified FFB suppliers which has the information about certificate number and validity period. This is applied to both second and third party FFB suppliers [ref.: clause 7.2 of SOP for Sustainable Supply Chain and Traceability] | Yes |
| | <ul style="list-style-type: none"> A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. | A check of the validity of supply chain certification of supplier is done via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org). Physical RSPO certificate for all diverted crops sent to Sandakan Bay POM. However, so far no FFB from other certified unit was sent to Sandakan Bay POM. | Yes |
| | <ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. | NA – this part is applicable for supply chain actor after refinery. | N/A |
| 5.4.2 | The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents. | Addressed in the SOP clause 10.0 Non-conforming Products and/or Documents. Based on the procedure, where there is contamination of RSPO certified material during receiving, processing, storage and dispatch, the mill shall downgrade the materials in such order: IP to MB to conventional. | Yes |

| | | | |
|------------------------------------|--|--|-----|
| | | Material received with insufficient information shall be treated as non-conforming documents. The documents shall be investigated, verified and corrected in order to allow processing of material. Authorization for release shall be by the mill manager. | |
| 5.5. Outsourcing activities | | | |
| 5.5.1 | <p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p> | <p>Sandakan Bay POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, product claims, production volume, conversion factor, internal audit, outsourced contractor, training, reclassification of mill’s supply chain model, complaints and management review.</p> <p>The list of outsourced contractor was sighted, “list of stakeholder” to include the transport contractor for CPO and PK (Yee Peng Trading Sdn Bhd). The agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Yee Ping Trading Sdn Bad dated 19/12/2017 was sighted. The agreement was clearly stated on the requirements of the RSPO Supply Chain.</p> | Yes |
| 5.5.2 | <p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p> | The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable. | N/A |
| | <p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that</p> | The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no | N/A |

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| | certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. | outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable. | |
| | c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. | The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable. | N/A |
| | d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance. | The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable. | N/A |
| 5.5.3 | The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products. | The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable. | N/A |
| 5.5.4 | The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products. | No new contractor used for the processing or physical handling of RSPO certified oil palm products (transportation). | Yes |
| 5.6. Sales and goods out | | | |
| 5.6.1 | <p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); | <p>Sandakan Bay POM ensured the required information is available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); | Yes |

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| | <ul style="list-style-type: none"> • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number | <p>Crude Palm Oil (CPO) RSPO IP</p> <ul style="list-style-type: none"> • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number: • Available in a few forms e.g. DN no., seal no. <p>However, no sales of RSPO certified product for CPO within the period Oct 18 0 May 19.</p> <p>Sandakan Bay POM only sold PK as RSPO certified for the period of Oct 18 – May 19. Sample the weighbridge ticket/dispatch note as below:</p> <p>A) CSPK Despatch Note: 004887 Buyer: XXXXXX Address: Sandakan, Sabah Contract No: S/BSB/1905/RMPK0097 Shipment date: 15/5/2019 Quantity: 30,710 kg Product: CSPK MB Transport: Yee Ping Trading Sdn Bhd Supply chain cert no: RSPO 537872</p> | |
| | <ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). | <p>Information is complete and available in various documents such as sales contract, mill weighbridge ticket, delivery note, transporter collection order for CSPK. However, no sales of</p> | <p>Yes</p> |

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| | | RSPO certified product for CSPK within the period Oct 18 – May 19. | |
| | <ul style="list-style-type: none"> For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. | All the transactions for CSPK were announced accordingly in the RSPO IT platform. | Yes |
| 5.7. Registration of transactions | | | |
| 5.7.1 | <p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries and; take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. | <p>The registration of PalmTrace will be carried out by the Global Trade Marketing Department, HQ. All transaction will be registered in the PalmTrace. Company has registered their mill in the PalmTrace:- Members ID – Sandakan Oil Mill: RSPO_PO1000000065 Licence valid until 30/9/2019 Member category : Oil Mill</p> | Yes |
| 5.7.2 | <p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. | <p>Sandakan Bay Palm Oil Mill has the Procedure for Handling of Certified CPO and PK despatch where it was mentioned that Global Trade Marketing shall make the necessary transaction of RSPO certified CPO and PK in the RSPO IT Platform.</p> <p>Sampled the shipping announcement as below: Buyer: XXXXX Transaction ID: TR700ec54459f5 Quantity: 281.57 MT Product: CSPK (MB) Date: 7/3/2019</p> | Yes |

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| | | <p>Buyer: XXXXX Transaction ID: TRe11c923b13b7 Quantity: 383.81 MT Product: CSPK (MB) Shipping/BL Date: 24/4/2019</p> | |
| | <ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. | <p>Every shipping announcement made accordingly as unique id for traceability and recorded accordingly in the RSPO Palm Oil Purchase, Sales and Balance Control Table, update at real time basis by Global Trade Marketing, HQ.</p> | Yes |
| | <ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. | <p>There were volume sold for other scheme and conventional (refer to Table 11 & 12 ; Supply Chain declaration of Table D & E; Summary Template).</p> | Yes |
| | <ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. | <p>Sampled of shipping announcement documents and found that the management done the shipping announcement accordingly.</p> | Yes |
| 5.8. Training | | | |
| 5.8.1 | <p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.</p> | <p>Training plan for 2019 were available which training for RSPO Supply Chain has been included. Training need analysis is done prior to development of training plan.</p> | Yes |
| 5.8.2 | <p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.</p> | <p>Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation such as Assistant Managers, staff and weighbridge operators.</p> <p>The latest RSPO training was carried out on 25/5/2019 attended by operating units representative. The refresher training was given by PSQM personnel from HQ.</p> | Yes |
| 5.9. Record Keeping | | | |

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| 5.9.1 | The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements. | All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible. | Yes |
| 5.9.2 | Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. | As spelt out in its supply chain procedure, Clause 5.4, records are to be maintained minimum of two years. | Yes |
| 5.9.3 | The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months. | Not applicable. The product of the facility is containing 100% palm oil. | Yes |
| 5.10. Conversion factors | | | |
| 5.10.1 | Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. | Conversion factor of CPO and PK production is depending on the actual OER and KER. | Yes |
| 5.10.2 | Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate. | The facility is using the actual extraction rate and therefore updating of rates is not necessary. | N/A |
| 5.11. Claims | | | |
| 5.11.1 | The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims. | Not in use. | |

| General corporate communications | | | |
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| 4.1 | A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim. | No off-product claim made by Sandakan Bay POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc). | Yes |
| 4.2 | In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page. | Not applicable as no off-product claim made by Sandakan Bay POM as to date. | N/A |
| 4.3 | In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products. | Not applicable as no off-product claim made by Sandakan Bay POM as to date. | N/A |
| 4.4 | Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products. | Not applicable as no off-product claim made by Sandakan Bay POM as to date. | N/A |
| 4.5 | Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat. | No evidence of RSPO corporate logo used by Sandakan Bay POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc). | Yes |
| Business to business communications | | | |

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| 5.1 | Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products. | Business to business communication was demonstrated via shipping documentation and invoices to the next supply chain actor or buyer. | Yes |
| 5.2 | When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made. | As per interview with weighbridge operator, she said that the weighbridge ticket will be stated the info i.e: product/commodity with SCC model (Crude Palm Oil RSPO MB) and RSPO certificate number. Verified the documents found that the supply chain model and certificate number were stated on the ticket. | Yes |
| 5.3 | <p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <ul style="list-style-type: none"> a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2. | Sandakan Bay POM was not under distributor or wholesaler category. Thus, this requirement is not applicable. | N/A |
| 5.4 | <p>A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification.</p> <p>For example, a retailer or food service company may require a breakdown of all palm based ingredients within an end product and the certified</p> | Business to business communication was demonstrated via shipping documentation and invoices to the next supply chain actor or buyer. | Yes |

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| | status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim. | | |
| Business to consumer communication | | | |
| 6.1 | Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.2 | Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.3 | When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.4 | Business to consumer communication shall not include information about the claimant's RSPO membership status. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.5 | Members shall not communicate to consumers information about their suppliers' RSPO membership status. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.6 | Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.7 | Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim. | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |
| 6.8 | RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be | Sandakan Bay POM did not use business to consumer communication. Therefore, this requirement was not applicable. | N/A |

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| | <p>undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rspo.org.</p> | | |
| <p>MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES</p> | | | |
| <p>Certified oil palm content (IP)</p> | | | |
| | <p>For IP, 95% or above of the oil palm content must be RSPO IP-certified.</p> | <p>Sandakan Bay POM only use MB supply chain model. Thus, this requirement was not applicable.</p> | <p>N/A</p> |
| | <p>For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.</p> | <p>Sandakan Bay POM only use MB supply chain model. Thus, this requirement was not applicable.</p> | <p>N/A</p> |
| | <p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified oil palm products must be covered by the purchase of RSPO Credits of equivalent volume.</p> | <p>Sandakan Bay POM only use MB supply chain model. Thus, this requirement was not applicable.</p> | <p>N/A</p> |
| <p>Labelling and trademark (IP)</p> | | | |
| | <p>Members are allowed to use the RSPO label in one of the following ways: a. RSPO trademark which includes the tag 'CERTIFIED' or</p> | <p>Sandakan Bay POM only use MB supply chain model. Thus, this requirement was not applicable.</p> | <p>N/A</p> |

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| | <p>b. RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack.</p> | | |
| Messaging (IP) | | | |
| | <p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org • By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: www.rspo.org • RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. www.rspo.org • Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. www.rspo.org • The entire supply chain is monitored by independent, RSPO-accredited auditors. www.rspo.org • RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. www.rspo.org • References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records. | <p>Sandakan Bay POM only use MB supply chain model. Thus, this requirement was not applicable.</p> | <p>N/A</p> |
| MODULE B – MASS BALANCE SPECIFIC RULES | | | |
| Minimum Mass Balance content (MB) | | | |
| | <p>95% or above of the oil palm content must be RSPO MB-certified.</p> | <p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p> | <p>Yes</p> |

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| | <p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.</p> | <p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p> | |
| <p>Labelling and trademark (MB)</p> | | | |
| | <p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • Surrounded by the text: 'Certified sustainable palm oil'. • The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim. • The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. • Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch). • In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications & Claims document. | <p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p> | <p>Yes</p> |
| <p>Messaging (MB)</p> | | | |
| | <p>Messaging ALLOWED in storytelling in product-related communications includes:</p> | <p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p> | <p>Yes</p> |

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| | <ul style="list-style-type: none"> • [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain. • The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. • In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed. | | |
| | <p>Messaging NOT ALLOWED in storytelling in product-related communications: Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</p> | <p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p> | <p>Yes</p> |
| <p>MODULE C – PARTIAL PRODUCT CLAIMS</p> | | | |
| | <p>To increase awareness among consumers of the availability of sustainable oil palm products and to help accelerate the uptake, it is permissible to make a claim on product when the percentage of the oil palm content is less than 95% certified, but only when the following conditions have been met:</p> <ul style="list-style-type: none"> • The member making the claim is the end product manufacturer, is an RSPO member and is certified against the RSPO SCCS or is an RSPO retailer member authorized to use the trademark by the RSPO. • At least 50% of the oil palm content has been supplied through an RSPO certified supply chain as IP, SG or MB. • The remainder of the oil palm content that is not RSPO-certified is covered by the purchase of RSPO Credits to an equivalent volume. • The product-specific claim is limited to only the following phrase: 'This product contributes to the production of certified sustainable palm oil'. | <p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p> | <p>Yes</p> |

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| | <ul style="list-style-type: none"> The use of the RSPO label with this claim is mandatory and must include the tag '50% MIXED'. No other percentage is allowable within this claim. | | |
| MODULE D – COMBINED SUPPLY CHAIN MODELS SPECIFIC RULES | | | |
| | <p>Where a mixture of inputs supplied through different RSPO supply chain models are present in a product, the following applies:</p> <p>75% IP + 20% SG => 95% SG claim is made 65% SG + 30% MB => 95% MB claim is made 55% MB + 40% B&C => 95% partial product claim can be made 45% SG + 55% B&C < 50% B&C claim can be made</p> | Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded. | Yes |
| | <p>Where one supply chain model accounts for 95% of the oil palm content, the claim for this specific model may be made:</p> <p>95% IP + 5% MB => 95% IP IP claim can be made 95% SG + 5% MB => 95% SG SG claim can be made 95% MB + 5% C => 95% MB MB claim can be made</p> | Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded. | Yes |
| 5.12. Complaints | | | |
| 5.12.1 | The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints. | Sandakan Bay POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered complaints element. So far, no complaint received. | Yes |
| 5.13. Management Review | | | |
| 5.13.1 | The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken. | Sandakan Bay POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered management review, which need to be conducted on annually at planned intervals. The management review for Sandakan Bay POM was conducted on 6/6/2019, chaired by the mill manager. | Yes |
| 5.13.2 | The input to management review shall include information on: | The management review for Sandakan Bay POM was conducted on 6/6/2019, chaired by the mill manager. All the inputs have | |

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| | <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. | <p>been discussed accordingly, eg: Results of internal audits covering RSPO Supply Chain Certification Standard, Customer feedback, Status of preventive and corrective actions, Follow-up actions from management reviews, Changes that could affect the management system, Recommendations for improvement.</p> | <p>Yes</p> |
| <p>5.13.3</p> | <p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. | <p>The management review for Sandakan Bay POM was conducted on 6/6/2019, chaired by the mill manager. All the outputs have been discussed accordingly, eg: Improvement of the effectiveness of the management system and its processes and resource needs.</p> | <p>Yes</p> |

Appendix E : CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)

| E.1 Definition | | | |
|------------------------|---|---|--|
| | Requirement | Evidence For any N/A raised, justification is required. | Compliance (Yes / No or N/A) |
| E.1.1 | Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB. | Sandakan Bay palm oil mill received certified FFB and uncertified FFB. Therefore qualifies for the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products. | Yes |
| E.2 Explanation | | | |
| E.2.1 | The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report. | The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. | Yes |
| E.2.2 | The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform). | The registration of PalmTrace will be carried out by the Global Trade Marketing Department, HQ. All transaction will be registered in the PalmTrace. Company has registered their mill in the PalmTrace:- Members ID – Sandakan Oil Mill: RSPO_PO1000000065 Licence valid until 30/9/2019 Member category : Oil Mill | Yes |

| E.3 Documented procedures | | | |
|------------------------------------|---|--|-----|
| E.3.1 | <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> | <p>SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, product claims, production volume, conversion factor, internal audit, outsourced contractor, training, reclassification of mill's supply chain model, complaints and management review.</p> | Yes |
| | <p>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p> | <p>SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 has identified every responsible personal who involved in the implementation RSPO Supply Chain Certification.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. During interview with mill manager, he had explained that he has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p> | Yes |
| E.3.2 | <p>The site shall have documented procedures for receiving and processing certifies an non-certified FFBs.</p> | <p>SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, outsourced contractor, training, reclassification of mill's supply chain model and production volume.</p> | Yes |
| E.4 Purchasing and goods in | | | |

| | | | |
|---------------------------|--|--|-----|
| E.4.1 | The site shall verify and document the volumes of certified and non-certified FFBS received. | The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as per appendix D: General Chain of Custody Requirements for the Supply Chain | Yes |
| E.4.2 | The site shall inform the CB immediately if there is a projected overproduction of certified tonnage. | They aware on the overproduction as per stated in the procedure. So far, there was no overproduction at Sandakan Bay POM. | Yes |
| E.5 Record keeping | | | |
| E.5.1 | a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis by RSPO. | Records and balance of all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK in Daily Production Report and Mass Balancing Records which data sourced from weighbridge system. Verification of the records shows that the mill was able to record on real-time basis. | Yes |
| | 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 | Computerized system in place with the delivery deducted accordingly. Verified the mass balancing records accordingly. | Yes |
| | c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.) For further details refer to Module C. | The Mill aware that only positive stock can be delivered. No short selling. | Yes |
| E.5.2 | In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement | No outsourcing activities except for transportation. | N/A |

Supply Chain Declaration

| A. Monthly Records of Certified and Uncertified FFB Received since the last audit (June 2018-May 2019) | | | | |
|---|---------------------|---|---|-----------------------------|
| No. | Month - Year | Volume of FFB from certified supply bases (mt) | Volume of FFB from uncertified supply bases (mt) | Total FFB/Month (mt) |
| 1 | June 18 | 12,388.28 | 1,049.15 | 13,437.43 |
| 2 | July 18 | 12,545.66 | 1,279.09 | 13,824.75 |
| 3 | Aug 18 | 13,792.66 | 1,540.25 | 15,332.91 |
| 4 | Sept 18 | 17,016.63 | 3,045.05 | 20,061.68 |
| 5 | Oct 18 | 17,482.18 | 3,205.77 | 20,687.95 |
| 6 | Nov 18 | 17,480.82 | 3,190.39 | 20,671.21 |
| 7 | Dec 18 | 15,419.41 | 3,218.62 | 18,638.03 |
| 8 | Jan 19 | 14,860.41 | 3,278.34 | 18,138.75 |
| 9 | Feb 19 | 13,987.56 | 2,205.20 | 16,192.76 |
| 10 | Mar 19 | 16,058.43 | 3,474.18 | 19,532.61 |
| 11 | Apr 19 | 14,948.67 | 2,880.99 | 17,829.66 |
| 12 | May 19 | 16,066.94 | 3,182.43 | 19,247.16 |
| | TOTAL | 182,045.44 | 31,549.46 | 213,594.90 |

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| B. Monthly Records of Certified CPO & PK since the last audit (June 2018-May 2019) | | | |
|---|---------------------|---------------------------|--------------------------|
| No. | Month - Year | Certified CPO (mt) | Certified PK (mt) |
| 1 | June 18 | 2,706.88 | 591.35 |
| 2 | July 18 | 2,750.98 | 558.40 |
| 3 | Aug 18 | 3,125.52 | 646.32 |
| 4 | Sept 18 | 3,513.77 | 767.17 |
| 5 | Oct 18 | 4,028.21 | 870.48 |
| 6 | Nov 18 | 3,822.21 | 860.43 |
| 7 | Dec 18 | 3,326.94 | 774.03 |
| 8 | Jan 19 | 3,170.47 | 766.88 |
| 9 | Feb 19 | 3,118.59 | 729.67 |
| 10 | Mar 19 | 3,636.13 | 960.51 |
| 11 | Apr 19 | 3,450.11 | 764.36 |
| 12 | May 19 | 3,623.44 | 777.13 |
| | TOTAL | 40,273.29 | 9,066.79 |

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| C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (June 2018-May 2019) | | | | |
|---|--------------------|---|--------------------------------|-------------------------------|
| No. | Buyers Name | Palmtrace Trading License Number | Certified CPO Sold (mt) | Certified PK Sold (mt) |
| 1 | xxxx | TR-7cdd636e-73ab | - | 500 |
| 2 | xxxx | TR-c65a6420-aa7a | - | 300 |
| 3 | xxxx | TR-700ec544-59f5 | - | 281.57 |
| 4 | xxxx | TR-0e2fa6ab-a743 | - | 401.45 |
| 5 | xxxx | TR-79607320-a81f | - | 18.43 |
| 6 | xxxx | TR-a5225d91-5105 | - | 8.84 |
| 7 | xxxx | TR-1022fbfc-c140 | - | 491.16 |
| 8 | xxxx | TR-7cd80761-72da | - | 19.6 |
| 9 | xxxx | TR-c834551e-94d0 | - | 280.4 |
| 10 | xxxx | TR-e11c923b-13b7 | - | 383.81 |
| 11 | xxxx | TR-3315757d-39d9 | - | 279.65 |
| 12 | xxxx | TR-345c2273-8b51 | - | 16.19 |
| 13 | xxxx | TR-388f2d7c-7d98 | - | 20.35 |
| 14 | xxxx | TR-8972a4ce-9aa0 | - | 300 |
| 15 | xxxx | TR-1b9a31d6-a047 | - | 400 |
| 16 | xxxx | TR-9b12be73-14b2 | - | 12.83 |
| 17 | xxxx | TR-988fd91d-5b22 | - | 43.38 |
| Total | | | | 3,757.66 |

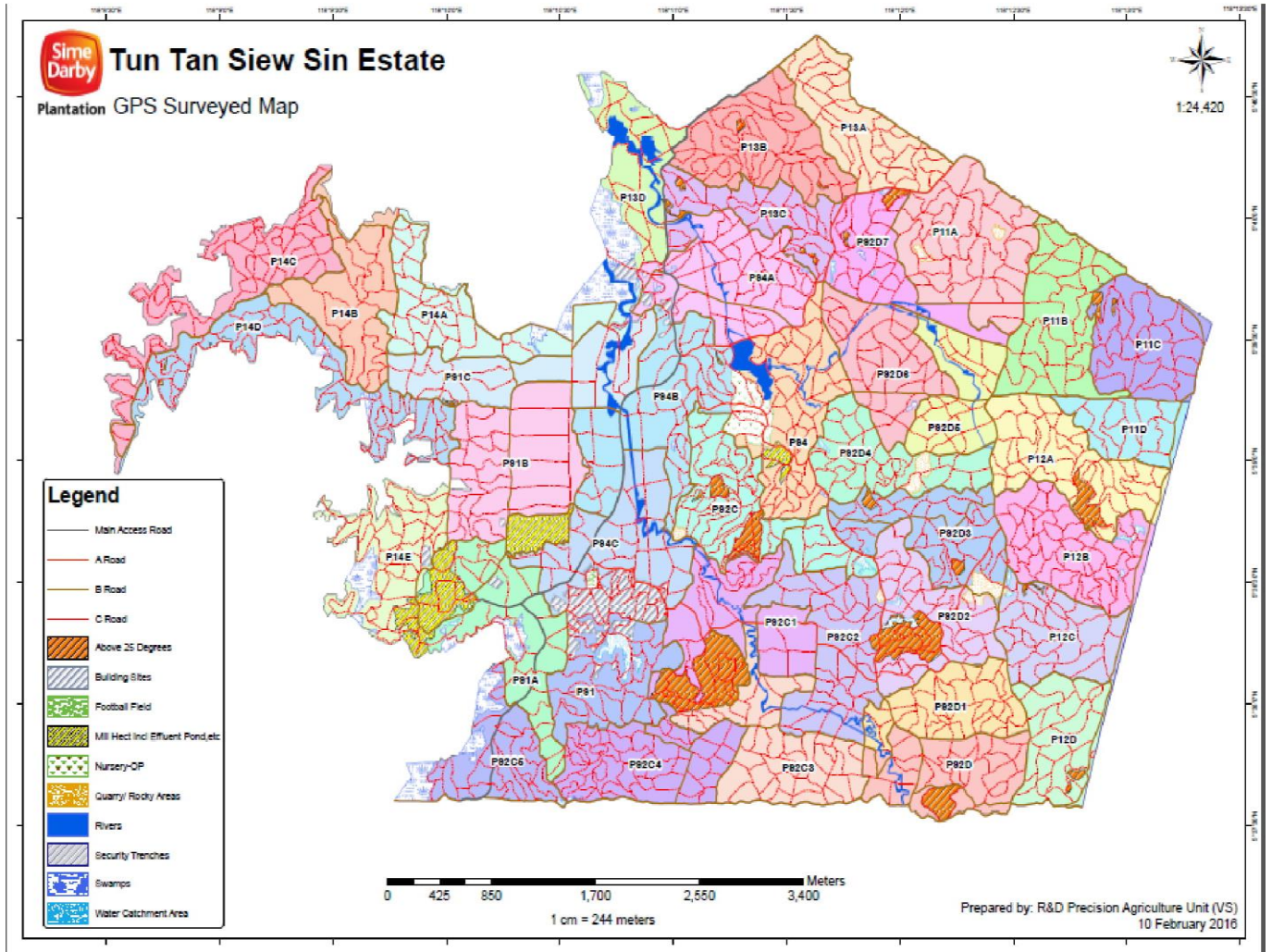
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| D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) | | | | |
|--|-------------|-------------|---------------|--------------|
| No. | Buyers Name | Scheme Name | CPO Sold (mt) | PK Sold (mt) |
| | | | | |
| | | | | |

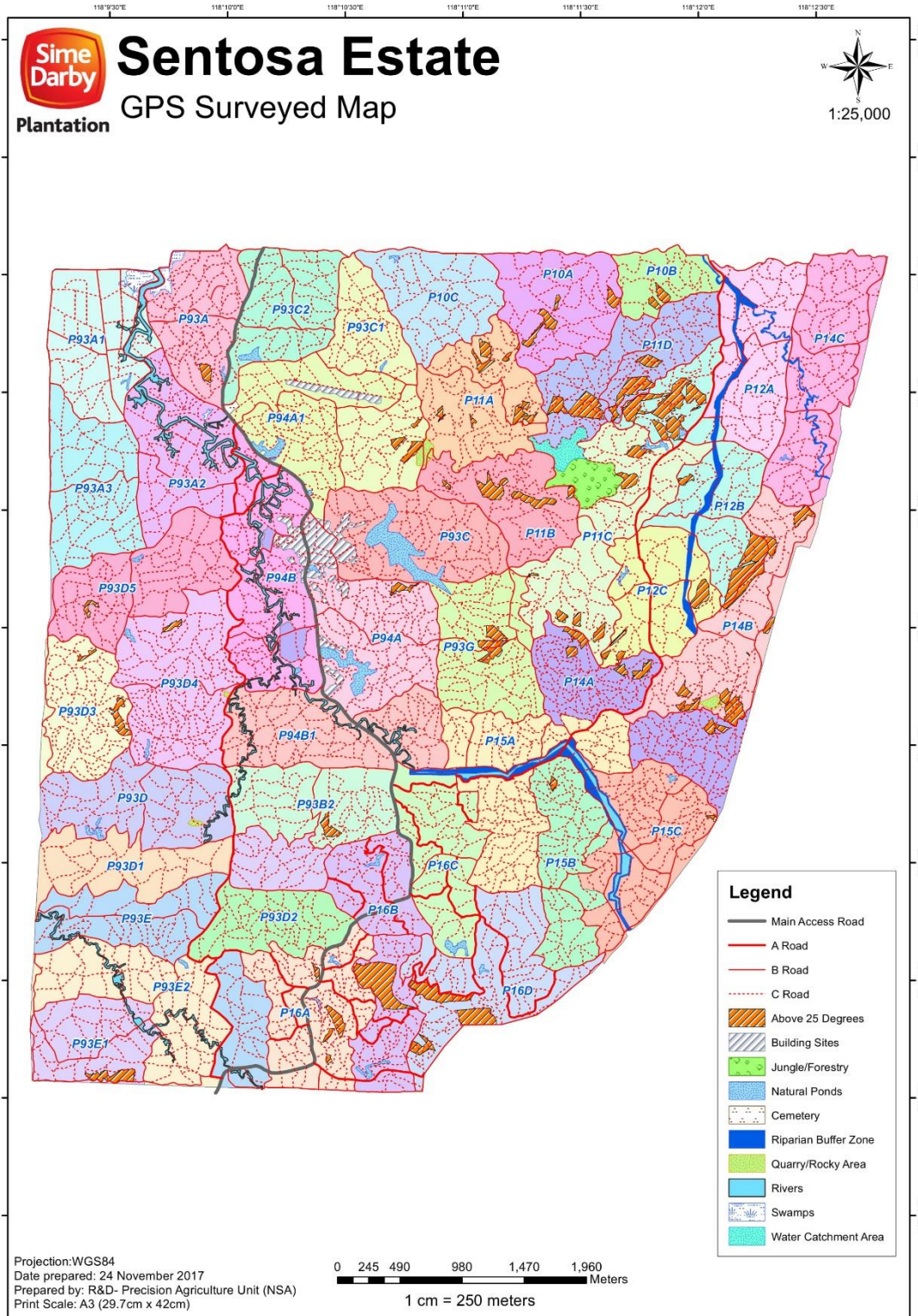
| E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) | | | |
|--|-------------|---------------|--------------|
| No. | Buyers Name | CPO Sold (mt) | PK Sold (mt) |
| 1 | XXXX | - | 3,119.23 |
| 2 | XXXX | - | 500.00 |
| 3 | XXXX | 19,548.80 | 1,985.89 |
| 4 | XXXX | 5,637.13 | 18.66 |
| 5 | XXXX | - | - |
| 6 | XXXX | 1,340.89 | - |
| Total | | 26,526.82 | 5,623.78 |

| F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) | | | |
|--|-------------|----------------------------------|---|
| No. | Buyers Name | PalmTrace Trading License Number | RSPO Credits of Certified CPO Sold (mt) |
| 1 | - | 5920 | 1,000 |
| 2 | - | 5830 | 5,000 |
| 3 | - | 5828 | 5,000 |
| Total | | | 11,000 |

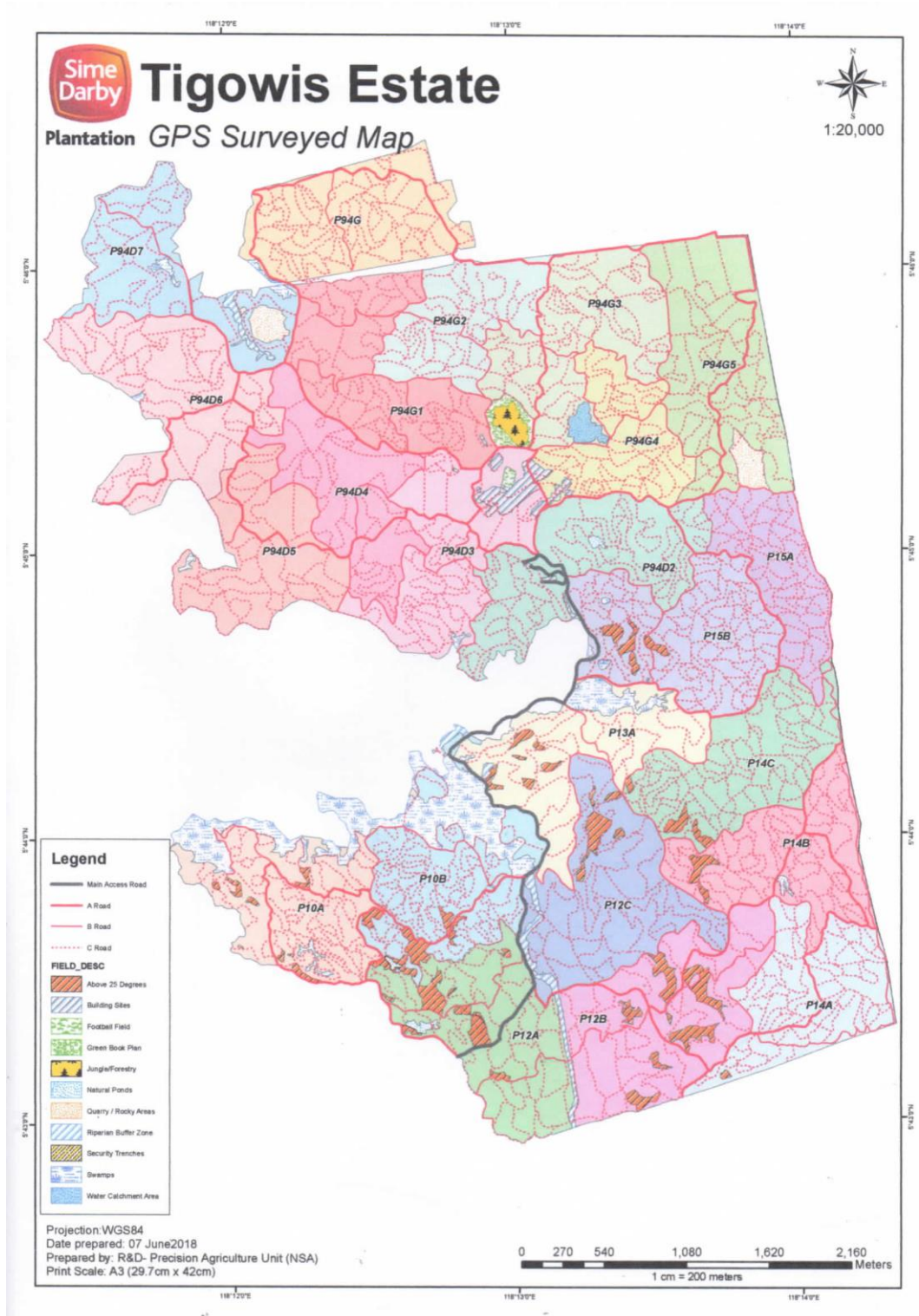
Appendix F: Location Map of Sandakan Bay Palm Oil Mill (under Tun Tan Siew Sin Estate)



Appendix G: Sentosa Estate Field Map



Appendix H: Tigowis Estate Field Map



Appendix I: List of Smallholder Sampled

-Not applicable-

Appendix J: List of Abbreviations

| | |
|------------|--|
| a.i | Active Ingredient |
| BOD | Biochemical Oxygen Demand |
| CB | Certification Bodies |
| CHRA | Chemical Health Risk Assessment |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm Oil |
| CSPO | Certified Sustainable Palm Oil |
| CSPKO | Certified Sustainable Palm Kernel Oil |
| EFB | Empty Fruit Bunch |
| EHS | Environmental, Health and Safety |
| EIA | Environmental Impact Assessment |
| EMS | Environmental Management System |
| FFB | Fresh Fruit Bunch |
| FPIC | Free, Prior, Informed and Consent |
| GAP | Good Agricultural Practice |
| GHG | Greenhouse Gas |
| GMP | Good Manufacturing Practice |
| GPS | Global Positioning System |
| HCV | High Conservation Value |
| IPM | Integrated Pest Management |
| IP | Identity Preserved |
| IS - CSPO | Independent Smallholder Certified Sustainable Palm Oil |
| IS – CSPKO | Independent Smallholder Certified Sustainable Palm Kernel Oil |
| IS – CSPKE | Independent Smallholder Certified Sustainable Palm Kernel Expeller |
| ISCC | International Sustainable Carbon Certification |
| LD50 | Lethal Dose for 50 sample |
| MB | Mass Balance |
| MSDS | Material Safety Data Sheet |
| MT | Metric Tonnes |
| OER | Oil Extraction Rate |
| OSH | Occupational Safety and Health |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| POM | Palm Oil Mill |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RSPO | Roundtable on Sustainable Palm Oil |
| P&C | Principles & Criteria |
| RTE | Rare, Threatened or Endangered species |
| SBPOM | Sandakan Bay Palm Oil Mill |
| SCCS | Supply Chain Certification Standard |
| SE | Sentosa Estate |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |
| TE | Tigowis Estate |