

**RSPO PRINCIPLE AND CRITERIA –  
4<sup>th</sup> ANNUAL SURVEILLANCE ASSESSMENT (ASA1\_4)  
Public Summary Report**

|  |
|--|
| <b>Sime Darby Plantation Berhad</b>  |
| Head Office:<br><br>Level 3A, Main Block, Plantation Tower<br>No. 2, Jalan PJU 1A/7<br>47301 Ara Damansara<br>Selangor, Malaysia   |
| Certification Unit:<br><b>Strategic Operating Unit (SOU 8)</b><br><b>East Palm Oil Mill</b><br><br>Location of Certification Unit:<br><br>42960 Carey Island<br>Selangor, Malaysia |

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**Section 1: Scope of the Certification Assessment**

| 1. Company Details                          |   |                                 |  |
|---|---|---------------------------------|--|
| <b>RSPO Membership Number</b>               | 1-0008-04-000-00  | <b>Membership Approval Date</b> | 06/09/2004   |
| <b>Parent Company Name</b>                  | Sime Darby Plantation Berhad  |                                 |  |
| <b>Address</b>                              | Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia      |                                 |  |
| <b>Subsidiary (Certification Unit Name)</b> | Strategic Operating Unit (SOU 8) - East Palm Oil Mill   |                                 |  |
| <b>Address</b>                              | 42960 Carey Island, Selangor, Malaysia  |                                 |  |
| <b>Contact Name</b>                         | Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM)<br>Mr Azlan bin Md Kambali (Mill Manager) |                                 |  |
| <b>Website</b>                              | <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>                                | <b>E-mail</b>                   | <a href="mailto:kks.east@simedarbyplantation.com">kks.east@simedarbyplantation.com</a> |
| <b>Telephone</b>                            | +603-78484379 (Head Office)<br>+603-31224001 (Mill)   | <b>Facsimile</b>                | +603-78484356 (Head Office)<br>+603-31224005 (Mill)                                    |

| 2. Certification Information  |  |                                    |            |
|-------------------------------|--|------------------------------------|------------|
| <b>Certificate Number</b>     | RSPO 543543  | <b>Date of First Certification</b> | 19/05/2010 |
|                               |  | <b>Certificate Start Date</b>      | 19/05/2015 |
|                               |  | <b>Certificate Expiry Date</b>     | 18/05/2020 |
| <b>Scope of Certification</b> | Palm Oil and Palm Kernel Production from East Palm Oil Mill and Supply Base (East, Dusun Durian and Sepang Estate) |                                    |            |
| <b>Applicable Standards</b>   | RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D)                           |                                    |            |

| 3. Other Certifications |  |                                 |             |
|-------------------------|--|---------------------------------|-------------|
| Certificate Number      | Standard(s)  | Certificate Issued by           | Expiry Date |
| MSPO 682045             | MS 2530-3 Malaysian Sustainable Palm Oil (MSPO) Part 3 | BSI Services Malaysia Sdn. Bhd. | 09/01/2023  |
| MSPO 687976             | MS 2530-4 Malaysian Sustainable Palm Oil (MSPO) Part 4 |                                 | 09/01/2023  |

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| 4. Location(s) of Mill & Supply Bases |  |                 |                   |
|---------------------------------------|--|-----------------|-------------------|
| Name<br>(Mill / Supply Base)          | Location [Map Reference #]   | GPS Coordinates |                   |
|                                       |  | Latitude        | Longitude         |
| East Palm Oil Mill                    | SOU 8 Management Unit (East Palm Oil Mill)<br>42960 Carey Island, Selangor, Malaysia | 2° 54' 21.80" N | 101° 21' 36.36" E |
| East Estate                           | East Estate, 42960 Carey Island, Selangor,<br>Malaysia.                              | 2° 53' 37.75" N | 101° 23' 27.60" E |
| Dusun Durian                          | Ladang Dusun Durian 42700 Banting, Selangor,<br>Malaysia                             | 2° 45' 41.90" N | 101° 27' 54.00" E |
| Sepang Estate                         | Ladang Sepang 43900 Sepang, Selangor,<br>Malaysia                                    | 2° 41' 11.32" N | 101° 43' 26.40" E |

| 5. Description of Supply Base |   |             |                                   |                    |                 |
|-------------------------------|---|-------------|-----------------------------------|--------------------|-----------------|
| Estate                        | Total Planted<br>(Mature +<br>Immature)<br>(ha) | HCV<br>(ha) | Infrastructure<br>& Other<br>(ha) | Total Area<br>(ha) | % of<br>Planted |
| East Estate                   | 4,995.15  | 12.15       | 627.15                            | 5,634.45           | 88.65           |
| Dusun Estate                  | 1,961.14  | 1.43        | 22.03                             | 1,984.60           | 98.82           |
| Sepang Durian                 | 2,706.54  | 2.40        | 467.27                            | 3,176.21           | 85.00           |
| <b>Total</b>                  | 9,662.83  | 15.98       | 1116.45                           | 10,795.26          | 89.50           |

| 6. Plantings & Cycle |             |          |          |         |         |          |          |
|----------------------|-------------|----------|----------|---------|---------|----------|----------|
| Estate               | Age (Years) |          |          |         |         | Mature** | Immature |
|                      | 0 - 3       | 4 - 10   | 11 - 20  | 21 - 25 | 26 - 30 |          |          |
| East Estate          | 1,123.1     | 734.41   | 2,766.01 | 371.63  | 0       | 3,872.05 | 1,123.1  |
| Dusun Durian         | 124.31      | 874.58   | 902.21   | 60.04   | 0       | 1,836.83 | 124.31   |
| Sepang Estate        | 507.26      | 543.29   | 1,413.63 | 242.36  | 0       | 2,199.28 | 507.26   |
| <b>Total (ha)</b>    | 1,754.67    | 2,152.28 | 5,081.85 | 674.03  | 0       | 7,908.16 | 1,754.67 |

| 7. Certified Tonnage of FFB (Own Certified Scope) |                                    |                               |                                   |
|---|------------------------------------|-------------------------------|-----------------------------------|
| Estate  | Tonnage / year                     |                               |                                   |
|   | Estimated<br>(May 2018-April 2019) | Actual<br>(Feb 2018-Dec 2018) | Forecast<br>(May 2019-April 2020) |
| East Estate                                       | 58,124.740                         | 48,130.460                    | 58,124.740                        |
| Dusun Durian                                      | 54,250.500                         | 47,405.700                    | 59,250.500                        |
| Sepang Estate                                     | 56,797.73                          | 50,606.830                    | 60,541.530                        |

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|       |            |            |            |
|-------|------------|------------|------------|
| Total | 169,172.97 | 146,142.99 | 177,916.77 |
|-------|------------|------------|------------|

**8. Certified Tonnage of FFB (from other certified unit(s)) if applicable \***

| Estate       | Tonnage / year                     |                               |                                   |
|--------------|------------------------------------|-------------------------------|-----------------------------------|
|              | Estimated<br>(May 2018-April 2019) | Actual<br>(Feb 2018-Dec 2018) | Forecast<br>(May 2019-April 2020) |
| West Estate  | N/A                                | 75.75                         | N/A                               |
| <b>Total</b> |                                    | <b>75.75</b>                  |                                   |

**9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable**

| Estate       | Tonnage / year                     |                               |                                   |
|--------------|------------------------------------|-------------------------------|-----------------------------------|
|              | Estimated<br>(May 2018-April 2019) | Actual<br>(Feb 2018-Dec 2018) | Forecast<br>(May 2019-April 2020) |
|              | Not Applicable                     |                               |                                   |
| <b>Total</b> |                                    |                               |                                   |

**10. Certified Tonnage**

|                                    | Estimated<br>(May 2018-April 2019) | Actual<br>(Feb 2018-Dec 2018) | Forecast<br>(May 2019-April 2020) |
|------------------------------------|------------------------------------|-------------------------------|-----------------------------------|
| <b>Mill Capacity:<br/>30 MT/hr</b> | <b>FFB</b>                         | <b>FFB</b>                    | <b>FFB</b>                        |
|                                    | <b>169,172.97</b>                  | <b>146,218.74</b>             | <b>177,916.77</b>                 |
| <b>SCC Model:<br/>IP</b>           | <b>CPO (OER: 25.62%)</b>           | <b>CPO (OER: 21.70%)</b>      | <b>CPO (OER: 21.50%)</b>          |
|                                    | <b>43,343.62</b>                   | <b>31,744.08</b>              | <b>38,252.11</b>                  |
|                                    | <b>PK (KER: 5.84%)</b>             | <b>PK (KER: 4.53%)</b>        | <b>PK (KER: 5.1%)</b>             |
|                                    | <b>9,890.91</b>                    | <b>6,626.97</b>               | <b>9,073.76</b>                   |

**Remarks:** Volume extension - FFB: 11,602.94 mt CPO: 7,732.64 mt PK:1,224.61 mt

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| <b>11. Actual Sold Volume (CPO)</b> |                |                         |     |              |           |
|-------------------------------------|----------------|-------------------------|-----|--------------|-----------|
|                                     | RSPO Certified | Other Schemes Certified |     | Conventional | Total     |
|                                     |                | ISCC                    | RSB |              |           |
| <b>CPO (MT)</b>                     | 5,695.75       | 0                       | 0   | 21,649.75    | 27,345.50 |

| <b>12. Actual Sold Volume (PK)</b> |                |                         |     |              |       |
|------------------------------------|----------------|-------------------------|-----|--------------|-------|
|                                    | RSPO Certified | Other Schemes Certified |     | Conventional | Total |
|                                    |                | ISCC                    | RSB |              |       |
| <b>PK (MT)</b>                     | 3,550          | 0                       | 0   | 2,010        | 5,560 |

| <b>13. Actual Group certification Claims</b> |        |                      |
|--|--------|----------------------|
|  | Credit | Physical Volume (MT) |
| <b>IS-CSPO</b>                               | -      | -                    |
| <b>IS-CSPKO</b>                              | -      | -                    |
| <b>IS-CSPKE</b>                              | -      | -                    |

## 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  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

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 28/01 – 01/02/2019. 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 Major NC close out on-site assessment was conducted on 15/04/2019. The audit programmes are included in Section 2.3.

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 & Criterias 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.



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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 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 Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

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**

| <b>Assessment Program</b>            |                                   |                           |                           |                           |                           |
|--------------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Name<br/>(Mill / Supply Base)</b> | <b>Year 1<br/>(Certification)</b> | <b>Year 2<br/>(ASA 1)</b> | <b>Year 3<br/>(ASA 2)</b> | <b>Year 4<br/>(ASA 3)</b> | <b>Year 5<br/>(ASA 4)</b> |
| East Palm Oil Mill                   | ✓                                 | ✓                         | ✓                         | ✓                         | ✓                         |
| Dusun Durian Estate                  | ✓                                 | ✓                         |                           | ✓                         | ✓                         |
| Sepang Estate                        | ✓                                 |                           | ✓                         | ✓                         | ✓                         |
| East Estate                          |                                   | ✓                         | ✓                         |                           | ✓                         |

**Tentative Date of Next Visit:** January 27, 2020 - January 31, 2020

**Total No. of Mandays:** 10 mandays (including 1 day for mill - SC audit)

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**2.2 BSI Assessment Team:**

| <b>Team Member Name</b> | <b>Role</b><br><i>(Team Leader or Team member)</i> | <b>Qualifications</b><br><i>(Short description of the team members)</i>  |
|-------------------------|--|--|
| Mohamed Hidhir (MH)     | Team Leader  | He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as 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 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, estate & mill best practices, safety & health, workers consultation and SCC for CPO mill. He is fluent in Bahasa Malaysia and English languages.                         |
| Hu Ning Shing (HNS)     | Team Member  | She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal and workers & stakeholders consultation. She is fluent in Bahasa Malaysia and English languages.  |
| Mr Muhammad Fadzli (MF) | 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 ISO 9001 and ISO 14001 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. During this assessment, he assessed on the aspects of legal, estate & mill best practices, environmental and workers consultation. He is fluent in Bahasa Malaysia and English languages. |

**Accompanying Persons:**

| <b>No.</b> | <b>Name</b>     | <b>Role</b>   |
|------------|-----------------|---|
| 1          | Nicholas Cheong | Qualifying reviewer (RSPO SCCS LA re-qualification) |

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**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

| PRELIMINARY AGENDA                                    |               |   |        |        |            |          |
|---|---------------|---|--------|--------|------------|----------|
| Date  | Time          | Subjects  | Hidhir | Fadzli | Ning Shing | Nicholas |
| Sunday<br>27/1/2019                                   | PM            | Audit Team travelling to Banting  | √      | √      | -          | -        |
| Monday<br>28/1/2019<br><br><b>East Palm Oil Mill</b>  | 730           | Travelling to East POM  | √      | -      | -          | √        |
|   | 0830-0900     | Opening briefing – Audit team leader and East POM’s RSPO SCC/SQM representative   |        |        |            |          |
|   | 0900-1230     | Supply chain audit for East POM <ul style="list-style-type: none"> <li>• General COC for supply chain</li> <li>• RSPO rules communication and claim</li> <li>• Site visit processing and storage facility (if required)</li> </ul>  |        |        |            |          |
|   | 1230-1330     | Lunch break   | √      | -      | -          | √        |
|   | 1330-1600     | <ul style="list-style-type: none"> <li>• Module D: Identity Preserved</li> <li>• Verification of records relating receipt, processing and supply of certified oil palm product</li> </ul>   | √      | -      | -          | √        |
|   | 1630-1700     | Interim closing for RSPO SCC  | √      | -      | -          | √        |
| Tuesday<br>29/1/2019<br><br><b>East Palm Oil Mill</b> | 08.30 – 09.00 | Opening Meeting: <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).</li> <li>• Verification on previous audit findings</li> </ul>                        | √      | √      | √          |          |
|   | 09.00 – 12.00 | <b>East Palm Oil Mill</b> 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. | √      | √      | √          |          |
|   | 10.00 – 12.00 | <b>Meeting with stakeholders</b> (Government, village rep, smallholders, Union Leader, contractor etc.)   | -      | -      | √          | -        |
|   | 12.00 – 13.00 | Lunch   | √      | √      | √          |          |

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| PRELIMINARY AGENDA     |               |  |        |        |            |          |
|------------------------|---------------|--|--------|--------|------------|----------|
| Date                   | Time          | Subjects   | Hidhir | Fadzli | Ning Shing | Nicholas |
|                        | 13.00 – 16.30 | <b>East Palm Oil Mill:</b> Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities. | √      | √      | √          |          |
|                        | 16.30-17.00   | Interim Closing briefing.  | √      | √      | √          |          |
| Wednesday<br>30/1/2019 | 08.30 – 12.00 | <b>Sepang Estate</b><br>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 | <b>Meeting with stakeholders</b><br>(Government, village rep, smallholders, Union Leader, contractor etc.)   | -      | -      | √          |          |
|                        | 12.00 – 13.00 | Lunch  | √      | √      | √          |          |
|                        | 13.00 – 16.30 | <b>Sepang Estate</b><br>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<br>31/1/2019  | 8.30 – 13.00  | <b>Dusun Durian Estate</b><br>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 | <b>Meeting with stakeholders</b><br>(Government, village rep, smallholders, Union Leader, contractor etc.)   | -      | -      | √          |          |
|                        | 13.00 – 14.30 | Lunch break  | √      | √      | √          |          |

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|--------------------|---------------|--|--------|--------|------------|----------|
| Date               | Time          | Subjects   | Hidhir | Fadzli | Ning Shing | Nicholas |
|                    | 14.30 – 16.30 | <b>Dusun Durian Estate</b><br>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). | √      | √      | √          |          |
|                    | 16.30-17.30   | Interim Closing  | √      | √      | √          |          |
| Friday<br>1/2/2019 | 8.30 – 13.00  | <b>East Estate</b><br>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 | <b>Meeting with stakeholders</b><br>(Government, village rep, smallholders, Union Leader, contractor etc.)   | -      | -      | √          |          |
|                    | 13.00 – 14.30 | Lunch break and Friday prayer  | √      | √      | √          |          |
|                    | 14.30 – 16.30 | <b>East Estate</b><br>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).         | √      | √      | √          |          |
|                    | 16.30-17.30   | Audit team discussion and closing meeting  | √      | √      | √          |          |

**Major NC Close Out Assessment Programme**

| Date                | Time      | Subjects  | VSH |
|---------------------|-----------|---|-----|
| Monday<br>15/4/2019 | 0845-0900 | Opening briefing by the audit team leader at Dusun Durian Estate  | √   |
|                     | 0900-1030 | <b>Dusun Durian Estate</b><br>Verification of effective implementation of corrective actions for the NCR raised, including interview with relevant workers/contractors. | √   |

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|           |  |   |
|-----------|--|---|
| 1100-1300 | <b>East POM and East Estate</b><br>Verification of effective implementation of corrective actions for the NCR raised, including interview with relevant workers/contractors. | √ |
| 1300      | End of visit   | √ |

### 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.<br>Malaysia - Effectively 34 SOUs: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down.<br>Indonesia - Effectively 25 SOUs.<br>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 &amp; 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 &amp; 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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|   |   |     |
|---|---|-----|
|   | updated for dispute tracker for following case, <a href="http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes#007">http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes#007</a>   |     |
| Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> 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 <b>Major</b> 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 |
| <b>Un-Certified Units or Holdings</b>   |   |     |
| No replacement after dates defined in NIs Criterion 7.3:<br><ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO P&amp;C criterion 7.3.</li> </ul> | 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 <sup>st</sup> 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 <sup>st</sup> 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.<br><br>*Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?</a> | Yes |

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| <p>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&amp;C criteria 2.2, 6.4, 7.5 and 7.6.</p> <p>The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities <a href="https://www.rspo.org/certification/remediation-and-compensation/racp-tracker">https://www.rspo.org/certification/remediation-and-compensation/racp-tracker</a>. The progress on the Liabilities shall be verified and reported.</p> | <p>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:</p> <p style="text-align: center;"><b>SIME DARBY PLANTATION: LUCA SUBMISSION TIMELINE</b></p> <table border="1" data-bbox="726 568 1321 1070"> <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 rowspan="19">Shapefiles to be submitted to RSPO by 17 Aug 2018</td> </tr> <tr> <td>7.</td> <td>PT Paripurna Swakarsa</td> <td>Submitted on 29 Sept 2017</td> </tr> <tr> <td>8.</td> <td>PT Sime Indo Agro</td> <td>Submitted on 10 Nov 2017</td> </tr> <tr> <td>9.</td> <td>PT Bhumireksa Nusa Sejati</td> <td>Submitted on 12 Dec 2017</td> </tr> <tr> <td>10.</td> <td>PT Budidaya Agro Lestari</td> <td>Submitted on 15 Dec 2017<br/><i>*Re-submitted on 29 Dec 2017</i></td> </tr> <tr> <td>11.</td> <td>PT Teguh Sempurna</td> <td>Submitted on 15 Dec 2017<br/><i>*Re-submitted on 29 Dec 2017</i></td> </tr> <tr> <td>12.</td> <td>PT Bahari Gembira Ria</td> <td>Submitted on 29 Dec 2017</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 | Shapefiles to be submitted to RSPO by 17 Aug 2018 | 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<br><i>*Re-submitted on 29 Dec 2017</i> | 11. | PT Teguh Sempurna | Submitted on 15 Dec 2017<br><i>*Re-submitted on 29 Dec 2017</i> | 12. | PT Bahari Gembira Ria | Submitted on 29 Dec 2017 | 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 | <p>Yes</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                                       | Shapefiles to be submitted to RSPO by 17 Aug 2018 |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| 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<br><i>*Re-submitted on 29 Dec 2017</i> |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| 11.   | PT Teguh Sempurna   | Submitted on 15 Dec 2017<br><i>*Re-submitted on 29 Dec 2017</i> |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| 12.   | PT Bahari Gembira Ria   | Submitted on 29 Dec 2017  |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| 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  |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| <p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&amp;C criterion 6.3.</p>  | <p>No stakeholder comments or complaints received.</p>  | <p>Yes</p>  |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| <p>Any Legal non-compliance is being addressed through measures consistent with the requirements of RSPO P&amp;C criteria 2.1</p>   | <p>None noted. No stakeholder comments or complaints received.</p>  | <p>Yes</p>  |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |
| <p>Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.</p>  | <p>Yes</p>  | <p>Yes</p>  |   |                           |                              |    |                     |                          |                           |    |                         |                           |                              |    |                   |                         |                              |    |                          |                         |                              |    |                   |                          |                              |    |                     |                           |   |    |                       |                           |    |                   |                          |    |                           |                          |     |                          |   |     |                   |   |     |                       |                          |     |                                |                          |     |                   |                          |     |                            |                          |     |                             |                          |     |                            |                          |     |                       |                          |     |                            |                          |            |

**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? | Not applicable |            |

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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 4<sup>th</sup> Annual Surveillance Assessment there were five (5) Major & four (4) Minor nonconformities raised. The East 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. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly.

| Summary of Total Number of Nonconformity |  |  |                                    |
|--|--|--|------------------------------------|
| Nonconformity                            |  |  |                                    |
| <b>NCR Ref #</b>                         | 1733498-201901-M1  | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS Module D<br>5.1<br>Major |
| <b>Date Issued</b>                       | 01/02/2019   | <b>Due Date</b>                              | 01/05/2019                         |
| <b>Closed (Yes / No)</b>                 | Yes  | <b>Date of nonconformity Closure</b>         | 15/04/2019                         |
| <b>Statement of Nonconformity:</b>       | Record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK was not consistently monitored on a realtime basis   |  |                                    |
| <b>Requirement Reference:</b>            | 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. IP Mill must report on real time basis.   |  |                                    |
| <b>Objective Evidence:</b>               | Real time monitoring was not effectively demonstrated based on quarterly records and balance from February 2018 to December 2018, it was found that:<br>i) February 2018 : delivery of RSPO PK more that stock (7.56 mt)<br>ii) June 2018 : delivery of RSPO PK more than stock (819.83 mt)<br>iii) December 2018 : delivery of RSPO PK more than stock (454.47 mt)  |  |                                    |
| <b>Corrections:</b>                      | Mill will assigned the executive to monitor the CSPO and CSPK records. Beside, Mill management will be provided with username and password for self-monitoring in real-time basis of any transaction.  |  |                                    |
| <b>Root Cause Analysis:</b>              | Due to the executive transfer, there is no designated person in charge to monitor the CSPO and CSPK  |  |                                    |
| <b>Corrective Actions:</b>               | The new person in charge has been assigned by the mill. The new PIC will use the new monitoring template. In the revised monitoring template, PIC will make a reconciliation between CPO & PK dispatch and CPO & PK announced in RSPO IT Platform.   |  |                                    |
| <b>Assessment Conclusion:</b>            | Major NC close out verification:<br>The following evidence was verified on-site:<br>- Appointment letter dated 1/2/2019 where an executive has been appointed to monitor the CSPO and CSPK records<br>- revised template CSPO & CSPK monitoring sheet (a.k.a balance sheet), Based on the sheet, the deliveries were made from positive stock<br>- Daily production summary report as at 14/4/2019 showing that the CSPO and CSPK productions were recorded in real-time basis.<br>Based on the evidence, the implementation of corrective action was found to be effective. Thus, the NCR is closed on 15/4/2019. |  |                                    |

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| Summary of Total Number of Nonconformity |   |  |   |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
|--|---|--|---|-----------------------------|--------------------|---------------------|----------------------------|-----------------------------|----------|--------|--------|---|---|------------|---|--------|----|---|------------|---|-----|-----|------|----------|---|---|---|---|-----------|------|--------|-----|---|-----------|---|------|------|---|-------------|---|-------|---|----|-----------|-----|--------|---|------|----------|---|-------|-----|------|----------|---|-----|-----|------|----------|------|---|-----|---|-------|---------|---------|------|------|
| Nonconformity                            |   |  |   |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>NCR Ref #</b>                         | 1733498-201901-M2   | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS General<br>COC 5.7.2<br>Major |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>Date Issued</b>                       | 01/02/2019  | <b>Due Date</b>                              | 01/05/2019                              |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>Closed (Yes / No)</b>                 | Yes   | <b>Date of nonconformity Closure</b>         | 15/04/2019                              |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>Statement of Nonconformity:</b>       | Shipping announcement for the volumes of products that are in the yield scheme (CPO and PK) was not promptly registered in the RSPO IT Platform   |  |   |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>Requirement Reference:</b>            | <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"> <li>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.</li> </ul>   |  |   |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>Objective Evidence:</b>               | <p>Based on downloaded transaction license ID: CB 70765, palm trace transaction recorded for CPO is 7440.18 mt. No reconciliation of certified CPO compared to NC product for the period of February 2018 to December 2018. Based on quarterly records and balance from February 2018 to December 2018, the following were recorded:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>RSPO Delivery (PK)</th> <th>RSPO Delivery (CPO)</th> <th>Confirmed transaction (PK)</th> <th>Confirmed transaction (CPO)</th> </tr> </thead> <tbody> <tr> <td>Feb 2018</td> <td>518.29</td> <td>394.66</td> <td>0</td> <td>0</td> </tr> <tr> <td>March 2018</td> <td>0</td> <td>194.24</td> <td>00</td> <td>0</td> </tr> <tr> <td>April 2018</td> <td>0</td> <td>250</td> <td>450</td> <td>1200</td> </tr> <tr> <td>May 2018</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>June 2018</td> <td>1300</td> <td>249.06</td> <td>100</td> <td>0</td> </tr> <tr> <td>July 2018</td> <td>0</td> <td>72.2</td> <td>1300</td> <td>0</td> </tr> <tr> <td>August 2018</td> <td>0</td> <td>32.19</td> <td>0</td> <td>00</td> </tr> <tr> <td>Sept 2018</td> <td>600</td> <td>282.12</td> <td>0</td> <td>0796</td> </tr> <tr> <td>Oct 2018</td> <td>0</td> <td>40.14</td> <td>600</td> <td>1700</td> </tr> <tr> <td>Nov 2018</td> <td>0</td> <td>286</td> <td>500</td> <td>2000</td> </tr> <tr> <td>Dec 2018</td> <td>1100</td> <td>0</td> <td>600</td> <td>0</td> </tr> <tr> <td>Total</td> <td>3518.29</td> <td>1800.61</td> <td>3550</td> <td>5696</td> </tr> </tbody> </table> <p>CPO - RSPO delivery: 1,800.61 mt (balance sheet) vs 5,696 mt (palm trace), NC CPO sold: 28,120.57 mt (balance sheet). No evidence provided for commodity downgrade from IP to NC CPO.</p> |  |   | Month                       | RSPO Delivery (PK) | RSPO Delivery (CPO) | Confirmed transaction (PK) | Confirmed transaction (CPO) | Feb 2018 | 518.29 | 394.66 | 0 | 0 | March 2018 | 0 | 194.24 | 00 | 0 | April 2018 | 0 | 250 | 450 | 1200 | May 2018 | 0 | 0 | 0 | 0 | June 2018 | 1300 | 249.06 | 100 | 0 | July 2018 | 0 | 72.2 | 1300 | 0 | August 2018 | 0 | 32.19 | 0 | 00 | Sept 2018 | 600 | 282.12 | 0 | 0796 | Oct 2018 | 0 | 40.14 | 600 | 1700 | Nov 2018 | 0 | 286 | 500 | 2000 | Dec 2018 | 1100 | 0 | 600 | 0 | Total | 3518.29 | 1800.61 | 3550 | 5696 |
| Month                                    | RSPO Delivery (PK)  | RSPO Delivery (CPO)                          | Confirmed transaction (PK)              | Confirmed transaction (CPO) |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| Feb 2018                                 | 518.29  | 394.66                                       | 0                                       | 0                           |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| March 2018                               | 0   | 194.24                                       | 00                                      | 0                           |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| April 2018                               | 0   | 250  | 450                                     | 1200                        |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| May 2018                                 | 0   | 0  | 0                                       | 0                           |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| June 2018                                | 1300  | 249.06                                       | 100                                     | 0                           |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| July 2018                                | 0   | 72.2   | 1300                                    | 0                           |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| August 2018                              | 0   | 32.19  | 0                                       | 00                          |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| Sept 2018                                | 600   | 282.12                                       | 0                                       | 0796                        |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| Oct 2018                                 | 0   | 40.14  | 600                                     | 1700                        |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| Nov 2018                                 | 0   | 286  | 500                                     | 2000                        |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| Dec 2018                                 | 1100  | 0  | 600                                     | 0                           |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| Total                                    | 3518.29   | 1800.61                                      | 3550                                    | 5696                        |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |
| <b>Corrections:</b>                      | Mill management will be provided with username and password for selfmonitoring in real-time basis of any transaction. The monitoring is not limited to the certified product only, the downgrade product is also available. In the revised monitoring template, PIC will make a reconciliation between CPO & PK despatch and CPO & PK announced in RSPO IT  |  |   |                             |                    |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |

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|                               |  |
|-------------------------------|--|
|                               | Platform.  |
| <b>Root Cause Analysis:</b>   | CPO/PK contracts from mills to refineries/KCP are allocated as RSPO IP/MB on a provisional basis. The final sales of products and its RSPO status shall be confirmed later by the refineries/KCP, refineries/KCP will then select the relevant contracts matching the RSPO sales, and only selected contracts will be announced in PalmTrace. This is applicable for contracts from mills to Sime Darby refineries/KCP but not for third party customers. There is no monitoring on the downgrade product. |
| <b>Corrective Actions:</b>    | Monitoring of RSPO certified CPO and PK will be done in a revised template based on the actual announcement in RSPO Palmtrace system with the necessary reconciliation and in accordance to the SOP. The downgrade product will be determine in the new format   |
| <b>Assessment Conclusion:</b> | Major NC close out verification:<br>The following evidence was verified on-site:<br>- palmtrace announcement in excel sheet for both CSPO and CSPK<br>- revised template CSPO & CSPK monitoring sheet (a.k.a balance sheet), showing the volume announce in the palmtrace by month and sales as conventional.<br>Based on the verification of the documents, it was found that the volume announced in the palmtrace was tally with the records in the balance sheet. Thus, the NCR is closed on 15/4/2019 |

| <b>Summary of Total Number of Nonconformity</b> |  |  |                               |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
|---|--|--|-------------------------------|-----------------------------|----------------------------|-----------------------------|----------|--------|--------|---|---|------------|---|--------|----|---|------------|---|-----|-----|------|----------|---|---|---|---|-----------|------|--------|-----|---|--|--|
| <b>Nonconformity</b>                            |  |  |                               |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| <b>NCR Ref #</b>                                | 1733498-201901-M3  | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS Module D: 2.2 Major |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| <b>Date Issued</b>                              | 01/02/2019   | <b>Due Date</b>                              | 01/05/2019                    |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| <b>Closed (Yes / No)</b>                        | Yes  | <b>Date of nonconformity Closure</b>         | 15/04/2019                    |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| <b>Statement of Nonconformity:</b>              | Registration and reporting requirements in RSPO IT platform was not effectively demonstrated.  |  |                               |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| <b>Requirement Reference:</b>                   | 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)  |  |                               |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| <b>Objective Evidence:</b>                      | Based on downloaded transaction license ID: CB 70765, palm trace transaction recorded for CPO is 7440.18 mt. No reconciliation of certified CPO compared to NC product delivered/sold for the period of February 2018 to December 2018. Based on quarterly records and balance from February 2018 to December 2018, the following were recorded:   |  |                               |                             |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
|   | <table border="1"> <thead> <tr> <th>Month</th> <th>RSPO Delivery (PK)</th> <th>RSPO Delivery (CPO)</th> <th>Confirmed transaction (PK)</th> <th>Confirmed transaction (CPO)</th> </tr> </thead> <tbody> <tr> <td>Feb 2018</td> <td>518.29</td> <td>394.66</td> <td>0</td> <td>0</td> </tr> <tr> <td>March 2018</td> <td>0</td> <td>194.24</td> <td>00</td> <td>0</td> </tr> <tr> <td>April 2018</td> <td>0</td> <td>250</td> <td>450</td> <td>1200</td> </tr> <tr> <td>May 2018</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>June 2018</td> <td>1300</td> <td>249.06</td> <td>100</td> <td>0</td> </tr> </tbody> </table> | Month  | RSPO Delivery (PK)            | RSPO Delivery (CPO)         | Confirmed transaction (PK) | Confirmed transaction (CPO) | Feb 2018 | 518.29 | 394.66 | 0 | 0 | March 2018 | 0 | 194.24 | 00 | 0 | April 2018 | 0 | 250 | 450 | 1200 | May 2018 | 0 | 0 | 0 | 0 | June 2018 | 1300 | 249.06 | 100 | 0 |  |  |
| Month   | RSPO Delivery (PK)   | RSPO Delivery (CPO)                          | Confirmed transaction (PK)    | Confirmed transaction (CPO) |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| Feb 2018  | 518.29   | 394.66                                       | 0                             | 0                           |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| March 2018                                      | 0  | 194.24                                       | 00                            | 0                           |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| April 2018                                      | 0  | 250  | 450                           | 1200                        |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| May 2018  | 0  | 0  | 0                             | 0                           |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |
| June 2018                                       | 1300   | 249.06                                       | 100                           | 0                           |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |  |  |

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|                               | July 2018   | 0              | 72.2           | 1300        | 0           |
|                               | August 2018   | 0              | 32.19          | 0           | 00          |
|                               | Sept 2018   | 600            | 282.12         | 0           | 0796        |
|                               | Oct 2018  | 0              | 40.14          | 600         | 1700        |
|                               | Nov 2018  | 0              | 286            | 500         | 2000        |
|                               | Dec 2018  | 1100           | 0              | 600         | 0           |
|                               | <b>Total</b>  | <b>3518.29</b> | <b>1800.61</b> | <b>3550</b> | <b>5696</b> |
|                               | CPO - RSPO delivery: 1,800.61 mt (balance sheet) vs 5,696 mt (palm trace), NC CPO sold: 28,120.57 mt (balance sheet). No evidence provided for commodity downgrade from IP to NC CPO.   |                |                |             |             |
| <b>Corrections:</b>           | Mill management will be provided with username and password for selfmonitoring in real-time basis of any transaction. The monitoring is not limited to the certified product only, the downgrade product is also available.   |                |                |             |             |
| <b>Root Cause Analysis:</b>   | CPO/PK contracts from mills to refineries/KCP are allocated as RSPO IP/MB on a provisional basis. The final sales of products and its RSPO status shall be confirmed later by the refineries/KCP, refineries/KCP will then select the relevant contracts matching the RSPO sales, and only selected contracts will be announced in PalmTrace. This is applicable for contracts from mills to Sime Darby refineries/KCP but not for third party customers. There is no monitoring on the downgrade product   |                |                |             |             |
| <b>Corrective Actions:</b>    | Monitoring of RSPO certified CPO & PK will be done in a revised template based on the actual announcement in RSPO Palmtrace system with the necessary reconciliation and in accordance to the SOP. The downgrade product will be determine in the new format.   |                |                |             |             |
| <b>Assessment Conclusion:</b> | <p>Major NC close out verification:</p> <p>The following evidence was verified on-site:</p> <ul style="list-style-type: none"> <li>- palmtrace announcement in excel sheet for both CSPO and CSPK</li> <li>- revised template CSPO &amp; CSPK monitoring sheet (a.k.a balance sheet), showing the volume announce in the palmtrace by month and sales as conventional.</li> </ul> <p>Based on the verification of the documents, it was found that the volume announced in the palmtrace was tally with the records in the balance sheet. Thus, the NCR is closed on 15/4/2019.</p> |                |                |             |             |

| <b>Summary of Total Number of Nonconformity</b> |   |  |                       |
|---|---|--|-----------------------|
| <b>Nonconformity</b>                            |   |  |                       |
| <b>NCR Ref #</b>                                | 1733498-201901-M4   | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 6.5.1 Major |
| <b>Date Issued</b>                              | 01/02/2019  | <b>Due Date</b>                              | 01/05/2019            |
| <b>Closed (Yes / No)</b>                        | Yes   | <b>Date of nonconformity Closure</b>         | 15/04/2019            |
| <b>Statement of Nonconformity:</b>              | The pay and conditions were not implemented according to legal requirements.  |  |                       |
| <b>Requirement Reference:</b>                   | Documentation of pay and conditions shall be available.   |  |                       |
| <b>Objective Evidence:</b>                      | Dusun Durian Estate:<br>• Interviewed with the contractors' workers found that they were paid RM 37/ day and with overtime rate is RM 5/ hour. They were not paid |  |                       |

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|                                      | <p>double if work on rest day, Sunday.</p> <ul style="list-style-type: none"> <li>• Interviewed with the contractor confirmed that the workers’ daily rate is RM 37 with RM 5/ hour for overtime. If workers worked on rest day, their daily rate also RM 37 only.</li> <li>• Reviewed on the payslips from October 2018 to December 2018 found that the basic rate is RM 37/ day and the overtime rate is RM 5/ hour.</li> <li>• Reviewed on the Memorandum of agreement between contractor and the management, under Clause 4.1 (vi), stated “The Contractor shall ensure that all the said workers enjoy the monetary benefits entitled to them under Malaysian laws, which inter alia shall include paid leave and paid medical leave.” The daily rate of wages to be complied with Minimum Wage Order 2016 is RM 38.46 and the overtime rate should be RM 7.21/ hour. Therefore, the contractors have yet to comply with the requirements and did not pay the wages accordingly. Total 52 workers' payslips were reviewed for October 2018 to December 2018. Besides, sampled 4 workers for Contractor Sri have yet to receive payslip verified through interviewed with the workers and representative of contractor as below: <ul style="list-style-type: none"> <li>a. Permit No.: PE 0457969</li> <li>b. Permit No.: PE 1093605</li> <li>c. Permit No.: PD 4968693</li> <li>d. Permit No.: PE 0437428</li> </ul> </li> </ul> |
| <p><b>Corrections:</b></p>           | <p>Estate management will conduct the meeting and legal training to the related contractor. The enforcement for compliance will be carry out immediately and the contractor shall to responsible to ensure all the requirement is complied.</p> <p>To immediately conduct a briefing session with contactors on relevant requirement specifically on labour and immigration as stated in the contract agreement, to rectify the issues stated above.</p>  |
| <p><b>Root Cause Analysis:</b></p>   | <p>The contractor does not understand to fulfill the legal requirements even though the terms of the agreement have stated. Estate Management also only monitor the presence of documents but have no monitoring of compliance with applicable laws.</p>  |
| <p><b>Corrective Actions:</b></p>    | <p>As a practice before, estate will obtain copy for the all documents and will be assign the person in charge to monitor the compliance with the legal requirement.</p> <p>Internal Audit to monitor the compliance of contractors’ engaged on the relevant requirement stated in the contract agreement.</p>  |
| <p><b>Assessment Conclusion:</b></p> | <p>On-site verification:<br/> The following evidence was verified on-site:<br/> - The new wage rate (RM42.31/day) cannot be implemented yet by the contractors because it needs to revise the rate in contract agreement between SDPB and the contractors. At the point of on-site verification, the new tendering dated 13/3/2019 and submitted to Zone Office (Carey Island) on 15/5/2019 but still pending for approval from GM. It is expected to be approved by 15/4/2019 and retendering will be made within 2 weeks thereafter. Therefore, the contractors had no source of finance to meet the minimum wage.<br/> - minutes of meeting dated 2/2/2019<br/> - payslips for the month of March 2019 for the contractors’ (Sritheran, GSP Lechumy) workers showing the rest days and overtime were paid accordingly. These also have been crossed checked with daily check-roll.<br/> - PIC to monitor compliance with the legal requirement (En. Rosnizam – AM) recorded the monitoring results in payslips vs contract attendance</p>  |

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|  | <p>book (check-roll)</p> <p>- Internal audit is planned to be conducted in Dec 2019, combined with MSPO. Internal Audit Schedule is available.</p> <p>Based on the evidence, the implementation of corrective action was found to be effective. Thus, the NCR is closed on 15/4/2019.</p> |
|--|---|

| <b>Summary of Total Number of Nonconformity</b> |   |  |                          |
|---|---|--|--------------------------|
| <b>Nonconformity</b>                            |   |  |                          |
| <b>NCR Ref #</b>                                | 1733498-201901-M5   | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 6.5.2<br>Major |
| <b>Date Issued</b>                              | 01/02/2019  | <b>Due Date</b>                              | 01/05/2019               |
| <b>Closed (Yes / No)</b>                        | Yes   | <b>Date of nonconformity Closure</b>         | 15/04/2019               |
| <b>Statement of Nonconformity:</b>              | Employment contract detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) was not implemented adequately.   |  |                          |
| <b>Requirement Reference:</b>                   | 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.  |  |                          |
| <b>Objective Evidence:</b>                      | <p>Dusun Durian Estate: Reviewed on the employment contract for the contractors' workers (GSP) found that the terms and conditions stated in the contract were not outlined as per the Employment Act 1955. For eg:</p> <p>a. Clause 2 – The wages will be paid by daily rate (RM 38/ day) and overtime will be paid RM 6/ hour. No allowance will be paid.</p> <p>b. Clause 4 – No paid annual leave will be given to the workers. All the leaves taken will not be paid.</p> <p>c. Sick leave and public holiday entitlement.</p> <p>d. Time of payment of wages.</p> <p>e. Total working hours in a week.</p> <p>Besides, sampled 4 workers for Contractor Sri have yet to sign and receive employment contract verified through interviewed with the workers and representative of contractor as below:</p> <p>a. Permit No.: PE 0457969</p> <p>b. Permit No.: PE 1093605 c. Permit No.: PD 4968693</p> <p>d. Permit No.: PE 0437428</p> <p>East Estate and Sepang Estate: Document reviewed the employment contracts for the contractors' workers found that the contract was too simplified as it only mentioned working hours is 8 hours and 6 days per week with overtime whenever necessary. Wage was mentioned in the contract too. However, terms and conditions stipulated in the Employment Act 1955 has yet to be included in the contract such as rate of overtime, annual leave entitlement, sick leave, time of payment of wages, notice of termination and rate for work on rest days and public holiday.</p> |  |                          |



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| <b>Corrections:</b>           | The immediate action will be taken by the estate management. SQM will conduct training and workshop on developing the employment contract for the related contractor. The workshop will be held in march 2019   |
| <b>Root Cause Analysis:</b>   | The appointment letter issued by the contractor. However, the entire clause in the contract is not in accordance with the provisions of the legal requirement. This is because the contractor did not realize the necessity of following such a clause provided in the Employment Act 1955  |
| <b>Corrective Actions:</b>    | SQM will conduct the document verification and training for the contractor. Besides, the document will be review during the internal audit and monitored by the assigned person in charge   |
| <b>Assessment Conclusion:</b> | Major NC close out verification:<br>The following evidence was verified on-site:<br>- Contractors’ newly revised employment contract where all the missing conditions highlighted in this NCR have been included. Nonetheless, the legal minimum wage will only take effective once the new tender with the revised rates is awarded.<br>- List of Contract Workers Monitoring, showing that the legal requirements applicable to the workers are being monitored. Latest record is for the month of March 2019, monitored by Mr. Rosnizam<br>- Training records of contractors on developing employment contract to their workers dated 17/4/2019. The training was conducted 2 days after the on-site visit.<br>Based on the evidence, the implementation of corrective action was found to be effective. Thus, the NCR is closed on 17/4/2019. |

| <b>Summary of Total Number of Nonconformity</b> |  |  |                                     |
|---|--|--|-------------------------------------|
| <b>Nonconformity</b>                            |  |  |                                     |
| <b>NCR Ref #</b>                                | 1733498-201901-N1  | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 5.1.3<br>Minor            |
| <b>Date Issued</b>                              | 01/02/2019   | <b>Due Date</b>                              | Next annual surveillance assessment |
| <b>Closed (Yes / No)</b>                        | No   | <b>Date of nonconformity Closure</b>         | “Open”                              |
| <b>Statement of Nonconformity:</b>              | Monitoring protocol implemented was not effective to mitigate negative environmental impacts.  |  |                                     |
| <b>Requirement Reference:</b>                   | 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.  |  |                                     |
| <b>Objective Evidence:</b>                      | Based on pollution prevention plan, FY2018/2019 dated 18/7/18, control measure has been identified for waste water discharge from cleaning/processing however the water analysis results (mill’s parameter drain) does not conform with Class IIA/IIB of NWQS for natural waterways. Refer to COA;<br>i)IE1231/2018 dated 29/10/18, pH COD DO exceed the limit<br>ii)IE521/2018 dated 4/5/18, pH, BOD, SS, DO exceed the limit<br>iii)IE816/2018 dated 24/7/18, pH, COD, DO exceed the limit |  |                                     |

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|-------------------------------|---|
| <b>Corrections:</b>           | The mill management will take immediate action to resend water sample to the R&D lab, if the result still off spec the site investigation will be conduct.  |
| <b>Root Cause Analysis:</b>   | Lack of mechanism to monitor water sampling analysis result.  |
| <b>Corrective Actions:</b>    | - The mill management will assigned the person in charge to monitor all the water sample result. The specific training will be given and the action plan to rectify the off spec will be conducted.<br>- To include water analysis result discussion in the management/OSH meeting agenda |
| <b>Assessment Conclusion:</b> | The correction and corrective action are accepted. The effective implementation shall be verified in the next assessment.   |

| Summary of Total Number of Nonconformity |   |  |                                     |
|--|---|--|-------------------------------------|
| Nonconformity                            |   |  |                                     |
| <b>NCR Ref #</b>                         | 1733498-201901-N2   | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 5.2.3<br>Minor            |
| <b>Date Issued</b>                       | 01/02/2019  | <b>Due Date</b>                              | Next annual surveillance assessment |
| <b>Closed (Yes / No)</b>                 | No  | <b>Date of nonconformity Closure</b>         | "Open"                              |
| <b>Statement of Nonconformity:</b>       | Status of of HCV and RTE species (birds, mammals and reptiles) was not clearly documented and reported.   |  |                                     |
| <b>Requirement Reference:</b>            | Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul>  |  |                                     |
| <b>Objective Evidence:</b>               | East Estate Referring management plan for period of 2018 to 2019, there is no specific monitoring plan for wildlife (birds, mammals and reptiles) under IUCN conservation status and WCA 2010 (act 716) documented. Based monthly monitoring of present and potential HCV areas (October, November and December 2018), observation reported during patrol/sighting was not clear. |  |                                     |
| <b>Corrections:</b>                      | The wildlife monitoring will be cover during the patrolling and observation. To develop new template to cover wildlife  |  |                                     |
| <b>Root Cause Analysis:</b>              | The monitoring is only covered on the HCV area and was not including the monitoring for the wildlife.   |  |                                     |
| <b>Corrective Actions:</b>               | SQM will conduct HCV monitoring training to the related person in charge.   |  |                                     |
| <b>Assessment Conclusion:</b>            | The correction and corrective action are accepted. The effective implementation shall be verified in the next assessment.   |  |                                     |

| Summary of Total Number of Nonconformity |                   |  |                          |
|--|-------------------|--|--------------------------|
| Nonconformity                            |                   |  |                          |
| <b>NCR Ref #</b>                         | 1733498-201901-N3 | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 2.1.3<br>Minor |

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| <b>Date Issued</b>                 | 01/02/2019  | <b>Due Date</b>                      | Next annual surveillance assessment |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
|------------------------------------|---|--------------------------------------|-------------------------------------|--------------|-------|---------------------------|---------------------------------|-------|-----------|-----|-------|--------------|-----|-----|--------|--------------|-----|-----|
| <b>Closed (Yes / No)</b>           | No  | <b>Date of nonconformity Closure</b> | "Open"                              |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
| <b>Statement of Nonconformity:</b> | Mechanism for ensuring compliance was not implemented adequately.   |                                      |                                     |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
| <b>Requirement Reference:</b>      | A mechanism for ensuring compliance shall be implemented.   |                                      |                                     |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
| <b>Objective Evidence:</b>         | <p>Dusun Durian Estate:<br/>Sampled the contractors' workers' passport and permit found that the permit was under process of application and some with permits but the details of employer and sector to work stated in the permit was not reflect the actual situation as below:</p> <p>a. Passport No.: BM0567433, Tax Invoice MyEG# IMM/PT1483697622743 dated 6/1/2017 (GSP)<br/> b. Passport No.: BQ0984719, Tax Invoice MyEG# IMM/PT1483695711335 dated 6/1/2017 (GSP)<br/> c. Passport No.: BR0834202, Tax Invoice MyEG# IMM/PT1483697390327 dated 6/1/2017 (GSP)<br/> d. Passport No.: BW0465299, Tax Invoice MyEG# IMM/KD1521614201805 dated 21/3/2018 (GSP)<br/> e. Permit No.: PD 6323405 valid until 3/9/2018 for Construction Coordinator with Magnatron Bina Sdn Bhd; Tax Invoice MyEG# IMM/PT1483698998341 dated 6/12/2017 (GSP)<br/> f. Permit No.: PE 1093605 valid until 31/5/2019 for Construction Worker with Jasa Baik Estate (SRI)<br/> g. Permit No.: PE 4968693 valid until 8/12/2019 for Plaster Specialist with Jingga Jaya Construction Sdn Bhd (SRI)</p> <p>East POM:<br/>Based on the permit obtained from JTK with Ref. No.: BHG.PU/9/134 JLD 9(11) dated 27/3/2017 that the limit for overtime is 130 hours per month. However, reviewed on the punch card and daily input Form for the sampled workers found that the total overtime has exceeded the allowable limit.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Employee No.</th> <th>Month</th> <th>Total Hours in Punch Card</th> <th>Total Hours in Daily Input Form</th> </tr> </thead> <tbody> <tr> <td rowspan="2">52594</td> <td>June 2018</td> <td>140</td> <td>133.5</td> </tr> <tr> <td>October 2018</td> <td>140</td> <td>135</td> </tr> <tr> <td>122373</td> <td>October 2018</td> <td>142</td> <td>132</td> </tr> </tbody> </table> <p>Sepang Estate: Sampled permits for the contractors' workers found that the details of employer and sector to work stated in the permit was not reflect the actual situation as below:</p> <p>a. Permit No.: PE 1955468 valid until 14/5/2019 for Construction Workers with Carma Utama Services &amp; Trading.<br/> b. Permit No.: PE 1579665 valid until 16/4/2019 for Construction Workers with Carma Utama Services &amp; Trading.<br/> c. Permit No.: PE 2033176 valid until 4/11/2019 for Construction Workers with Chunyu Construction Sdn Bhd.</p> |                                      |                                     | Employee No. | Month | Total Hours in Punch Card | Total Hours in Daily Input Form | 52594 | June 2018 | 140 | 133.5 | October 2018 | 140 | 135 | 122373 | October 2018 | 142 | 132 |
| Employee No.                       | Month   | Total Hours in Punch Card            | Total Hours in Daily Input Form     |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
| 52594                              | June 2018   | 140                                  | 133.5                               |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
|                                    | October 2018  | 140                                  | 135                                 |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |
| 122373                             | October 2018  | 142                                  | 132                                 |              |       |                           |                                 |       |           |     |       |              |     |     |        |              |     |     |

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|                               | <p>d. Permit No.: PE 0913486 valid until 26/5/2019 for Plantation Workers with SV Hardjob Enterprise.</p> <p>e. Permit No.: PE 1297791 valid until 25/8/2019 for Plantation Workers with Agro Deban Enterprise.</p>   |
| <b>Corrections:</b>           | <p>DDE:<br/>Estate management will follow up the status of the renewal from the contractor.</p> <p>EPOM:<br/>To limit and monitor individual overtime for workers via mid-month chekroll updating</p> <p>SPE:<br/>Towards to the compliance, estate management has advise contractor to terminate workers who has permit in others sector.</p>  |
| <b>Root Cause Analysis:</b>   | <p>Dusun Durian Estate:<br/>Checking &amp; communication between estate management &amp; contractor were not regularly &amp; toughly done, thus lead to issues in permit status &amp; standard of immigration document to ensure all document are valid &amp; legal.</p> <p>East POM:<br/>Due to certain cases where foreign workers took long break and local workers having discipline issue, replacement from existing available is inevitable as to ensure continuity of processing. Thus will resulted to significant increase on overtime for those replacement workers.</p> <p>Sepang Estate:<br/>Inadequate monitoring the details of sector to work stated in the permit of contractors' workers.</p>  |
| <b>Corrective Actions:</b>    | <p>DDE:<br/>Estate management will improve and tightly monitor on any follow up matters especially for renewal permit. Estate will obtain the established list of the permit for the ease monitoring. The specific training will be conducted to the related contractor.</p> <p>Internal Audit to monitor the compliance of contractors' engaged on the relevant requirement stated in the contract agreement.</p> <p>EPOM:<br/>Replacement for workers taking long break will only be offer for existing workers who having less overtime.<br/>A request will be issue to JTK for extension of overtime limit from current approval limit.</p> <p>SPE:<br/>The SDP in the midst develop the Contractor Worker Management Procedure. Based on the drafted procedure:</p> <ul style="list-style-type: none"> <li>• OU Management to ensure all contracts/ purchase orders contain full terms and conditions which include but not limited to the following:             <ul style="list-style-type: none"> <li>• i. To ensure that the workers that the contractor employs possess valid work permit if the workers employed are not Malaysian citizen.</li> <li>• OU Management to obtain and maintain the photocopy of the following documents from contractors:                 <ol style="list-style-type: none"> <li>1. Identity Card (IC) for Malaysian</li> <li>2. Passport and valid work permit for non-Malaysian</li> </ol> </li> <li>• OU Management to conduct periodic spot check to ensure that only workers registered with the OU Management are within the premises.</li> </ul> </li> </ul> |
| <b>Assessment Conclusion:</b> | <p>The correction and corrective action are accepted. The effective</p>   |

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|  |  |
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|  | implementation shall be verified in the next assessment. |
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| <b>Summary of Total Number of Nonconformity</b> |   |  |                                     |
|---|---|--|-------------------------------------|
| <b>Nonconformity</b>                            |   |  |                                     |
| <b>NCR Ref #</b>                                | 1733498-201901-N4   | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 4.7.3<br>Minor            |
| <b>Date Issued</b>                              | 01/02/2019  | <b>Due Date</b>                              | Next annual surveillance assessment |
| <b>Closed (Yes / No)</b>                        | No  | <b>Date of nonconformity Closure</b>         | "Open"                              |
| <b>Statement of Nonconformity:</b>              | Awareness on importance of PPE to cover potential hazard is it effectively communicated with the harvester.   |  |                                     |
| <b>Requirement Reference:</b>                   | 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.  |  |                                     |
| <b>Objective Evidence:</b>                      | Dusun Durian Estate<br>Noted during site visit and interview session with the harvester, the harvesters didn't wear the PPE (safety helmet) provided by the estate. Pictorial Safety Standard, Section 7.1 Harvesting – Personal Protective Equipment stated Safety Helmet as one of the PPE that must be used by the harvester during working. |  |                                     |
| <b>Corrections:</b>                             | The field staff will conduct spot check during the morning muster. the SIME card (unsafe act) will be issue to the workers who violate the instructions.  |  |                                     |
| <b>Root Cause Analysis:</b>                     | Lack of awareness by the harvester to wear complete PPE all the time especially during working hour.  |  |                                     |
| <b>Corrective Actions:</b>                      | Management to conduct refreshment training/ briefing how important of wearing the PPE.<br>Management will issues the SIME Card to worker does not follow the safety procedure   |  |                                     |
| <b>Assessment Conclusion:</b>                   | The correction and corrective action are accepted. The effective implementation shall be verified in the next assessment.   |  |                                     |

| <b>Opportunity for Improvements</b> |   |
|-------------------------------------|---|
| <b>OFI #</b>                        | <b>Description</b>  |
| <b>OFI 1</b>                        | <p><b>1733498-201901-I1</b></p> <p><b>RSPO SCCS : General COC : 5.3.2</b></p> <p>Details :<br/>CAP process is documented under internal audit procedure, SD/SDP/PSQM/IAP rev:2 dated 1/11/17. The timeline for CAP submission and closure has yet to be followed, within 14 days from closing meeting and closure within 60 days for evidence verification by lead auditor. This CAP process has yet to be consistently followed for improvement.</p> |
| <b>OFI 2</b>                        | <b>1733498-201901-I2</b>  |

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|  | <p><b>RSPO SCCS : Module D : 4.2</b></p> <p>Details :<br/>           92.80 % of volume allocated @ certificate volume has been used for the period of February to December 2018. Threshold limit has yet to be set to ensure no overproduction and prompt notification to CB for volume extension.</p> |
|--|--|

| Positive Findings |             |
|-------------------|-------------|
| PF #              | Description |
| PF 1              | Nil         |

**3.4.1 Status of Nonconformities Previously Identified and Observations**

| Non-Conformity                     |  |  |                       |
|------------------------------------|--|--|-----------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-M1  | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS 5.3.2 Major |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 23/04/2018            |
| <b>Statement of Nonconformity:</b> | The internal audit has yet to be conducted at East POM. The written procedure, SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 was not adequately implemented.   |  |                       |
| <b>Requirement Reference:</b>      | The site shall have a written procedure to conduct annual internal audit to determine whether the organization; <ul style="list-style-type: none"> <li>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</li> <li>ii) effectively implements and maintains the standard requirements within its organization</li> </ul> |  |                       |
| <b>Objective Evidence:</b>         | The internal audit has yet to be conducted.  |  |                       |
| <b>Corrective Actions:</b>         | 1) SQM CER to include SCCS in Internal Audit Plan.<br>2) The Internal audit for SCCS will be carried out during the RSPO P&C audit by the SQM Team.<br>3) The revised SOP (ver 2 – issued date Feb 2018) has been distributed to all estates and mills.<br>4) The internal audit of SCCS will be included during RSPO P&C audit by Regional SQM team   |  |                       |
| <b>Assessment Conclusion:</b>      | ASA1_4 verification:<br>Internal audit was last carried out on 7-11/1/19 by GSM team. The audit was carried out combined with MSPO and RSPO P&C audit for 2018. Thus, the major NC is remain closed.   |  |                       |

| Non-Conformity           |                   |  |                       |
|--------------------------|-------------------|--|-----------------------|
| <b>NCR Ref #</b>         | 1596927-201802-M2 | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS 5.4.1 Major |
| <b>Closed (Yes / No)</b> | Yes               | <b>Date of nonconformity Closure</b>         | 23/04/2018            |

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|------------------------------------|---|
| <b>Statement of Nonconformity:</b> | The minimum information for RSPO certified products received by mill was not fully implemented.   |
| <b>Requirement Reference:</b>      | <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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul> <p>Information shall be completed 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> <ul style="list-style-type: none"> <li>• 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.</li> </ul> |
| <b>Objective Evidence:</b>         | <p>A) Weighbridge Ticket or C/N without certificate number</p> <ol style="list-style-type: none"> <li>1. East Estate (date: 8/11/17, Consignment note# 371975, Field :12B)</li> <li>2. Dusun Durian Estate (date: 8/11/17, Consignment note# 47853, Field :09A)</li> <li>3. Sepang Estate (date: 8/11/17, Consignment note# 004509, Field :12B)</li> <li>4. West Estate (date: 25/04/17, Consignment note# 132162, Field :09J) B)</li> </ol> <p>B) Weighbridge Ticket or C/N with old certificate number</p> <ol style="list-style-type: none"> <li>1. New Labu Estate</li> <li>2. Labu Estate</li> <li>3. Tampin Linggi Estate</li> <li>4. Sua Betong Estate</li> </ol>  |
| <b>Corrective Actions:</b>         | <ol style="list-style-type: none"> <li>1. To conduct the Supply Chain training for the weighbridge operator.</li> <li>2. To establish the manual stamping and will be using if the SIME WEIGH system having a problem</li> </ol>  |
| <b>Assessment Conclusion:</b>      | <p>ASA1_4 verification:<br/>No recurrence of issues observed. Stamping of traceability ID @ certificate number was made available. Thus, the major NC is remain closed.</p>   |

| <b>Non-Conformity</b>              |  |  |                  |
|------------------------------------|--|--|------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-M3  | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS 5.13.1 |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 23/04/2018       |
| <b>Statement of Nonconformity:</b> | Management review on RSPO supply chain implementation has yet to be conducted. |  |                  |

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| <b>Requirement Reference:</b> | The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.  |
| <b>Objective Evidence:</b>    | There is no evidence that management review has been conducted which contains the input and output according to the RSPO SCCS Standard  |
| <b>Corrective Actions:</b>    | <ol style="list-style-type: none"> <li>1) The Management Review meeting, will be conducted after completed the internal audit.</li> <li>2) To incorporate the specific output or issues need to be concern during the management review meeting process.</li> <li>3) The revised SOP (ver 2 – issued date Feb 2018) has been distributed to all estates and mills.</li> <li>4) The management review meeting will be conducted after completion of internal audit.</li> </ol> |
| <b>Assessment Conclusion:</b> | <p>ASA1_4 verification:</p> <p>The latest management review meeting was carried out on 25/1/19. All pertinent agenda for management meeting were discussed in the meeting. Continuous implementation observed, thus the major NC is remain closed.</p>  |

| Non-Conformity                     |   |  |                        |
|------------------------------------|---|--|------------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-M4   | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS 5.13.2 Major |
| <b>Closed (Yes / No)</b>           | Yes   | <b>Date of nonconformity Closure</b>         | 23/04/2018             |
| <b>Statement of Nonconformity:</b> | Management review on RSPO supply chain implementation has yet to be conducted.  |  |                        |
| <b>Requirement Reference:</b>      | <p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul> |  |                        |
| <b>Objective Evidence:</b>         | There is no evidence that management review has been conducted which contains the input and output according to the RSPO SCCS Standard  |  |                        |
| <b>Corrective Actions:</b>         | <ol style="list-style-type: none"> <li>1) To include the clause of the Management Review in the SOP.</li> <li>2) To incorporate the specific input, output or issues need to be concern during the management review meeting process</li> </ol>   |  |                        |
| <b>Assessment Conclusion:</b>      | <p>ASA1_4 verification:</p> <p>The latest management review meeting was carried out on 25/1/19. All pertinent agenda for management meeting were discussed in the meeting. Continuous implementation observed, thus the major NC is remain closed.</p>  |  |                        |

| Non-Conformity                     |  |  |                        |
|------------------------------------|--|--|------------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-M5  | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS 5.13.3 Major |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 23/04/2018             |
| <b>Statement of Nonconformity:</b> | Management review on RSPO supply chain implementation has yet to be conducted. |  |                        |



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| <b>Requirement Reference:</b> | The output from the management review shall include any decisions and actions related to:<br><ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul> |
| <b>Objective Evidence:</b>    | There is no evidence that management review has been conducted which contains the input and output according to the RSPO SCCS Standard   |
| <b>Corrective Actions:</b>    | 1) To include the clause of the Management Review.<br>2) To incorporate the specific input, output or issues need to be concern during the management review meeting process.  |
| <b>Assessment Conclusion:</b> | ASA1_4 verification:<br>The latest management review meeting was carried out on 25/1/19. All pertinent agenda for management meeting were discussed in the meeting. Continuous implementation observed, thus the major NC is remain closed.              |

| Non-Conformity                     |  |  |                          |
|------------------------------------|--|--|--------------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-M6  | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 2.1.1<br>Major |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 23/04/2018               |
| <b>Statement of Nonconformity:</b> | Compliance to the Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 is not effectively implemented.   |  |                          |
| <b>Requirement Reference:</b>      | Evidence of compliance with relevant legal requirements shall be available.  |  |                          |
| <b>Objective Evidence:</b>         | As per Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 Weekly inspection of workers' housing:<br>(2) 'It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer who shall report to the resident manager...' In Sepang Estate, the linesite inspection was conducted and reported on monthly basis while for Dusun Durian Estate the linesite inspection was conducted by bi-weekly basis. This is not comply with Housing and Amenities Act 1990, hence NC was raised. |  |                          |
| <b>Corrective Actions:</b>         | 1. Management will conduct the SOP Workers Minimum Housing Standard and Social Amenities training. The management together with Regional SQM have arranged training on SOP of Workers Minimum Standard of Housing & Amenities for SOU 8. The training includes:<br>a) Awareness of WMSHA act 1990<br>b) Responsibilities of MA/HA<br>c) Workers housing weekly inspection<br><br>2. The completed checklist will be submitted to the assistant Manager for verification.   |  |                          |
| <b>Assessment Conclusion:</b>      | ASA1_4 verification:<br>Workers Minimum Standards of Housing & Amenities Act 1990 Refresher Training was conducted on 16/3/2018. Training material and attendance list was sighted. Linesite inspection was carried out on weekly basis by Medical Assistant in East POM, East Estate and Sepang Estate by using the Housing Complex/ Nest/ Community Hall Inspections checklist. The last inspection was carried out on 26/1/2019, 19/1/2019, 12/1/2019 and 5/1/2019 in Sepang Estate for Sg. Linau Division, Sg. Rawang Division and Main Division with comments were recorded by  |  |                          |

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|--|---|
|  | Medical Assistant. No recurrence of issues noted, thus the major NC is remain closed. |
|--|---|

| Non-Conformity                     |  |  |                      |
|------------------------------------|--|--|----------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-M7  | <b>Clause &amp; Category (Major / Minor)</b> | RSPO SCCS D4.2 Major |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 23/04/2019           |
| <b>Statement of Nonconformity:</b> | CB has not been informed for the projected overproduction of certified tonnage.  |  |                      |
| <b>Requirement Reference:</b>      | The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.  |  |                      |
| <b>Objective Evidence:</b>         | Overproduction of certified tonnage recorded for CPO from Feb 17 - Jan 18, actual sold as RSPO certified 32,555.80 mt VS approved volume 31,753.10 mt.   |  |                      |
| <b>Corrective Actions:</b>         | The mill will establish a volume monitoring template for monthly basis against dispatched as certified product.  |  |                      |
| <b>Assessment Conclusion:</b>      | ASA1_4:<br>No recurrence of issues recorded. For the period of February 2018 to December 2018, it was noted that 92.80% of volume allocated was used. No overproduction of certified tonnage recorded. Thus, the issue is remain closed. |  |                      |

| Non-Conformity                     |  |  |                       |
|------------------------------------|--|--|-----------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-N1  | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 5.3.3 Minor |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 01/02/2019            |
| <b>Statement of Nonconformity:</b> | Waste management and disposal plan is not implemented effectively.   |  |                       |
| <b>Requirement Reference:</b>      | A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.   |  |                       |
| <b>Objective Evidence:</b>         | <p>During visit into the East Palm Oil Mill compound, sighted contaminated cloth/rags on the grounds, in the drains and also in the general waste bins.</p> <p>During visit to the workshop and chemical store compound in Sepang Estate, sighted contaminated cloth/rags on the grounds and in the drains.</p> <p>During visit at Dusun Durian Estate, sighted:</p> <ol style="list-style-type: none"> <li>1. chemical containers temporarily stored in the store and some was used for seating by workers at fertilizer store</li> <li>2. chemical containers was found at Landfill area (field 89)</li> </ol> |  |                       |
| <b>Corrective Actions:</b>         | The management will carried the housekeeping at the all compound and training will be conducted on April 2018.   |  |                       |
| <b>Assessment Conclusion:</b>      | ASA4_1 verification:<br>No recurrence of issues found at all visited operating units. The latest refresher waste management training was carried out on 18/1/19 at Dusun Durian Estate for SOU8. Representatives from each operating units attended the said training. Based on the interview with the person in charge, they are aware on the waste handling process for schedule waste and non-schedule waste. Implementation on site was found to be adequate, thus the minor is closed on 1/2/19   |  |                       |

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| Non-Conformity                     |  |  |                       |
|------------------------------------|--|--|-----------------------|
| <b>NCR Ref #</b>                   | 1596927-201802-N2  | <b>Clause &amp; Category (Major / Minor)</b> | Indicator 6.9.3 Minor |
| <b>Closed (Yes / No)</b>           | Yes  | <b>Date of nonconformity Closure</b>         | 01/02/2019            |
| <b>Statement of Nonconformity:</b> | The Gender Committee Meeting is not implemented as per Sime Darby meeting was conducted once a year which on 10/10/17. This is not follow the Gender Committee Handbook 1st Edition by Plantation Sustainability & Quality Management (PSQM) Department 2014 which should be done once in every 3 months (quarterly).  |  |                       |
| <b>Requirement Reference:</b>      | A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.  |  |                       |
| <b>Objective Evidence:</b>         | In East POM, the latest gender committee meeting was held on 12/01/18 while previously in 2017, the meeting was conducted once a year which on 10/10/17.   |  |                       |
| <b>Corrective Actions:</b>         | Due to new appointment of the community, SQM will arrange the Gender Training for the Mill.  |  |                       |
| <b>Assessment Conclusion:</b>      | ASA1_4 verification:<br>East POM has established Gender Committee and seen the organization chart. The meeting was carried out once every quarterly. The last quarterly meetings were conducted on 15/3/2018, 29/6/2018, 28/9/2018, 14/12/2018 and 17/1/2019. Issues raised by the committees were recorded in the minutes with actions to be taken. Training for Sexual Harassment was conducted on 15/3/2018 with photos and meeting minutes sighted. Thus, the implementation of the corrective action plan was effective and the minor non-conformity was closed on 26/1/2019. |  |                       |

| Opportunity for Improvement |             |
|-----------------------------|-------------|
| OFI#                        | Description |
| OFI 1                       |             |
| OFI 2                       |             |
| OFI 3                       |             |

**3.4.2 Summary of the Nonconformities and Status**

| CAR Ref.          | Category (Major / Minor) | P&C Indicator | Issued Date | Status & Date (Closure)  |
|-------------------|--------------------------|---------------|-------------|--------------------------|
| 1149356M1         | Major                    | 2.1.1         | 27/2/2015   | Closed out on 8/4/2015   |
| 1149356M2         | Major                    | 5.3.3         | 27/2/2015   | Closed out on 8/4/2015   |
| 1298818N1         | Minor                    | 6.5.3         | 24/2/2016   | Closed out on 24/2/2017. |
| 1298818N2         | Minor                    | 5.6.3         | 24/2/2016   | Closed out on 24/2/2017. |
| 1444834-201702-M1 | Major                    | 4.7.2         | 23/02/2017  | Closed out on 17/3/2017  |

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|-------------------|-------|-------------------|------------|--------------------------|
| 1444834-201702-M2 | Major | 2.1.1             | 23/02/2017 | Closed out on 17/3/2017  |
| 1444834-201702-N1 | Minor | 5.2.3             | 23/02/2017 | Closed out on 23/2/2018  |
| 1444834-201702-N2 | Minor | 4.7.3             | 23/02/2017 | Closed out on 23/2/2018  |
| 1596927-201802-M1 | Major | SCCS 5.3.2        | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-M2 | Major | SCCS 5.4.1        | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-M3 | Major | SCCS 5.13.1       | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-M4 | Major | SCCS 5.13.2       | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-M5 | Major | SCCS 5.13.3       | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-M6 | Major | 2.1.1             | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-M7 | Major | SCCS D4.2         | 23/2/2018  | Closed out on 24/4/2018  |
| 1596927-201802-N1 | Minor | 5.3.3             | 23/2/2018  | Closed out on 01/02/2019 |
| 1596927-201802-N2 | Minor | 6.9.3             | 23/2/2018  | Closed out on 01/02/2019 |
| 1733498-201901-M1 | Major | SCCS D 5.1        | 01/02/2019 | Closed out on 15/04/2019 |
| 1733498-201901-M2 | Major | General COC 5.7.2 | 01/02/2019 | Closed out on 15/04/2019 |
| 1733498-201901-M3 | Major | SCCS D 2.2        | 01/02/2019 | Closed out on 15/04/2019 |
| 1733498-201901-M4 | Major | 6.5.1             | 01/02/2019 | Closed out on 15/04/2019 |
| 1733498-201901-M5 | Major | 6.5.2             | 01/02/2019 | Closed out on 15/04/2019 |
| 1733498-201901-N1 | Minor | 5.1.3             | 01/02/2019 | "Open"                   |
| 1733498-201901-N2 | Minor | 5.2.3             | 01/02/2019 | "Open"                   |
| 1733498-201901-N3 | Minor | 2.1.3             | 01/02/2019 | "Open"                   |
| 1733498-201901-N4 | Minor | 4.7.3             | 01/02/2019 | "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 East Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.

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

| <b>List of Stakeholders Contacted</b>  |   |
|--|---|
| <b>Internal Stakeholders</b><br>Managers and Assistants Mill & Estate<br>Male Mill Staff/ Workers<br>Female Mill Staff/Workers<br>Foreign Worker<br>Male and Female Estate workers<br>Workers Representatives<br>NUPW representative | <b>Union/Contractors/Local Communities</b><br>Contractors<br>Smallholders<br>Local community representative |


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|   |                   |
|---|-------------------|
| Gender Committee  |                   |
| <b>Government Departments</b><br>School Representative (SJK (T) Sepang) | <b>NGO</b><br>NIL |

| IS # | Description  |
|------|--|
| 1    | <p><b>Feedbacks:</b><br/>Gender Committee Representatives and Female Workers - No case of sexual harassment was reported so far. They were treated equally without discrimination of gender. The management is supportive in the activities organized by the committee.</p> <p><b>Management Responses:</b><br/>The management will continue to monitor if there is any case of sexual harassment report and take action accordingly.</p> <p><b>Audit Team Findings:</b><br/>No other issue.</p>   |
| 2    | <p><b>Feedbacks:</b><br/>Smallholder - He informed that they have good relationship with the management. There was no encroachment of land by the company. Trenches were constructed to demarcate the boundaries. He understood the complaint procedure.</p> <p><b>Management Responses:</b><br/>Noted by the management.</p> <p><b>Audit Team Findings:</b><br/>No further issue.</p>   |
| 3    | <p><b>Feedbacks:</b><br/>Contractors - The payment was made promptly according to the agreement. They had signed on the agreement prior to provide services and understood the terms and conditions stated in the agreement. They aware of the complaint procedure.</p> <p><b>Management Responses:</b><br/>The management will ensure the payment will make promptly.</p> <p><b>Audit Team Findings:</b><br/>No other issue.</p>  |
| 4    | <p><b>Feedbacks:</b><br/>Local Community Representatives - They informed that they have good relationship with the management. There was no encroachment of land by the company. Reserved lands were available to demarcate the boundaries. However, the representative has requested to provide more job opportunity to the local communities.</p> <p><b>Management Responses:</b><br/>The management informed that they have recruited new local workers during December 2018. They also posted the job advertisement on the notice board and social media.</p> <p><b>Audit Team Findings:</b><br/>This will be verified during next assessment.</p> |
| 5    | <p><b>Feedbacks:</b><br/>NUPW Representatives - The workers have informed that their wages were according to Minimum Wage Order 2016. No discrimination was occurred and they were treated equally does not matter the gender and nationalities. Free housing was provided to them. They were understood on the complaint procedure.</p> <p><b>Management Responses:</b><br/>The management will continue to ensure the workers are treated equally.</p> <p><b>Audit Team Findings:</b><br/>No other issue.</p>  |

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|   |  |
|---|--|
| 6 | <p><b>Feedbacks:</b><br/>School Representative (SJK (T) Sepang) – He informed that the management has provided assistance whenever they requested. For eg: provide field for them to have training for competition and grass cutting. Operations of the estate did not affect the students and teachers. For previous year’s concern regarding attendance of students, the teacher informed that the turn-out rate has increased.</p> <p><b>Management Responses:</b><br/>Noted by the management and will provide any assistance whenever requested.</p> <p><b>Audit Team Findings:</b><br/>No further issue.</p> |
|---|--|

| 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 East Palm Oil Mill Certification Unit 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 East Palm Oil Mill Certification Unit is continued.</p> |  |
| Report prepared by  | Acceptance of Assessment Conclusion  |
| <p><b>Name:</b><br/>Mohamed Hidhir Zainal Abidin</p>  | <p><b>Name:</b></p>  |
| <p><b>Company Name:</b><br/>BSI Services Malaysia Sdn Bhd</p>   | <p><b>Company Name:</b> SIME DARBY PLANTATION BERHAD.<br/>(Company No: 647766-V)<br/>EAST OIL MILL</p>   |
| <p><b>Title:</b><br/>Lead auditor</p>   | <p><b>Title:</b> AZLAN BIN MD KAMBALI<br/>Mill Manager</p>   |
| <p><b>Signature:</b></p>   | <p><b>Signature:</b></p> <p><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></p> |
| <p><b>Date:</b> 30<sup>th</sup> April 2019</p>  | <p><b>Date:</b> 13 / 05 / 2019</p>   |

**Appendix A: Summary of Findings**

| Criterion / Indicator   | Assessment Findings  | Compliance |
|---|--|------------|
| <b>Principle 1: Commitment to Transparency</b>  |  |            |
| <b>Criterion 1.1:</b><br>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   | <p>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.<br/>           - Minor compliance -</p> <p>Operating units share the information with the stakeholders through stakeholders meeting.</p> <p><u>East Palm Oil Mill</u><br/>           The mill has conducted meeting with the stakeholder to share any new information on RSPO certification, environmental, social, safety and legal requirement applied to all operating units. All the stakeholders has raised some issue and discussed with the management during the meeting. Sighted the latest minutes meeting with stakeholders conducted on 4/1/2019 and minutes meeting with NUPW 18/1/2019.</p> <p><u>Dusun Durian Estate</u><br/>           The estate has conducted meeting with the stakeholder to share any new information on RSPO certification, environmental, social, safety and legal requirement applied to all operating units. All the stakeholders has raised some issue and discussed with the management during the meeting. Sighted the latest minutes meeting with stakeholders conducted on 29/10/2018.</p> <p><u>East Estate</u><br/>           The estate has conducted meeting with the stakeholder to share any new information on RSPO certification, environmental, social, safety and legal requirement applied to all operating units. All the stakeholders has raised some issue and discussed with the management during the meeting. Sighted the latest minutes meeting with stakeholders conducted on 15/11/2018.</p> | Complied   |

| Criterion / Indicator  | Assessment Findings  | Compliance      |
|--|--|-----------------|
| <p>1.1.2</p> <p>Records of requests for information and responses shall be maintained.<br/>-Major compliance -</p> | <p><u>East Palm Oil Mill</u><br/>Request by stakeholders were done through meeting, letter and forms. The mill maintain the records of all request and response. Sighted the records of request from the stake holders as follows:<br/>i. Request from PIBG SJKT Pulau Carey Timur on contribution for repairing reading booth. Refer letter no. PIBGSJK(T)PCT/5058/2019(02) dated 4/1/2019<br/>ii. DOSH annual inspection dated 16/1/2018.<br/>iii. DOSH inspection for Steam Test and New Registration for New Boiler and 2 Units of air compressor dated 28/6/2018</p> <p><u>Dusun Durian Estate</u><br/>Request by stakeholders were done through meeting, letter, visit, audit and forms. The estaet maintain the records of all request and response. Sighted the records of request from the stake holders as follows:<br/>i. Compliance Audit by DOSH was conducted on 21/3/2018. Sighted the information request through letter dated 1/3/2018. Refer letter no JKPP SL 127/698/2 Jld 3.</p> <p><u>East Estate</u><br/>Request by stakeholders were done through meeting, letter, visit, audit and forms. The mill maintain the records of all request and response. Sighted the records of request from the stake holders as follows:<br/>i. Compliance Audit by DOSH conducted on 16/5/2018. Sighted the records of audit recorded in the DOSH Visit Report Book and report dated 14/10/2018 with compliance rate at 92.50%.<br/>ii. DOSH inspection 2 Units of air compressor dated 7/6/2018. . Sighted the records of audit recorded in the DOSH Visit Report Book.<br/>iii. Document Audit by DOSH was conducted 15/1/2019. Sighted the records of audit recorded in the DOSH Visit Report Book.</p> | <p>Complied</p> |



| Criterion / Indicator  | Assessment Findings  | Compliance   |                 |
|--|--|--|-----------------|
| <b>Criterion 1.2:</b><br>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. |  |  |                 |
| 1.2.1  | <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance -</p> | <p>There was no restriction noted as to the documents made available to the public except private and confidential information. The public can browse through the internet to access to public information such as policies and corporate social responsibility.</p> <p>Other than that, the 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> |
| <b>Criteria 1.3:</b><br>Growers and millers commit to ethical conduct in all business operations and transactions.   |  |  |                 |
| 1.3.1  | <p>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 where the company implemented the attitude of fair, integrity and ethic during any business process. The company is strictly prohibited to have any bribery related in the business processes. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 16/1/2019 in East Estate. The policy was displayed at the notice board outside the office.</p>         | <p>Complied</p> |
| <b>Principle 2: Compliance with applicable laws and regulations</b>  |  |  |                 |

| Criterion / Indicator   | Assessment Findings | Compliance |
|---|---------------------|------------|
| <b>Criterion 2.1:</b><br>There is compliance with all applicable local, national and ratified international laws and regulations. |                     |            |

|              |  |  |                 |
|--------------|--|--|-----------------|
| <p>2.1.1</p> | <p>Evidence of compliance with relevant legal requirements shall be available.<br/>         - Major compliance -</p> | <p>Sime Darby Plantation Sdn Bhd has obtained approval from <i>Jabatan Tenaga Kerja Semenanjung Malaysia</i> as below:</p> <ul style="list-style-type: none"> <li>a. Ref. No.: BHG.PU/9/134 JLD 9(11) dated 27/3/2017 for overtime 130 hours per month.</li> <li>b. Ref. No.: BHG.PU/9/129 JLD 33(53) dated 6/7/2017 for deduction of salary for electricity.</li> </ul> <p>SOU8 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. SOU8 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p><u>East Palm Oil Mill</u></p> <ul style="list-style-type: none"> <li>i. Authorised Entrant and Standby Person for Confined Space, Serial no. NW-HQ-AE-6482-P, validity report till 8/11/2019</li> <li>ii. Authorised Gas Tester and Entry Supervisor, Serial no. NW-HQ-AGT-0148-P, validity report till 16/3/2019</li> <li>iii. DOE licence no. 001456, reference number, AS(B) 31/152/000/308; licensing period: 1/7/18 – 30/6/19. Method of discharge: land application (BOD3 limit @ 30°C is 5,000 mg/l.</li> <li>iv. MPOB license: 533088004000 (validity period 1/10/2018 – 30/09/2019) for 180,000MT.</li> <li>v. Energy commission license no: 2018/03203; serial no: 30882 (validity period 11/10/2018 – 10/10/2019) for 2,040 kW installation capacity.</li> <li>vi. There are 11 CFs belonged to the mill covering various equipment such as sterilizers, hoist and crane and boilers. Sample of CF checked:             <ul style="list-style-type: none"> <li>-Boiler (PMD SL/18 56211, valid until 15/4/19)</li> <li>- Boiler (SL PMD 80297, valid until 27/9/19)</li> <li>- Sterilizer (PMT 1069 valid until 15/4/19)</li> <li>- Overhead travel crane (PMA 13212 valid until 15/4/19)</li> </ul> </li> </ul> | <p>Complied</p> |
|--------------|--|--|-----------------|

|  |  |   |  |
|--|--|---|--|
|  |  | <p>Some of the UPVs were exempted for inspection based on FMA (Steam Boiler and Unfired Pressure Vessel) Exemption Order 2017.</p> <p>vii. Fire Certificate, serial no. 305798, ref. no.: JBPM:SL-7/1083/2018 valid until 28/2/19.</p> <p>viii. Electrical charge man (A4), license no. PJ-T-4-H-0828-2000 valid until 10/10/19</p> <p><u>East Estate</u></p> <p>i. Permit to purchase and stored Acephate for bagworm treatment. Refer permit no. SEL/2019/ACP/0002(GL) to purchase 2000 kg. Validity period from 15/1/2019 till 4/2/2019.</p> <p>ii. Permit to purchase and stored Acephate for bagworm treatment. Refer permit no. SEL/2018/ACP/0056(GL) to purchase 2000 kg. Validity period from 16/10/2018 till 5/11/2018.</p> <p><u>Sepang Estate</u></p> <p>i. MPOB license: 533267002000, <i>Menjual dan Mengalih FFB</i>, 2,735.94 Ha, licence holder: Ladang Sepang (validity period 01/10/2018 – 30/09/2019).</p> <p>ii. MPOB license: 533798002000, <i>Menjual dan Mengalih FFB</i>, 440.27 Ha, licence holder: Ladang Sepang, Sg Rawang Division (validity period 01/11/2018 – 31/10/2019).</p> <p>iii. Diesel Permit # B008381, ref SL (SPG) 89/08 P(D) (validity 6/12/2018 – 5/12/19) Quantity: 12,000 litre</p> <p>iv. DOA Permit to Purchase of Acephate Quantity: 265 kg, ref#: SEL/2018/ACP/0048(GL), validity period 27/9/2018 – 17/10/2018, supplier: Hextar Chemicals Sdn Bhd.</p> <p>v. Unfired pressure vessel certificate of fitness, air compressor: SL PMT 4705 valid until 24/4/19</p> <p><u>Dusun Durian Estate</u></p> |  |
|--|--|---|--|

| Criterion / Indicator |  | Assessment Findings  | Compliance |
|-----------------------|--|--|------------|
|                       |  | <ul style="list-style-type: none"> <li>i) DOA Permit to Purchase of Acephate Quantity: 800 kg, ref#: SEL/2018/ACP/000045(GL), validity period 20/9/2018 – 10/10/2018, supplier: Hextar Chemicals Sdn Bhd.</li> <li>ii) MPOB license: 528976002000 for 2018.98 Ha (validity period 1/5/18-30/4/19)</li> <li>iii) MPOB license: 563441011000 for estate nursery (validity period: 1/8/18-31/7/19)</li> <li>iv) Diesel Permit # PUTRAJAYA 004307, ref B.PGK.SEL / 01375 (14/12/2018 – 13/12/2019) Quantity: 15,000 liters</li> <li>v) Certificate of Fitness for Unfired Pressure Vessels, air compressor SL PMT 101353 (valid till 16/04/2020).</li> </ul>   |            |
| 2.1.2                 | <p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p> | <p>SOU 8 continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that are applicable to the CU operation [ref.: Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008]. Each office of the operating unit (mill and estates) has its own LORR and were being evaluated individually annually for compliance and it can be accessed by all levels of staff. Latest legal and other requirements register (LORR) dated 23/1/19 was sighted at East POM. The latest update has included Factory and Machinery (Steam Boiler and Unfired Pressure Vessel) Regulation 2017 and the new Minimum Wages Order 2018 in the register.</p> | Complied   |

|              |  |   |                             |
|--------------|--|---|-----------------------------|
| <p>2.1.3</p> | <p>A mechanism for ensuring compliance shall be implemented.<br/>         - Minor compliance -</p> | <p>All applicable legal and other requirements registered in the LORR. Periodically, SOU8 assigned its personnel to cross check the status of compliance against the LORR through various ways such as internal audit, routine inspections, etc. Whenever there is non-compliance detected, appropriate actions will be taken to address the issue.</p> <p><u>Dusun Durian Estate:</u><br/>         Sampled the contractors' workers' passport and permit found that the permit was under process of application and some of the details of employer and sector to work stated in the permit was not reflect the actual situation as below:</p> <ul style="list-style-type: none"> <li>a. Passport No.: BM0567433, Tax Invoice MyEG# IMM/PT1483697622743 dated 6/1/2017 (GSP)</li> <li>b. Passport No.: BQ0984719, Tax Invoice MyEG# IMM/PT1483695711335 dated 6/1/2017 (GSP)</li> <li>c. Passport No.: BR0834202, Tax Invoice MyEG# IMM/PT1483697390327 dated 6/1/2017 (GSP)</li> <li>d. Passport No.: BW0465299, Tax Invoice MyEG# IMM/KD1521614201805 dated 21/3/2018 (GSP)</li> <li>e. Permit No.: PD 6323405 valid until 3/9/2018 for Construction Coordinator with Magnatron Bina Sdn Bhd; Tax Invoice MyEG# IMM/PT1483698998341 dated 6/12/2017 (GSP)</li> <li>f. Permit No.: PE 1093605 valid until 31/5/2019 for Construction Worker with Jasa Baik Estate (SRI)</li> <li>g. Permit No.: PE 4968693 valid until 8/12/2019 for Plaster Specialist with Jingga Jaya Construction Sdn Bhd (SRI)</li> </ul> <p><u>East Palm Oil Mill</u><br/>         Based on the permit obtained from JTK with Ref. No.: BHG.PU/9/134 JLD 9(11) dated 27/3/2017 that the limit for overtime is 130 hours per month. However, reviewed on the punch card and daily input Form for the sampled workers found that the total overtime has exceeded the allowable limit.</p> | <p>Minor nonconformance</p> |
|--------------|--|---|-----------------------------|

| Criterion / Indicator |  | Assessment Findings   |              |                           |                                 | Compliance |
|-----------------------|--|---|--------------|---------------------------|---------------------------------|------------|
|                       |  | Employee No.  | Month        | Total Hours in Punch Card | Total Hours in Daily Input Form |            |
|                       |  | 52594   | June 2018    | 140                       | 133.5                           |            |
|                       |  |   | October 2018 | 140                       | 135                             |            |
|                       |  | 122373  | October 2018 | 142                       | 132                             |            |
|                       |  | <p><u>Sepang Estate:</u><br/>                     Sampled permits for the contractors' workers found that the details of employer and sector to work stated in the permit was not reflect the actual situation as below:</p> <ul style="list-style-type: none"> <li>a. Permit No.: PE 1955468 valid until 14/5/2019 for Construction Workers with Carma Utama Services &amp; Trading.</li> <li>b. Permit No.: PE 1579665 valid until 16/4/2019 for Construction Workers with Carma Utama Services &amp; Trading.</li> <li>c. Permit No.: PE 2033176 valid until 4/11/2019 for Construction Workers with Chunyu Construction Sdn Bhd.</li> <li>d. Permit No.: PE 0913486 valid until 26/5/2019 for Plantation Workers with SV Hardjob Enterprise.</li> <li>e. Permit No.: PE 1297791 valid until 25/8/2019 for Plantation Workers with Agro Deban Enterprise.</li> </ul> |              |                           |                                 |            |
| 2.1.4                 | A system for tracking any changes in the law shall be implemented.<br>- Minor compliance - | Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group's Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Information and implementation date of the new Minimum Wages Order 2018 has been communicated by Group HR on 4 <sup>th</sup> January 2019 to all Sime Darby Plantation Berhad SOUs via email/secular. Effective date of implementation is on 1 <sup>st</sup> January 2019.  |              |                           |                                 | Complied   |

| Criterion / Indicator   | Assessment Findings | Compliance |
|---|---------------------|------------|
| <b>Criterion 2.2:</b><br>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>2.2.1</p>  | <p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.<br/>- Major compliance -</p> | <p>SOU8 estates were able to demonstrate the evidence of legal ownership if its lands through possession of land titles. The estates has a list of all its land titles which have the information about names of leasee, hectare, terms &amp; conditions, lease period and grant numbers. Copies of the land titles were available at the estate's offices while the original were kept at headquarter.</p> <p>Example of land titles checked:</p> <table border="1" data-bbox="981 587 1868 1302"> <thead> <tr> <th>Estate</th> <th>Land title</th> <th>Land use type</th> <th>Tenure</th> </tr> </thead> <tbody> <tr> <td>Sepang Estate</td> <td>Sample : GRN48737, lot no. 048, Mukim Sepang , District: Sepang title area: 202.44 ha<br/>Total titles: 42 (2738.912 ha)</td> <td>Agriculture &amp; not categorized/gazetted</td> <td>Freehold</td> </tr> <tr> <td>Dusun Durian</td> <td>Sample : GRN122253, lot no. 3717, Mukim Batu, District: Kuala Langat title area: 201.3 ha<br/>Total titles: 40 (2,133.16 ha)</td> <td>Agriculture &amp; not categorized/gazetted</td> <td>Freehold</td> </tr> </tbody> </table> | Estate   | Land title | Land use type | Tenure | Sepang Estate | Sample : GRN48737, lot no. 048, Mukim Sepang , District: Sepang title area: 202.44 ha<br>Total titles: 42 (2738.912 ha) | Agriculture & not categorized/gazetted | Freehold | Dusun Durian | Sample : GRN122253, lot no. 3717, Mukim Batu, District: Kuala Langat title area: 201.3 ha<br>Total titles: 40 (2,133.16 ha) | Agriculture & not categorized/gazetted | Freehold | <p>Complied</p> |
|---------------|---|---|----------|------------|---------------|--------|---------------|---|--|----------|--------------|---|--|----------|-----------------|
| Estate        | Land title  | Land use type   | Tenure   |            |               |        |               |   |  |          |              |   |  |          |                 |
| Sepang Estate | Sample : GRN48737, lot no. 048, Mukim Sepang , District: Sepang title area: 202.44 ha<br>Total titles: 42 (2738.912 ha)                                     | Agriculture & not categorized/gazetted  | Freehold |            |               |        |               |   |  |          |              |   |  |          |                 |
| Dusun Durian  | Sample : GRN122253, lot no. 3717, Mukim Batu, District: Kuala Langat title area: 201.3 ha<br>Total titles: 40 (2,133.16 ha)                                 | Agriculture & not categorized/gazetted  | Freehold |            |               |        |               |   |  |          |              |   |  |          |                 |

| Criterion / Indicator |  | Assessment Findings   |  |  |          | Compliance |
|-----------------------|--|---|--|--|----------|------------|
|                       |  | East Estate   | Sample : GRN46219, lot no. 2601, Mukim Klang, District: Klang title area: 2,028.28 ha<br><br>Total titles: 21 (5832.16 ha) | Agriculture & not categorized/gazetted | Freehold |            |
| 2.2.2                 | Legal boundaries shall be clearly demarcated and visibly maintained.<br>- Minor compliance -   | Whenever the land boundaries are adjacent with third party (smallholders, villages, other oil palm companies, etc.) the normal practice of SDPSB to indicate the legal boundaries are through construction of trenches. This was confirmed through the field visit at Sepang, Dusun Durian and East estates. Apart from that, erection of pegs painted with red and white along the boundaries was also commonly practiced and clearly visible. |  |  |          | Complied   |
| 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).<br>- Minor compliance - | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder.   |  |  |          | 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.<br>- Major compliance -  | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder.   |  |  |          | Complied   |

| Criterion / Indicator   |  | Assessment Findings   | Compliance |
|---|--|---|------------|
| 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).<br>- Minor compliance -  | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder. | 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.<br>- Major compliance -  | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder. | Complied   |
| <b>Criterion 2.3:</b>   |  |   |            |
| Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent. |  |   |            |
| 2.3.1   | Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).<br>- Major compliance - | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder. | Complied   |

| Criterion / Indicator   | Assessment Findings   | Compliance |
|---|---|------------|
| 2.3.2<br>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:<br>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;<br>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;<br>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.<br>- Minor compliance - | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder. | Complied   |
| 2.3.3<br>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.<br>-Minor compliance -   | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder. | Complied   |
| 2.3.4<br>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.<br>- Major compliance -   | There is no land dispute in SOU 8 East certification unit at the time of audit. The land belongs Sime Darby Plantation Bhd and land ownership documents verified. Interviewed with the neighbouring villagers and smallholders confirmed that no encroachment of land by the company. Trenches were constructed to demarcate the boundary of the company and smallholder. | Complied   |

| Criterion / Indicator   | Assessment Findings  | Compliance  |          |
|---|--|---|----------|
| <b>Principle 3: Commitment to long-term economic and financial viability</b>  |  |   |          |
| <b>Criterion 3.1:</b><br>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.<br>- Major compliance - | <p>The mill has established forecast business plan for five financial years from FY 2018 till 2023 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 2018 till 2023 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 benefits/cost and administration cost.</p> | Complied |

| Criterion / Indicator   | Assessment Findings  | Compliance      |
|---|--|-----------------|
| <p>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.<br/>                     - Minor compliance -</p> | <p>SOU 8 have long range replanting programme until FY 2024. Replanting planned for the palm older than 25 years, non-performance field (yield) and ganoderma infected palm. Sighted SOU8 replanting programme for the next financial year as follows:</p> <p><u>Sepang Estate</u><br/>                     2019: 117.38 ha for field 95A1a and 96A<br/>                     2020: 0.00 ha<br/>                     2021: 124.62 ha for field 96B and 96A1<br/>                     2022: 87.45 ha for field 00C<br/>                     2023: 95.75 ha for field 99C<br/>                     2024: 105.17 ha for field 00C1 and 00C1A</p> <p><u>Dusun Durian Estate</u><br/>                     2019: 0.00 ha<br/>                     2020: 51.42 ha for field 1996B and 2002B<br/>                     2021: 0.00 ha<br/>                     2022: 0.00 ha<br/>                     2023: 139.37 ha or field 1996B and 2004B</p> <p><u>East Estate</u><br/>                     2019: 93.27 ha for field 93C1A<br/>                     2020: 94.98 ha for field 94N, 96P and 98C<br/>                     2021: 243.98 ha for field 97P, 98P1, 99A and 00A<br/>                     2022: 137.80 ha for field 00A1<br/>                     2023: 275.36 ha for field 00D and 01A1</p> | <p>Complied</p> |
| <p><b>Principle 4: Use of appropriate best practices by growers and millers</b></p>   |  |                 |
| <p><b>Criterion 4.1:</b><br/>                     Operating procedures are appropriately documented, consistently implemented and monitored.</p>  |  |                 |

| Criterion / Indicator |   | Assessment Findings  | Compliance |
|-----------------------|---|--|------------|
| 4.1.1                 | Standard Operating Procedures (SOPs) for estates and mills are documented<br>- Major compliance -       | SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc. Noted updated procedure under SOP for water analysis and RSPO SCCS procedure:<br>i) SPMS, Appendix 7: SOP for water quality monitoring, issue: 2 dated 1/6/16. SOP for sampling guideline<br>ii) Water and Wastewater Sampling Guideline, issue: 1 dated 1/6/16.<br>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. | Complied   |
| 4.1.2                 | A mechanism to check consistent implementation of procedures shall be in place.<br>- Minor compliance - | 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.  | Complied   |

| Criterion / Indicator | Assessment Findings   | Compliance      |
|-----------------------|---|-----------------|
| <p>4.1.3</p>          | <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.<br/>           - Minor compliance -</p> <p><u>East Palm Oil Mill</u><br/>           Mill advisor visit was conducted twice a year. Latest visit was conducted on 26-27/6/2018 and 19-20/12/2018. Refer report no. SOU 8/ETM/02/17-18 and SOU 8/ETM/01/2018 with score ratings at 73.00 and 77.00 respectively. All areas of concern raised has been addressed by the mill in October 2018.<br/>           Performance Monitoring Unit visit on quarterly basis. Latest visit was conducted in 4-6/12/2018. Refer report dated 12/12/2018. 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>Dusun Durian Estate</u><br/>           Latest Plantation Advisor visit was conducted on 20-22/12/2018. Refer report no. SOU 8/DDE/01/2018 with score ratings at 76.80. The report covers on yield improvement, Crop recovery, Replanting and immature palms maintenance.<br/>           Performance Monitoring Unit visit on quarterly basis. Latest visit was conducted in 4-6/12/2018. Refer report dated 12/12/2018. No major issue raised during the visit with score ratings at 3+. All areas of concern raised has been addressed by the estate.</p> <p><u>East Estate</u><br/>           Performance Monitoring Unit visit on quarterly basis. Latest visit was conducted in 4-6/12/2018. Refer report dated 12/12/2018. No major issue raised during the visit. All areas of concern raised has been addressed by the estate.<br/>           Agronomist were scheduled to visit on annually basis. Latest visit was conducted on 28-30/8/2018. The report covers on yield, Palm nutritional status, Manuring history, Fertiliser requirement, fertiliser analysis, field observation and organic matters,</p> | <p>Complied</p> |



| Criterion / Indicator   |   | Assessment Findings   | Compliance |
|---|---|---|------------|
| 4.1.4   | The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).<br>- Major compliance -   | No third party FFB received. All the FFB are from own certificate scope and adjacent Sime Darby certified estates.  | Complied   |
| <b>Criterion 4.2:</b><br>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. |   |   |            |
| 4.2.1   | There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.<br>- Minor compliance - | Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield. | Complied   |

|              |   |  |                 |
|--------------|---|--|-----------------|
| <p>4.2.2</p> | <p>Records of fertiliser inputs shall be maintained.<br/>- Minor compliance -</p> | <p>Fertilizer application program is based on the recommendation by Agronomist and documented in Agronomic and Fertilizer Recommendation Report.</p> <p><u>Dusun Durian Estate</u><br/>Fertiliser application as per Agronomist recommendation in Agronomic and Fertiliser Recommendations Report. Observed the application vs programme records.</p> <p>Field – 2002K<br/>Fertiliser Type – MOP<br/>Rate – 1.00 kg<br/>Month Programme – Aug - Sept 2018<br/>Month Applied – Sept – Oct 2018</p> <p>Field – 2009C<br/>Fertiliser Type – AC<br/>Rate – 2.00 kg<br/>Month Programme – Aug - Sept 2018<br/>Month Applied – Oct 2018</p> <p><u>East Estate</u><br/>Fertiliser application as per Agronomist recommendation in Agronomic and Fertiliser Recommendations Report. Observed the application vs programme records.</p> <p>Field – 2016A<br/>Fertiliser Type – CCM 65<br/>Rate – 1.50 kg<br/>Month Programme – Oct - Dec 2018<br/>Month Applied – Nov 2018</p> <p>Field – 2017B</p> | <p>Complied</p> |
|--------------|---|--|-----------------|

| Criterion / Indicator   |   | Assessment Findings  | Compliance |
|---|---|--|------------|
|   |   | Fertiliser Type – CIRP<br>Rate – 1.50 kg<br>Month Programme – Oct - Dec 2018<br>Month Applied – Dec 2018   |            |
| 4.2.3   | There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.<br>- Minor compliance -   | 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.<br><br><u>Dusun Durian Estate</u><br>Latest leaf sampling has been carried out in Feb 2018. Foliar nutrient status was enclosed with Agronomic and Fertiliser Recommendation Report dated 6/12/2018.<br>Latest soil analysis has been carried out on 14/10/2014. Refer report no S50/2014 dated 14/10/2014.<br><br><u>East Estate</u><br>Latest leaf sampling has been carried out in Mar 2018. Foliar nutrient status was enclosed with Agronomic and Fertiliser Recommendation Report dated 4/11/2018. | Complied   |
| 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.<br>- Minor compliance - | Sime Darby has established nutrient recycling program. EFB was used as organic fertiliser for immature oil palm and documented in Agriculture Reference Manual issue no. 1, version 3 dated 1/7/2011 under Section - Manuring.   | Complied   |
| <b>Criterion 4.3:</b><br>Practices minimise and control erosion and degradation of soils. |   |  |            |

| Criterion / Indicator |   | Assessment Findings  | Compliance |
|-----------------------|---|--|------------|
| 4.3.1                 | Maps of any fragile soils shall be available.<br>- Major compliance - | <p>Soil series map available. Refer to soil series map prepared by R&amp;D-TTAS Precision Agriculture Unit (NHM). There are no peat soils or soil categorised as problematic or fragile soil at all estates.</p> <p><u>Sepang Estate</u><br/>Batu Lapan, Bungor, Gajah mati, Carey, Gajah Mati, Jawa, Kedah, Linau Munchong, Padang besar, Sedu.</p> <p><u>Dusun Durian Estate</u><br/>Selangor, Briah, Bernam, Jawa, Subang,</p> <p><u>East Estate</u><br/>Briah, Carey, Jawa, Jugra, Parit Botak, Sabrang, Sedu, Selangor, Telok, Tongkang, Tualang.</p> | Complied   |

| Criterion / Indicator |  | Assessment Findings  | Compliance      |                        |    |                   |       |   |       |   |         |     |         |     |          |
|-----------------------|--|--|-----------------|------------------------|----|-------------------|-------|---|-------|---|---------|-----|---------|-----|----------|
| 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).<br>- Minor compliance -    | <p>Soil series map available. Refer to soil series map prepared by R&amp;D-TTAS Precision Agriculture Unit (NHM). There are no peat soils or soil categorised as problematic or fragile soil at all estates.<br/>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"> <thead> <tr> <th>Slopes (degree)</th> <th>Terrace Width (meters)</th> </tr> </thead> <tbody> <tr> <td>&lt;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.<br/>Area at both estate visited with slope &gt;25° planted through terracing.</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 | Complied |
| 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  |  |                 |                        |    |                   |       |   |       |   |         |     |         |     |          |
| 4.3.3                 | A road maintenance programme shall be in place.<br>- Minor compliance -  | Both estate visited has established road maintenance program to ensure the road are in good condition to ensure the estate operation run smoothly in all-weather condition. The programme include road grading, resurfacing/patching pot holes and road site pruning. The work were programmed throughout the year. Roads inspected during field audit are generally in a good condition.  | Complied        |                        |    |                   |       |   |       |   |         |     |         |     |          |
| 4.3.4                 | Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.<br>- Minor compliance - | There is no peat soil or soil categorised as problematic or fragile soil at both estates visited.  | Complied        |                        |    |                   |       |   |       |   |         |     |         |     |          |

| Criterion / Indicator   |   | Assessment Findings   | Compliance |
|---|---|---|------------|
| 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.<br>- Minor compliance - | There is no peat soil or soil categorised as problematic or fragile soil at both 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).<br>- Minor compliance -                          | There is no peat soil or soil categorised as problematic or fragile soil at both estates visited. | Complied   |
| <b>Criterion 4.4:</b><br>Practices maintain the quality and availability of surface and ground water. |   |   |            |

| Criterion / Indicator | Assessment Findings   | Compliance      |
|-----------------------|---|-----------------|
| <p>4.4.1</p>          | <p>An implemented water management plan shall be in place.<br/>           - Minor compliance -</p> <p><u>East Palm Oil Mill</u></p> <p>Consistent as per last year assessment, water management plan documented under East Oil Mill Environment Management Programme for Financial Year 2018/2019 which has included the normal water usage mainly for process, cleaning &amp; etc.</p> <p>Water management action plan to reduce fresh water usage identified:</p> <ol style="list-style-type: none"> <li>1. Collection of rain water</li> <li>2. Collection on boiler blow down water and softener back wash water</li> <li>3. Water use for mill cleaning</li> <li>4. Collection at steam condensate from oil storage tank heating coil</li> <li>5. Collection at steam condensate from Kernel Silos heaters</li> <li>6. Collection at steam condensate from Engine room.</li> </ol> <p>For estates, a generic water management plan was reviewed. Sighted an implemented plan established as Identification and Management of Wastewaters for Financial Year 2018/2019 which included the normal water usage mainly for chemical mixing area, sprayers PPE washing area and workshop.</p> <p>Action plan to reduce fresh water usage identified rainwater collection using containers and recycle the rainwater for washing office compounds.</p> <p>Contingency plan during water shortage identified water storage/dry spell where water bought from SYABAS for domestic use.</p> | <p>Complied</p> |

| Criterion / Indicator   |   | Assessment Findings   | Compliance  |             |             |           |                 |           |                 |           |                |           |            |          |          |
|---|---|---|-------------|-------------|-------------|-----------|-----------------|-----------|-----------------|-----------|----------------|-----------|------------|----------|----------|
| 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.<br>- Major compliance -                  | <p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). The widths of the buffer zones are guided by the following measurements:</p> <table border="1"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>&gt; 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>&lt; 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 1/11/2008.</p> | River width | Buffer zone | > 40 meters | 50 meters | 20 to 40 meters | 40 meters | 10 to 20 meters | 20 meters | 5 to 10 meters | 10 meters | < 5 meters | 5 meters | Complied |
| River width   | Buffer zone   |   |             |             |             |           |                 |           |                 |           |                |           |            |          |          |
| > 40 meters   | 50 meters   |   |             |             |             |           |                 |           |                 |           |                |           |            |          |          |
| 20 to 40 meters   | 40 meters   |   |             |             |             |           |                 |           |                 |           |                |           |            |          |          |
| 10 to 20 meters   | 20 meters   |   |             |             |             |           |                 |           |                 |           |                |           |            |          |          |
| 5 to 10 meters  | 10 meters   |   |             |             |             |           |                 |           |                 |           |                |           |            |          |          |
| < 5 meters  | 5 meters  |   |             |             |             |           |                 |           |                 |           |                |           |            |          |          |
| 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).<br>- Minor compliance - | <p>Effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report) and in compliance with mill's compliance schedule for quarterly submission. Total of 11 parameters (pH, TA, VFA, BOD, COD, TS, SS, VSS, TN, AN and O&amp;G) tested. Latest analysis report for December 2018 was checked. Refer to test report# EP8/2019 date issue 4/1/19. BOD for final discharge is 1365 mg/l vs limit of 5000 mg/l.</p> <p>Quarter return report submitted on quarterly basis to DOE. The final quarter (Q4) 2018 report available for review. Report dated 9/1/19 is referred to.</p>  | Complied    |             |             |           |                 |           |                 |           |                |           |            |          |          |
| 4.4.4   | Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.<br>- Minor compliance -   | <p>Mill has maintained monitoring of water usage for processing FFB which recorded every month. Water for processing is abstracted from water catchment by using pump. An average of 1.51 m<sup>3</sup> water is used to process per mt of FFB recorded from July 2018 to December 2018</p>   | Complied    |             |             |           |                 |           |                 |           |                |           |            |          |          |
| <p><b>Criterion 4.5:</b><br/> 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.<br/>                     - 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.<br/>                     Estate visited has established IPM Management plan and documented Work Program Book. IPM program covers activities such as rat baiting, ganoderma census, barn owl census and bagworm census and treatment. Sighted the implementation of the IPM program FY 2018 as follows:</p> <p><u>Sepang Estate</u></p> <p>i. Barn owl census was conducted in August 2018. Sighted the records for Main Division with occupancy rate at 61.46%.<br/>                     ii. The rat baiting was programmed at every 6 months. Sighted the records for field P05C, P14B, P05C1 and P03C1. The acceptance rate was at 8% – 11%.</p> <p><u>Dusun Durian Estate</u></p> <p>i. Ganoderma Census was conducted in November 2018 with 6.65% ganodrma infected palms.<br/>                     ii. The rat baiting was programmed at every 6 months. Sighted the records for field P02K, P03K, P06K1 and P08K. The baiting rounds was at 3 to 5 rounds with acceptance level at 9% – 19%.</p> <p><u>East Estate</u></p> <p>i. Barn owl census was conducted in February 2018. Sighted the records for Division A, B, C and D with occupancy rate at 61%, 51%, 76% and 61% respectively.<br/>                     ii. The rat baiting was programmed at every 6 months. Sighted the records for field P08A, P98P1 and P02A1. The acceptance rate was at 65% – 11%.</p> | <p>Complied</p> |

| Criterion / Indicator  | Assessment Findings  | Compliance      |
|--|--|-----------------|
| <p>4.5.2 Training of those involved in IPM implementation shall be demonstrated.<br/>                     - Minor compliance -</p> | <p>The estate visited has conducted training for those who involve in IPM implementation to ensure the effectiveness of the implementation. The training was conducted by the Manager, Asst. Manager, Agronomist, Executives and supplier with knowledge in oil palm plantation. Sighted the training records as follows:</p> <p><u>Sepang Estate</u><br/>                     The estate has conducted training for those who involve in IPM implementation to ensure the effectiveness of the implementation. Noted during interview with barn owl occupancy census team confirm their understanding of the census SOP. Sighted the training records as follows:</p> <ul style="list-style-type: none"> <li>i. Trunk injection training dated 18/1/2019</li> <li>ii. Rat baiting training dated 16/1/2019</li> <li>iii. IPM, biological control by Barn Owl dated 26/1/2019</li> </ul> <p><u>Dusun Durian Estate</u><br/>                     The estate has conducted training for those who involve in IPM implementation to ensure the effectiveness of the implementation. Sighted the training records as follows:</p> <ul style="list-style-type: none"> <li>i. Trunk injection training dated 8/1/2018</li> <li>ii. Rat baiting training dated 18/1/2018</li> </ul> <p><u>East Estate</u><br/>                     The estate has conducted training for those who involve in IPM implementation to ensure the effectiveness of the implementation. Sighted the training records as follows:</p> <ul style="list-style-type: none"> <li>i. Pest and disease safety and calibration of chemical usage training dated 16/1/2019</li> <li>ii. SOP and Safety Work Procedure for Trunk injection training dated 6/7/2018</li> </ul> | <p>Complied</p> |
| <p><b>Criterion 4.6:</b><br/>                     Pesticides are used in ways that do not endanger health or the environment</p>   |  |                 |

| Criterion / Indicator  | Assessment Findings   | Compliance |
|--|---|------------|
| 4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.<br>- Major compliance - | 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:<br>Immature planting (sample)<br>- General weeds : Glyphosate<br>- Pennisetum polystachion : Metsulfuron Methyl<br>- Stenochlaena palustris : Sodium chlorate<br>Mature planting<br>- Grass weed and Asystasia : glyphosate & 2,4-D amine<br>The selection is also evaluated by the agronomist during his visit to the estate. | Complied   |

| Criterion / Indicator   | Assessment Findings   | Compliance |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
|---|---|------------|-----|----|-----|--------|--------|-----|--------|--------|------|--------|-------|-----|-------|--------|-----|------|-------|-----|------|--------|-----------------|
| 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.<br>- Major compliance - | <p>Estates visited monitored the usage of pesticides monthly and recorded in Pesticides usage/ha. Observed the sampled pesticides usage records FY 2018 as follows:</p> <table border="1" data-bbox="981 491 1868 730"> <thead> <tr> <th></th> <th>DDE</th> <th>EE</th> </tr> </thead> <tbody> <tr> <td>Jul</td> <td>13.753</td> <td>169.25</td> </tr> <tr> <td>Aug</td> <td>16.716</td> <td>146.43</td> </tr> <tr> <td>Sept</td> <td>11.620</td> <td>62.23</td> </tr> <tr> <td>Oct</td> <td>8.692</td> <td>176.10</td> </tr> <tr> <td>Nov</td> <td>0.00</td> <td>65.40</td> </tr> <tr> <td>Dec</td> <td>0.00</td> <td>117.36</td> </tr> </tbody> </table> <p>High usage of pesticides recoded at East Estate due to usage of Acephate for bagworm treatment.</p> |            | DDE | EE | Jul | 13.753 | 169.25 | Aug | 16.716 | 146.43 | Sept | 11.620 | 62.23 | Oct | 8.692 | 176.10 | Nov | 0.00 | 65.40 | Dec | 0.00 | 117.36 | <p>Complied</p> |
|   | DDE   | EE         |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
| Jul   | 13.753  | 169.25     |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
| Aug   | 16.716  | 146.43     |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
| Sept  | 11.620  | 62.23      |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
| Oct   | 8.692   | 176.10     |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
| Nov   | 0.00  | 65.40      |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |
| Dec   | 0.00  | 117.36     |     |    |     |        |        |     |        |        |      |        |       |     |       |        |     |      |       |     |      |        |                 |

| Criterion / Indicator |  | Assessment Findings  | Compliance |
|-----------------------|--|--|------------|
| 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.<br>- Major 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   |
| 4.6.4                 | Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.<br>- Minor compliance - | Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. Based on the latest chemical register only class II, III & IV chemical used at visited estates. Alternative for class IA chemical, Methamidophos was used named Acephate under class III for bagworm infestation. | Complied   |

| Criterion / Indicator | Assessment Findings   | Compliance      |
|-----------------------|---|-----------------|
| <p>4.6.5</p>          | <p>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).<br/>           - Major compliance -</p> <p>Pesticides operators have been given training on the safety handling and application of pesticides. The training have been provided by Asst. Manager and suppliers of Spraying Equipment/Pesticides who are knowledgeable on pesticides handling and application. Sighted the training records as follows:</p> <p><u>Sepang Estate</u></p> <ul style="list-style-type: none"> <li>i. Trunk injection SOP and safety training dated 18/1/2019</li> <li>ii. Manuring SOP training dated 13/9/2018</li> <li>iii. Rat baiting training dated 16/1/2019</li> </ul> <p>Appropriated safety equipment were provided for the workers with chemical application. Sighted during interview with sprayers, the PPE was provided such as safety goggle, respirator, nitril gloves, apron, and wellington boots.</p> <p><u>Dusun Durian Estate</u></p> <ul style="list-style-type: none"> <li>i. Chemical spillage at premixing area training dated 8/1/2019</li> <li>ii. SOP and chemical handling training dated 16/1/2019</li> <li>iii. Circle spraying and safety awareness training dated 27/7/2018</li> </ul> <p>Appropriated safety equipment were provided for the workers with chemical application. Noted during interview with contractor sprayers, the PPE was provided such as safety goggle, respirator, nitrile gloves, apron, and wellington boots. Sighted the records for PPE issuance for contractor sprayers in the PPE record book dated 12/12/2018</p> <p><u>East Estate</u></p> <ul style="list-style-type: none"> <li>i. Pest &amp; disease and circle spraying, safety and chemical calibration training dated 16/1/2019</li> <li>ii. Spraying and chemical handling training dated 9/1/2019</li> <li>iii. handling chemical spillage training dated 27/12/2019</li> </ul> | <p>Complied</p> |

| Criterion / Indicator |  | Assessment Findings   | Compliance |
|-----------------------|--|---|------------|
| 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).<br>- Major compliance -   | <p><u>Sepang Estate</u><br/>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><u>Dusun Durian Estate</u><br/>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> | Complied   |
| 4.6.7                 | Application of pesticides shall be by proven methods that minimise risk and impacts.<br>- 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 aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.<br>- Major compliance - | No pesticides applied aerially.   | 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).<br>- Minor compliance -                                     | No associated smallholders at SOU 8. 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   |
| 4.6.10                | Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).<br>- Minor compliance -  | Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management disposes waste material as per regulation for schedule waste and domestic waste.  | Complied   |

| Criterion / Indicator   | Assessment Findings  | Compliance      |
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| <p>4.6.11</p> <p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p> | <p><u>Sepang Estate</u><br/>           The estate has conducted the medical surveillance for workers involve in chemicals handling on annually basis. Latest medical surveillance was conducted by OSH Doctor. Refer reg. no HQ/08/DOC/00/584 in February 2018. 45 workers send for the surveillance and found fit to handle the chemicals.</p> <p><u>Dusun Durian Estate</u><br/>           The estate has conducted the medical surveillance for workers involve in chemicals handling on annually basis. Latest medical surveillance was conducted by OSH Doctor. Refer reg. no HQ/17/DOC/00/042 in October 2018. 46 workers send for the surveillance and found fit to handle the chemicals.</p> <p><u>East Estate</u><br/>           The estate has conducted the medical surveillance for workers involve in chemicals handling on annually basis. Latest medical surveillance was conducted by OSH Doctor. Refer reg. no HQ/08/DOC/00/709 in October and November 2018. 85 workers send for the surveillance. 1 workers were found unfit and were remove from job of handling chemical activity immediately. DOSH has been notify regarding the issue through JKKP 7 form submitted by the OHD dated 1/12/2018.</p> | <p>Complied</p> |



| Criterion / Indicator  |  | Assessment Findings   | Compliance |
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| 4.6.12   | No work with pesticides shall be undertaken by pregnant or breast-feeding women.<br>- Major compliance - | <p>Both estate visited has prohibited woman workers who are confirmed pregnant or breast-feeding to handle chemicals as per Gender Policy and Occupational Safety and Health Policy signed by the Managing Director on January 2015</p> <p><u>Dusun Durian Estate</u><br/>The estate has prohibited the confirmed pregnant or breast-feeding women to work with chemicals through memo signed by the Estate Manager dated 3/7/2017.</p> <p><u>East Estate</u><br/>The estate has prohibited the confirmed pregnant or breast-feeding women to work with chemicals through memo signed by the Estate Manager dated 25/9/2018.</p> <p>The estate has conducted training for all woman workers regarding the prohibition of confirmed pregnant or breast-feeding women to work with chemicals during Gender committee meeting. Latest training was conducted on 18/1/2019.</p> | Complied   |
| <p><b>Criterion 4.7:</b><br/>An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p> |  |   |            |

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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.<br/>- Major compliance -</p> | <p>Sime Darby has established Safety and Health Management Policy and Occupational Safety and Health Policy signed by the Managing Director in January 2015. The policy were communicated through training, briefing and displayed on the noticed board.</p> <p><u>East Palm Oil Mill</u><br/>The mill has established OSH plan and documented in OSH Plan and reviewed on annually basis. The management covered all OSH activities in the mill such as legal and other regulations review, ERP training, HIRARC review, ESH meeting, fire drill, training, medical surveillance and audiometric test. Sighted the implementation of the management plan FY 2018 as follows:<br/>i. Chemical Exposure Monitoring was conducted on 9/11/2018 by certified Hygiene Technician, refer reg. no JKPP HIE 127/171-3/1(20). Refer report no. HQ/15/JHI/00/20-2018-058. The results shows the concentration of n-Hexane and IPA monitored onto Lab staff has complied to USECHH Regulation 2000<br/>ii. Chemical register has been reviewed 12/9/2018<br/>iii. Medical surveillance for laboratories workers and workers handling chemicals was conducted in stages in August and September 2018. Total of 19 workers were attend the surveillance and found fit to handle chemicals. As per report dated 30/11/2018.<br/>iv. Safety workplace inspection was conducted on quarterly basis. Sighted the inspection report dated 23-27/10/2018, 27/7/2018 and 27-28/4/2018.</p> <p><u>Sepang Estate</u><br/>The estate has established OSH plan and documented in Sepang Estate: Safety Programme FY 2019. The program covers all safety aspect such as ERP training, HIRARC review, ESH meeting, fire drill, training, and medical surveillance.<br/>h. Latest HIRARC review was conducted on 11/01/2019 for harvesting operation on 29/12/2018.</p> | <p>Complied</p> |
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| Criterion / Indicator | Assessment Findings  | Compliance |
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|                       | <p><u>Dusun Durian Estate</u><br/>           The estate has established Safety and health plan and documented in ESH programme 2018/19. The plan covers all safety issue and estate operation such as HIRARC review, ESH meeting, incident reporting, ERP, Chemical safety management, contractor safety management, workplace inspection and etc. Sighted the implementation of the 2018 OSH Plan as follows:</p> <ul style="list-style-type: none"> <li>i. Medical surveillance for workers were conducted in October 2018.</li> </ul> <p><u>East Estate</u><br/>           The estate has established Safety and health plan and documented in ESH programme 2018/19. The plan covers all safety issue and estate operation such as HIRARC review, ESH meeting, incident reporting, ERP, Chemical safety management, contractor safety management, workplace inspection and etc. Sighted the implementation of the 2018 OSH Plan as follows:</p> <ul style="list-style-type: none"> <li>i. OSH committee meeting was conducted on 25/10/2018, 27/7/2018 and 20/4/2018.</li> <li>ii. Medical surveillance was conducted in October and November 2018.</li> </ul> |            |

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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.<br/>         - Major compliance -</p> | <p><u>East Palm Oil Mill</u><br/>         The mill has conducted assessment to identify all health and safety risk issue and documented in documented in HIRARC report. The assessment was done base on risk assessment criteria. The HIRARC covers all mill main processing and support operation i.e boiler station, fruit handling, steriliser station, threshing station, pressing station, product storage, ETP operation, workshop maintenance, diesel tank, office compound, store and etc.<br/>         The assessment was review at minimum of once per year or when necessary/accident occur. Sighted the latest review were conducted on 4/7/2018 due to accident done on 17/6/2018 and 11/1/2019, review for FY 2019.<br/>         For abnormal activities such as construction or fixing new machineries, construction and desludging effluent pond, the appointed contractor have to prepare the HIRARC for the project. Sighted the HIRARC for desludging of effluent pond dated 1/1/2018 and ESP Installation work dated 3/1/2019.</p> <p><u>Sepang Estate</u><br/>         The estate has conducted assessment to identify all health and safety risk issue and documented in documented in HIRARC report. The assessment was done base on risk assessment criteria. The HIRARC covers all estate daily operation such as general work, manuring, weeding, harvesting, pruning, road maintenance and FFB transportation.<br/>         The assessment was review at minimum of once per year or when necessary/accident occur. Latest review was conducted on 11/01/2019 for harvesting operation on 29/12/2018.</p> <p><u>Dusun Durian Estate</u><br/>         The estate has assess all activities in the daily operation to identify safety and health risk issue and documented in HIRARC register. The assessment was done base on risk assessment criteria. The HIRARC covers all estate daily operation such as general work, manuring, weeding, harvesting, pruning, road maintenance and FFB transportation.</p> | <p>Complied</p> |
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| Criterion / Indicator | Assessment Findings   | Compliance |
|-----------------------|---|------------|
|                       | <p>The assessment was review at minimum of once per year or when necessary/accident occur. Latest review was conducted on 23/1/2018, 5/4/2018 and 16/1/2019.</p> <p><u>East Estate</u><br/>The estate has conducted assessment for all activities in the estate to identify all safety and health issue and documented in the HIRARC register. The assessment covers all activities such as office, security, general work, road maintenance, field maintenance, harvesting and FFB transportation. The assessment was review at minimum of once per year or when necessary/accident occur. Latest review was conducted on 10/1/2018.</p> |            |

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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.<br/>- Minor compliance -</p> | <p><u>East Palm Oil Mill</u><br/>All workers involved in operation has been provided with adequate training in safe working practice as per program in the training plan. Sighted the training record as follows:<br/>i. ETP operation training dated 23/7/2018<br/>ii. Laboratory operation training dated 25/7/2018<br/>iii. Boiler water treatment training dated 23/8/2018<br/>iv. Scheduled waste handling training<br/>v. Chemical handling training dated 27/9/2018<br/>vi. RSPO and HACCP training dated 3/12/2018<br/>The employee have been provided with Protective Equipment to cover all potential hazardous operations. PPE issuance records documented in PPE Records Book by workers to monitor the PPE usage for each workers.</p> <p><u>Sepang Estate</u><br/>i. Trunk injection training dated 18/1/2019<br/>ii. Tractor driver training dated 18/10/2018<br/>iii. Chemical handling training dated 13/12/2018</p> <p><u>Dusun Durian Estate</u><br/>Noted during site visit and interview session with the harvester, the harvesters didn't wear the PPE (safety helmet) provided by the estate. Pictorial Safety Standard, Section 7.1 Harvesting – Personal Protective Equipment stated Safety Helmet as one of the PPE that must be used by the harvester during working.<br/>This shows the awareness on importance of PPE to cover potential hazard is it effectively communicated with the harvester.</p> <p><u>East Estate</u><br/>All workers involved in operation has been provided with adequate training in safe working practice as per program in the training plan. Sighted the training record as follows:</p> | <p>Minor nonconformance</p> |
|--------------|---|--|-----------------------------|

| Criterion / Indicator | Assessment Findings  | Compliance |
|-----------------------|--|------------|
|                       | i. MOP manuring by spreader dated 13/1/2019<br>ii. Harvesting, safety and skill training dated 18/1/2019<br>iii. Harvesting tall palm technique training dated 3/11/2018<br>The employees have been provided with Protective Equipment to cover all potential hazardous operations. PPE issuance records documented in PPE Records Book by type of PPE. Sighted the records for PPE issuance for Apron, Nitrile Gloves and Mask for FY 2018. |            |

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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.<br/>- Major compliance -</p> | <p><u>East Palm Oil Mill</u><br/>The mill has appointed the Asst. Manager as the OSH coordinator as per appointment letter dated 1/1/2019 signed by the Mill Manager. Mill management has appointed management and employee representative in ESH committee as per appointment letter dated 1/1/2019 signed by the Mill Manager. The committee conducted meeting on quarterly basis to discuss the safety and health issue. Sighted the minutes meetings dated 30/4/2018, 30/7/2018 and 30/10/2018. In the meeting, the discussion covers on safety workplace inspection, OSH performance, legal compliance, HIRARC review, assessment report from PSQM, training and review of medical surveillance report.</p> <p><u>Sepang Estate</u><br/>Sime Darby has appointed the Estate Manager as the OSH responsible person as per letter signed by the Regional CEO, Central East Region dated 1/1/2019 the appointment valid for 2 years. The estate management has appointed management and employee representative as ESH committee as per letter dated 1/1/2019.<br/>The OSH committee meeting was conducted on quarterly basis as per OSH Plan established. Sighted the minutes meeting for OSH committee dated 18/10/2018, 27/7/2018 and 7/5/2018. In the meeting discussed on the OSH achievement, accident and incident report, OSHA compliance, first aid kit monitoring, workplace inspection, ERT and training.</p> <p><u>Dusun Durian Estate</u><br/>Sime Darby has appointed the Estate Manager as the OSH responsible person as per letter signed by the Regional CEO, Central East Region dated 1/1/2019 the appointment valid for 2 years. The estate management has appointed management and employee representative as ESH committee as per letter dated 1/1/2019.<br/>The OSH committee meeting was conducted on quarterly basis as per OSH Plan established. Sighted the minutes meeting for OSH committee dated</p> | <p>Complied</p> |
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|                       | <p>25/10/2018, 27/7/2018 and 20/4/2018. In the meeting discussed on the OSH achievement, accident and incident report review, LTA and LTI analysis, HIRARC review, Audit report review, OSHA compliance, and training.</p> <p><u>East Estate</u><br/>Sime Darby has appointed the Estate Manager as the OSH responsible person as per letter signed by the Regional CEO, Central East Region and the appointment valid for 2 years. The estate management has appointed management and employee representative as ESH committee.<br/>The OSH committee meeting was conducted on quarterly basis as per OSH Plan established. Sighted the minutes meeting for OSH committee dated 25/10/2018, 27/7/2018 and 19/4/2018. In the meeting discussed on the OSH achievement, accident and incident report review, LTA and LTI analysis, HIRARC review, Audit report review, OSHA compliance, and training.</p> |            |

|              |  |  |                 |
|--------------|--|--|-----------------|
| <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.<br/>         - Minor compliance -</p> | <p>Emergency Response Procedure has been established and documented in Mill Quality Management Manual v.1 2008/MQMS/QMM/08 in sub-section 5.5, appendix 5.5.3.3. The emergency procedures has been communicated to the workers through training and briefing. Additionally, the procedure has been displayed on the notice board in local language, Bahasa Malaysia.</p> <p><u>East Palm Oil Mill</u><br/>         The mill has established the emergency response team consist of management and employee from various workstation. The mill conducted firefighting training dated 12/10/2018 to create awareness among the workers to control fire if any incident happen in the mill or housing area. Noted during interview with the employee shows the awareness on using the fire extinguisher to control fire in the mill.<br/>         First aid was available at various station at the mill. Noted during interview with lab operator shows the understanding on the basic used of item in the first aid box.</p> <p><u>Sepang Estate</u><br/>         The estate has established the emergency response team consist of management and employee from various workstation. The estate has established emergency response procedure and displayed at several notice board in the estate. The emergency procedure covers incident of fire, accident, wildlife attack, flood, and workers strike. Noted during interview with sprayer's shows the understanding on action to be taken during fire incident. The estate has conducted briefing for ERP: Accident in workplace on 12/12/2018.</p> <p>The estate has appointed the mandores as person responsible for First aid box. Noted during interview with the mandores shows the understanding of emergency treatment. The estate has send the AMO and field supervisor to attend first aid, CPR and AED training conducted on 12-13/12/2018.</p> | <p>Complied</p> |
|--------------|--|--|-----------------|

| Criterion / Indicator | Assessment Findings   | Compliance |
|-----------------------|---|------------|
|                       | <p>The monitoring of first aid box item was conducted by the Asst. Medical Officer on monthly basis.</p> <p><u>Dusun Durian Estate</u><br/>           The estate has established the emergency response team consist of management and employee from various workstation. The estate has established emergency response procedure and displayed at several notice board in the estate. Noted during interview with harvesters shows the understanding on action to be taken during fire incident.<br/>           The estate has appointed the mandores as person responsible for First aid box. Noted during interview with the mandores shows the understanding of emergency treatment. The monitoring for 1<sup>st</sup> aid item was conducted on monthly basis.<br/>           The estate has conducted Fitre Drill, Fire Fighting, 1<sup>st</sup> Aid, CPR and chocking training dated 13-14/5/2018</p> <p><u>East Estate</u><br/>           The estate has established the emergency response team consist of management and employee from various workstation. The estate has established emergency response procedure and displayed at several notice board in the estate. Noted during interview with sprayers shows the understanding on action to be taken during fire incident. The estate has conducted ERP, fire fighting training dated 24/12/2018 in collaboration with Pertubuhan Pencegah Kebakaran Kuala Lumpur.<br/>           The estate has appointed the mandores as person responsible for First aid box. Noted during interview with the mandores shows the understanding of emergency treatment. The monitoring for 1<sup>st</sup> aid item was conducted on monthly basis. First aid training was conducted on 14/12/2018.</p> |            |

| <p>4.7.6</p>         | <p>All workers shall be provided with medical care, and covered by accident insurance.<br/>- Minor compliance -</p> | <p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p> <p><u>East Palm Oil Mill</u><br/>Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for October, November and December 2018.<br/>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance. Sighted the Approval slip for workmen compensation scheme:</p> <table border="1" data-bbox="981 683 1868 820"> <thead> <tr> <th>Insurance</th> <th>Policy</th> <th>Coverage Period</th> </tr> </thead> <tbody> <tr> <td>RHB Insurance Berhad</td> <td>MW 261447</td> <td>1/9/2019</td> </tr> <tr> <td></td> <td>MW 261454</td> <td>6/9/2019</td> </tr> <tr> <td></td> <td>MW 261455</td> <td>15/11/2019</td> </tr> </tbody> </table> <p><u>Sepang Estate</u><br/>Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for September and October 2018.<br/>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance. Sighted the Approval slip for workmen compensation scheme:</p> <table border="1" data-bbox="981 1082 1868 1219"> <thead> <tr> <th>Insurance</th> <th>Policy</th> <th>Coverage Period</th> </tr> </thead> <tbody> <tr> <td>RHB Insurance Berhad</td> <td>MW 227444</td> <td>10/6/2019</td> </tr> <tr> <td></td> <td>MW 227408</td> <td>14/5/2019</td> </tr> <tr> <td></td> <td>MW 217807</td> <td>30/3/2019</td> </tr> </tbody> </table> <p><u>Dusun Durian Estate</u><br/>Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for October, November and December 2018.</p> | Insurance | Policy | Coverage Period | RHB Insurance Berhad | MW 261447 | 1/9/2019 |  | MW 261454 | 6/9/2019 |  | MW 261455 | 15/11/2019 | Insurance | Policy | Coverage Period | RHB Insurance Berhad | MW 227444 | 10/6/2019 |  | MW 227408 | 14/5/2019 |  | MW 217807 | 30/3/2019 | <p>Complied</p> |
|----------------------|---|--|-----------|--------|-----------------|----------------------|-----------|----------|--|-----------|----------|--|-----------|------------|-----------|--------|-----------------|----------------------|-----------|-----------|--|-----------|-----------|--|-----------|-----------|-----------------|
| Insurance            | Policy  | Coverage Period  |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
| RHB Insurance Berhad | MW 261447   | 1/9/2019   |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
|                      | MW 261454   | 6/9/2019   |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
|                      | MW 261455   | 15/11/2019   |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
| Insurance            | Policy  | Coverage Period  |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
| RHB Insurance Berhad | MW 227444   | 10/6/2019  |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
|                      | MW 227408   | 14/5/2019  |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |
|                      | MW 217807   | 30/3/2019  |           |        |                 |                      |           |          |  |           |          |  |           |            |           |        |                 |                      |           |           |  |           |           |  |           |           |                 |

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|---|--|--|------------|--------|-----------------|----------------------|-----------|----------|-----------|-----------|-----------|------------|-----|-------|-------|-------|-----|-------|-----|------|---|-----|---|---|---|----|---|----|------|---|----|---|---|---|-----|----|-----|----------|
|   |  | <p>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance. Sighted the Approval slip for workmen compensation scheme:</p> <table border="1"> <thead> <tr> <th>Insurance</th> <th>Policy</th> <th>Coverage Period</th> </tr> </thead> <tbody> <tr> <td rowspan="3">RHB Insurance Berhad</td> <td>MW 286055</td> <td>4/2/2020</td> </tr> <tr> <td>MW 286051</td> <td>17/2/2020</td> </tr> <tr> <td>MW 276473</td> <td>20/11/2019</td> </tr> </tbody> </table>   | Insurance  | Policy | Coverage Period | RHB Insurance Berhad | MW 286055 | 4/2/2020 | MW 286051 | 17/2/2020 | MW 276473 | 20/11/2019 |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
| Insurance   | Policy   | Coverage Period  |            |        |                 |                      |           |          |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
| RHB Insurance Berhad  | MW 286055  | 4/2/2020   |            |        |                 |                      |           |          |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
|   | MW 286051  | 17/2/2020  |            |        |                 |                      |           |          |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
|   | MW 276473  | 20/11/2019   |            |        |                 |                      |           |          |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
| 4.7.7   | Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics<br>- Minor compliance - | <p>The estate maintained the records of accident cases<br/>Lost Time Accident (LTA) metrics was recoded base on form JKPP 6, 7 and 8. Sampled statistic observed as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">EPOM</th> <th colspan="2">SE</th> <th colspan="2">DDE</th> <th colspan="2">EE</th> </tr> <tr> <th>Cases</th> <th>LTA</th> <th>Cases</th> <th>Cases</th> <th>Cases</th> <th>LTA</th> <th>Cases</th> <th>LTA</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>5</td> <td>126</td> <td>4</td> <td>4</td> <td>4</td> <td>61</td> <td>6</td> <td>15</td> </tr> <tr> <td>2017</td> <td>5</td> <td>42</td> <td>5</td> <td>5</td> <td>5</td> <td>130</td> <td>12</td> <td>355</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)<br/>Operating unit submitted the Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NADOPOD), JKPP 8 form on annually basis as required by the DOSH through MyKKP system. Sighted the submission of JKPP 8 form FY 2018 as follows:<br/>EPOM: 25/1/2019<br/>SE: 8/1/2019<br/>DDE: 28/1/2019<br/>EE: 5/1/2019</p> |            | EPOM   |                 | SE                   |           | DDE      |           | EE        |           | Cases      | LTA | Cases | Cases | Cases | LTA | Cases | LTA | 2018 | 5 | 126 | 4 | 4 | 4 | 61 | 6 | 15 | 2017 | 5 | 42 | 5 | 5 | 5 | 130 | 12 | 355 | Complied |
|   | EPOM   |  |            | SE     |                 | DDE                  |           | EE       |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
|   | Cases  | LTA  | Cases      | Cases  | Cases           | LTA                  | Cases     | LTA      |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
| 2018  | 5  | 126  | 4          | 4      | 4               | 61                   | 6         | 15       |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
| 2017  | 5  | 42   | 5          | 5      | 5               | 130                  | 12        | 355      |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |
| <b>Criterion 4.8:</b><br>All staff, workers, smallholders and contract workers are appropriately trained. |  |  |            |        |                 |                      |           |          |           |           |           |            |     |       |       |       |     |       |     |      |   |     |   |   |   |    |   |    |      |   |    |   |   |   |     |    |     |          |

| Criterion / Indicator | Assessment Findings   | Compliance      |
|-----------------------|---|-----------------|
| <p>4.8.1</p>          | <p>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.</p> <p>- Major compliance -</p> <p><u>East Palm Oil Mill</u><br/>The mill has established the training plan for all executives and employee and documented in Training Plan FY 2019. 33 training were identified and programmed throughout the year. The training program covers all aspect on SOP, safety and health, environmental and management system.</p> <p><u>Sepang Estate</u><br/>The estate has established the training plan for all executives, employee and contractors base on training need analysis (training matrix) conducted and documented in Training Plan FY 2019. 32 training were identified and programmed throughout the year. The training program covers all aspect of safety and health, environment, SOP, company policy and management systems.</p> <p><u>East Estate</u><br/>The estate has conducted the training need analysis and documented in Training Matrix – SOU 8, East Estate. 34 training was identified for management, workers and contractors. Training plan was established based on the training identified and documented in Training Scheduled – SOU 8, East Estate and programmed throughout the year.;</p> | <p>Complied</p> |

|              |  |   |                 |
|--------------|--|---|-----------------|
| <p>4.8.2</p> | <p>Records of training for each employee shall be maintained.<br/>- Minor compliance -</p> | <p>All training conducted base on the training plan established. Training was given by Mill/Plantation Executives i.e Asst. Manager, Agronomist, fireld supervisor or Supplier with knowledge in the training conducted. Training was conducted centrally for SOU 8 and by individual operating unit. Sighted the training records as follows:</p> <p><u>East Palm Oil Mill</u></p> <ul style="list-style-type: none"> <li>i. Hearing conservation training dated 9/2/2018 and 23/4/2018</li> <li>ii. Supply Chain Certification System training dated 20/2/2018</li> <li>iii. Boiler water treatment training dated 27/7/2018</li> <li>iv. Environmental work instruction dated 28/7/2018</li> <li>v. Quality management systems, Policy and objectives dated 30/7/2018</li> </ul> <p><u>Sepang Estate</u></p> <ul style="list-style-type: none"> <li>i. Trunk injection SOP and safety training dated 18/1/2019</li> <li>ii. Manuring SOP training dated 13/9/2018</li> <li>iii. Rat baiting training dated 16/1/2019</li> <li>iv. Corporate policy and COBC training dated 29/1/2019</li> <li>v. Tractor driver and heavy machinery handling training dated 18/10/2018</li> </ul> <p><u>Dusun Durian Estate</u></p> <ul style="list-style-type: none"> <li>i. Kubota handling and safety training dated 21/8/2018</li> <li>ii. Farm tractor refresher training dated 11/1/2019</li> <li>iii. Rat Baiting SOP training dated 18/8/2018</li> <li>iv. Company policy training dated 9/1/2019</li> <li>v. Safety townhall training dated 15/5/2018</li> </ul> <p><u>East Estate</u></p> <ul style="list-style-type: none"> <li>i. SOP and safety work procedure on trunk injection training dated 6/7/2018</li> <li>ii. SOP and vehicle inspection for lorry driver training dated 2/11/2018</li> <li>iii. Harvesting training, sharpening sickle training dated 10/12/2018</li> <li>iv. Environmental, Pollution prevention pan, HCV training dated 18/1/2019</li> <li>v. Handling chemical spillage training dated 27/12/2018</li> </ul> | <p>Complied</p> |
|--------------|--|---|-----------------|

| Criterion / Indicator   | Assessment Findings   | Compliance   |          |
|---|---|--|----------|
| <b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>   |   |  |          |
| <b>Criterion 5.1:</b><br>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement. |   |  |          |
| 5.1.1   | An environmental impact assessment (EIA) shall be documented.<br>- Major compliance - | Plans and impact assessments relating to environmental impacts based on documents as following:<br>i) Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; Register.<br>ii) Appendix 5.4.1c - Environmental Aspect and Impact Identification form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-01/EAI.<br>iii) Appendix 5.4.1d – Environmental Impacts Evaluation form, Version 1; Year 2008 Issue no. 1; Dated 1 April 2009; MR-02/EIE.<br>POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts. Sample of new environmental aspect impact reviewed:<br>i) Replanting – EAI/04-07-2018/RPT/01-01 (reviewed on 4/7/18) | Complied |



| 5.1.2   | <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.</p> <p>- Minor compliance -</p> | <p>The mill and estates has continuously implemented its annual programs that were established as part of its individual Pollution Prevention Plan. Managers and assistant managers of mill and estates were identified as person-in-charge of the programs which were established upon review of the aspect and impact register. It was observed that the reviewing and updating on the registers were done annually if there's no any new activity within respective sites. Significant environment impact and management plan is documented under Pollution Prevention Plan. Example of management plan checked:</p> <table border="1" data-bbox="981 635 1868 1291"> <thead> <tr> <th data-bbox="981 635 1424 683">Environmental Issue</th> <th data-bbox="1424 635 1868 683">Mitigation Measures</th> </tr> </thead> <tbody> <tr> <td data-bbox="981 683 1424 898">Black smoke emission from boiler</td> <td data-bbox="1424 683 1868 898">Operational control<br/>SDR calibration and regular monitoring of black smoke emission<br/>Preventive maintenance of all fan and damper for boiler.</td> </tr> <tr> <td data-bbox="981 898 1424 1011">Effluent discharge/overflow/leakage mineral</td> <td data-bbox="1424 898 1868 1011">Operational control</td> </tr> <tr> <td data-bbox="981 1011 1424 1125">POME land discharge</td> <td data-bbox="1424 1011 1868 1125">Make bigger and stronger bund and daily check. 6 monthly maintenance to clear blockages.</td> </tr> <tr> <td data-bbox="981 1125 1424 1206">Traces of oil in monsoon drain at workshop area</td> <td data-bbox="1424 1125 1868 1206">Construction of oil trap and recover oil weekly.</td> </tr> <tr> <td data-bbox="981 1206 1424 1291">Air emission</td> <td data-bbox="1424 1206 1868 1291">Monitoring CFMS system and stack sampling</td> </tr> </tbody> </table> | Environmental Issue | Mitigation Measures | Black smoke emission from boiler | Operational control<br>SDR calibration and regular monitoring of black smoke emission<br>Preventive maintenance of all fan and damper for boiler. | Effluent discharge/overflow/leakage mineral | Operational control | POME land discharge | Make bigger and stronger bund and daily check. 6 monthly maintenance to clear blockages. | Traces of oil in monsoon drain at workshop area | Construction of oil trap and recover oil weekly. | Air emission | Monitoring CFMS system and stack sampling | Complied |
|---|---|---|---------------------|---------------------|----------------------------------|---|---|---------------------|---------------------|--|---|--|--------------|---|----------|
| Environmental Issue                             | Mitigation Measures   |   |                     |                     |                                  |   |   |                     |                     |  |   |  |              |   |          |
| Black smoke emission from boiler                | Operational control<br>SDR calibration and regular monitoring of black smoke emission<br>Preventive maintenance of all fan and damper for boiler.   |   |                     |                     |                                  |   |   |                     |                     |  |   |  |              |   |          |
| Effluent discharge/overflow/leakage mineral     | Operational control   |   |                     |                     |                                  |   |   |                     |                     |  |   |  |              |   |          |
| POME land discharge                             | Make bigger and stronger bund and daily check. 6 monthly maintenance to clear blockages.  |   |                     |                     |                                  |   |   |                     |                     |  |   |  |              |   |          |
| Traces of oil in monsoon drain at workshop area | Construction of oil trap and recover oil weekly.  |   |                     |                     |                                  |   |   |                     |                     |  |   |  |              |   |          |
| Air emission                                    | Monitoring CFMS system and stack sampling   |   |                     |                     |                                  |   |   |                     |                     |  |   |  |              |   |          |

| Criterion / Indicator  |   | Assessment Findings   |   | Compliance           |
|--|---|---|---|----------------------|
|  |   | Leachate from EFB dumping area  | Bund and sump construction, pumping leachate to ETP via sludge pit. |                      |
| 5.1.3  | This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.<br>- Minor compliance - | Based on pollution prevention plan, FY2018/2019 dated 18/7/18, control measure has been identified for waste water discharge from cleaning/processing however the water analysis results (mill's parameter drain) does not conform with Class IIA/IIB of NWQS for natural waterways. Refer to COA;<br>i)IE1231/2018 dated 29/10/18, pH COD DO exceed the limit<br>ii)IE521/2018 dated 4/5/18, pH, BOD, SS, DO exceed the limit<br>iii)IE816/2018 dated 24/7/18, pH, COD, DO exceed the limit. Thus, a minor NC was issued.  |   | Minor nonconformance |
| <b>Criterion 5.2:</b><br>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced. |   |   |   |                      |
| 5.2.1  | Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).<br>- Major compliance -  | Re-assessment of HCV was conducted by Sustainability Department (Social & Environment Projects Unit) on February 2015. The assessment incorporating SOU8 East, SOU9 West and SOU9A Sepang. In summary, the areas covered within these SOU landholdings in this report are 17,711.16 hectare and the HCV area presence are 277.57 ha (HCV4 & HCV6).<br><br>The assessment concluded with recommendations that incorporated basic conservation planning principles for consideration into management regimes of preserving the HCV and conservation areas. The proposed management and monitoring for HCVA possible threats also recorded.<br>For Sepang Estate and Dusun Durian Estate, there only has HCV 4 (water catchment and nursery pond). |   | 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.<br>- Major compliance -  | No RTE was identified within the planted or surrounding village area based on the HCV assessment report dated February 2015.<br>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.<br>Signage that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited (Sepang, Dusun Durian and East estate) found to have been satisfactorily maintained. | Complied   |
| 5.2.3                 | There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.<br>- Minor compliance - | Although there is no RTE species identified at SOU8, there is evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities. Signage as well as routine patrolling activities were carried out as part of the efforts to create awareness among employees about biodiversity. The latest HCV training was carried out on 18/1/19 for SOU8 at Dusun Durian Estate  | Complied   |

| Criterion / Indicator |   | Assessment Findings  | Compliance |                 |               |   |                     |   |                             |
|-----------------------|---|--|------------|-----------------|---------------|---|---------------------|---|-----------------------------|
| 5.2.4                 | <p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance -</p> | <p>The HCV management plan is developed based on recommendation given by the assessor. The plan includes monitoring of buffer zone area and conservation area in the estate and surrounding area. Monitoring of action plan was carried out at appropriate frequency as a mechanism to ensure effectiveness of implementation. Report of the monitoring was adequately recorded by the person in-charge on weekly basis. Based on the report, no RTE sighted and no evidence of encroachment/trespasses at the identified HCV and conservation area. Among established management sighted:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Management Plan</th> </tr> </thead> <tbody> <tr> <td>Sepang Estate</td> <td>                     Monitoring of water catchment area (patrolling and sighting)<br/>                     Availability of signage<br/>                     Prohibition of agrochemical activities<br/>                     Prohibition of any activities (fishing/swimming)                 </td> </tr> <tr> <td>Dusun Durian Estate</td> <td>                     Monitoring of water catchment area (patrolling and sighting)<br/>                     Availability of signage<br/>                     Prohibition of agrochemical activities<br/>                     Prohibition of any activities (fishing/swimming)                 </td> </tr> </tbody> </table> <p><u>East Estate</u><br/>                     Referring management plan for period of 2018 to 2019, there is no specific monitoring plan for wildlife (birds, mammals and reptiles) under IUCN conservation status and WCA 2010 (act 716) documented. Based monthly monitoring of present and potential HCV areas (October, November and December 2018), observation reported during patrol/sighting was not clear. Thus, a minor NC was issued.</p> | Estate     | Management Plan | Sepang Estate | Monitoring of water catchment area (patrolling and sighting)<br>Availability of signage<br>Prohibition of agrochemical activities<br>Prohibition of any activities (fishing/swimming) | Dusun Durian Estate | Monitoring of water catchment area (patrolling and sighting)<br>Availability of signage<br>Prohibition of agrochemical activities<br>Prohibition of any activities (fishing/swimming) | <p>Minor non-conformity</p> |
| Estate                | Management Plan   |  |            |                 |               |   |                     |   |                             |
| Sepang Estate         | Monitoring of water catchment area (patrolling and sighting)<br>Availability of signage<br>Prohibition of agrochemical activities<br>Prohibition of any activities (fishing/swimming)   |  |            |                 |               |   |                     |   |                             |
| Dusun Durian Estate   | Monitoring of water catchment area (patrolling and sighting)<br>Availability of signage<br>Prohibition of agrochemical activities<br>Prohibition of any activities (fishing/swimming)   |  |            |                 |               |   |                     |   |                             |

| 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.<br>- Minor compliance - | No HCV set asides with existing rights of local communities have been identified   | Complied   |
| <b>Criterion 5.3:</b><br>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.<br>- Major compliance -  | As per Sustainable Plantation Management System Appendix 9 Procedure for Handling of Domestic Waste version 1, year 2008, issue no. 1, dated 1 October 2008.<br>Palm oil mill - Type of waste generated:<br>a. Scheduled waste (SW305, SW322, SW409 and SW410) domestic waste and recyclable waste. These categories include: effluent, fibre/shell, EFB, boiler clinker, wash water, scrap metal, scheduled waste, boiler blowdown, hydro-cyclone/claybath wash water, methane gas.<br><br>Estate - Type of waste<br>a. Scheduled waste – SW102, SW109, SW305, SW306, SW322, SW409, SW410, SW404 – workshop, clinic, SW store, store;<br>b. Domestic waste – rubbish & sewage – line-site, office, workshop, store, shop &<br>c. Recycle waste – empty container, waste oil<br>d. Industrial waste – Scrap iron<br><br>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained accordingly | Complied   |

| <p>5.3.2</p>        | <p>All chemicals and their containers shall be disposed of responsibly.<br/>         - Major compliance -</p>  | <p>The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Latest disposal records checked:</p> <table border="1" data-bbox="981 603 1868 1367"> <thead> <tr> <th data-bbox="981 603 1249 651">Operating Unit</th> <th data-bbox="1249 603 1550 651">Contractor</th> <th data-bbox="1550 603 1868 651">Disposal records</th> </tr> </thead> <tbody> <tr> <td data-bbox="981 651 1249 882">East POM</td> <td data-bbox="1249 651 1550 882">Kualiti Alam Sdn Bhd</td> <td data-bbox="1550 651 1868 882">                     14/12/18:<br/>                     CN#20181214142UBA4<br/>                     T for SW322<br/><br/>                     14/12/18:<br/>                     CN#201812141485FG4<br/>                     M for SW409                 </td> </tr> <tr> <td data-bbox="981 882 1249 1367">Dusun Durian Estate</td> <td data-bbox="1249 882 1550 1367">                     Scheduled waste (SW410,SW305)<br/><br/>                     Contractor: Malik Family Resources Technology<br/><br/><br/><br/><br/><br/><br/><br/>                     Recycle waste (empty chemical container)                 </td> <td data-bbox="1550 882 1868 1367">                     Consignment notes no.:<br/>                     i) 2018102311SX1PZM dated 23/10/18 for SW305, quantity: 0.6 mt<br/>                     ii) 2018102310PCF0G1 dated 23/10/18 for SW410, quantity: 0.24 mt<br/><br/><br/>                     Disposal records dated 1/6/18, re# 0449<br/>                     Inter pump – 420 pcs                 </td> </tr> </tbody> </table> | Operating Unit | Contractor | Disposal records | East POM | Kualiti Alam Sdn Bhd | 14/12/18:<br>CN#20181214142UBA4<br>T for SW322<br><br>14/12/18:<br>CN#201812141485FG4<br>M for SW409 | Dusun Durian Estate | Scheduled waste (SW410,SW305)<br><br>Contractor: Malik Family Resources Technology<br><br><br><br><br><br><br><br>Recycle waste (empty chemical container) | Consignment notes no.:<br>i) 2018102311SX1PZM dated 23/10/18 for SW305, quantity: 0.6 mt<br>ii) 2018102310PCF0G1 dated 23/10/18 for SW410, quantity: 0.24 mt<br><br><br>Disposal records dated 1/6/18, re# 0449<br>Inter pump – 420 pcs | <p>Complied</p> |
|---------------------|--|--|----------------|------------|------------------|----------|----------------------|--|---------------------|--|---|-----------------|
| Operating Unit      | Contractor   | Disposal records   |                |            |                  |          |                      |  |                     |  |   |                 |
| East POM            | Kualiti Alam Sdn Bhd   | 14/12/18:<br>CN#20181214142UBA4<br>T for SW322<br><br>14/12/18:<br>CN#201812141485FG4<br>M for SW409   |                |            |                  |          |                      |  |                     |  |   |                 |
| Dusun Durian Estate | Scheduled waste (SW410,SW305)<br><br>Contractor: Malik Family Resources Technology<br><br><br><br><br><br><br><br>Recycle waste (empty chemical container) | Consignment notes no.:<br>i) 2018102311SX1PZM dated 23/10/18 for SW305, quantity: 0.6 mt<br>ii) 2018102310PCF0G1 dated 23/10/18 for SW410, quantity: 0.24 mt<br><br><br>Disposal records dated 1/6/18, re# 0449<br>Inter pump – 420 pcs  |                |            |                  |          |                      |  |                     |  |   |                 |

|  |  |   |   |   |  |
|--|--|---|---|---|--|
|  |  |   | Contractor : SS Setia Teknologi Enterprise<br>Approval letter, JP KRP 207/12/471 JLD VI dated 7/12/15 | KENLON – 13 pcs<br>BASTA/ALLY – 805 pcs |  |
| 5.3.3  | A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.<br>- Minor compliance - | For estates, there are 2 options available for disposal. The empty chemical containers are categorised as non-scheduled wastes after the process of triple rinsing is undergone. The practice was based on the triple rinse procedure and in-line with national programme on recycling of used HDPE pesticide containers. Refer to approval letter issued by DOA, refer to JP KRP 207/12/471 JLD VI dated 7/12/15. Approved DOA contractor, SS Setia appointed to participate in the programme. The containers were mainly disposed through recycling companies (e.g. SS Setia Teknologi Enterprise). Whereas for used oil (SW305), was taken by Sime Darby Industries (SDI) whom was the company hired to carry out machinery & vehicles maintenance job, back to their premise. Refer to approval letter, reference no. AS(BB) 91/110/619/161 Jilid 14 (69) dated 6/9/11. In some cases, DOE's license contractor appointed for disposal of SW305 and SW410 when there is no SDI appointed for service and maintenance of tractors.<br><br>Action plan to manage the disposal of wastes is documented in the Waste Management Action Plan for 2019. Among the method of disposal are through SW Reg. 2005, landfill, application of industrial waste at the estates (e.g. EFB & POME) and creating awareness among the employees through 3R activities. |   | Complied                                |  |
| <b>Criterion 5.4:</b><br>Efficiency of fossil fuel use and the use of renewable energy is optimised. |  |   |   |   |  |

|   |   |   |          |
|---|---|---|----------|
| 5.4.1   | <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>   | <p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of grid supply (TNB) for electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and coiler where Palm fibre and PK shells were used as renewable energy/fuel on a 70:30 ratio basis respectively. Average of 83.02 kWh/CPO recorded from July to December 2018.</p> | Complied |
| <p><b>Criterion 5.5:</b><br/>         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.</p> |   |   |          |
| 5.5.1   | <p>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.</p> <p>- Major compliance -</p>   | <p>The Group policy of "Zero open burning" is enforced since July 2008. The operating units adhere to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in Sepang Estate, Dusun Durian and East Estates field showed no evidence of open burning.</p>  | Complied |
| 5.5.2   | <p>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.</p> <p>- Minor compliance -</p> | <p>Fire was not used for preparing land for replanting at all visited estates.</p> <p>For example at Dusun Durian Estate, stipulated in the contract under Appendix 2, dated 22/10/18 between Sime Darby Plantation Berhad and Chip Huat Excavator Works. Only mechanized operation is allowed for the land preparation (felling, shredding, pulverizing and deboling). No phyto-sanitary disposal using fire allowed for pest outbreak.</p>  | Complied |
| <p><b>Criterion 5.6:</b><br/>         Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>  |   |   |          |



| <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).<br/>         - Major compliance -</p>                      | <p>Assessment of all polluting activities was conducted under Environmental Aspect Impact for identifying activities that contributes significant impact to environment</p> <p>As prescribed under "Jadual Pematuhan, license# 003124, air emission from boiler stack have to be monitored twice per year. Stack sampling results for 2018 :</p> <table border="1" data-bbox="981 587 1868 1252"> <thead> <tr> <th data-bbox="981 587 1279 635">Date of monitoring</th> <th data-bbox="1279 587 1576 635">Stack no.2</th> <th data-bbox="1576 587 1868 635">Stack no.3</th> </tr> </thead> <tbody> <tr> <td data-bbox="981 635 1279 927">                     26/3/18 report reference<br/>                     ALM/SIMEDARBY/021<br/>                     8/3824                 </td> <td data-bbox="1279 635 1576 927">                     Solid particle (dust) – 35mg/m<sup>3</sup>, dry@ 12%CO<sub>2</sub>.<br/>                     NOx – 6.2 mg/m<sup>3</sup><br/>                     SO<sub>2</sub> – 3 mg/m<sup>3</sup><br/>                     CO – 78 mg/m<sup>3</sup><br/>                     Opacity – not exceeding Ringellman 1                 </td> <td data-bbox="1576 635 1868 927">                     Solid particle (dust) – 26mg/m<sup>3</sup>, dry@ 12%CO<sub>2</sub>.<br/>                     NOx - 5.1 mg/m<sup>3</sup><br/>                     SO<sub>2</sub> – 3.3 mg/m<sup>3</sup><br/>                     CO – 65 mg/m<sup>3</sup><br/>                     Opacity – not exceeding Ringellman 1                 </td> </tr> <tr> <td data-bbox="981 927 1279 1252">                     21/9/18 report reference<br/>                     ALM/SIMEDARBY/081<br/>                     8/4213                 </td> <td data-bbox="1279 927 1576 1252">                     Solid particle (dust) – 38 mg/m<sup>3</sup>, dry@ 12%CO<sub>2</sub>.<br/>                     NOx – 10 mg/m<sup>3</sup><br/>                     SO<sub>2</sub> – 8 mg/m<sup>3</sup><br/>                     CO – 121 mg/m<sup>3</sup><br/>                     Opacity – not exceeding Ringellman 1                 </td> <td data-bbox="1576 927 1868 1252">                     Solid particle (dust) – 31mg/m<sup>3</sup>,dry@12%C O<sub>2</sub>.<br/>                     NOx – 7.8 mg/m<sup>3</sup><br/>                     SO<sub>2</sub> – 5 mg/m<sup>3</sup><br/>                     CO – 97 mg/m<sup>3</sup><br/>                     Opacity – not exceeding Ringellman 1                 </td> </tr> </tbody> </table> <p>The emissions of all parameters tested were complied with their respective limits as stipulated in the EQ (Clean Air) Regulations 1978.</p> | Date of monitoring | Stack no.2 | Stack no.3 | 26/3/18 report reference<br>ALM/SIMEDARBY/021<br>8/3824 | Solid particle (dust) – 35mg/m <sup>3</sup> , dry@ 12%CO <sub>2</sub> .<br>NOx – 6.2 mg/m <sup>3</sup><br>SO <sub>2</sub> – 3 mg/m <sup>3</sup><br>CO – 78 mg/m <sup>3</sup><br>Opacity – not exceeding Ringellman 1 | Solid particle (dust) – 26mg/m <sup>3</sup> , dry@ 12%CO <sub>2</sub> .<br>NOx - 5.1 mg/m <sup>3</sup><br>SO <sub>2</sub> – 3.3 mg/m <sup>3</sup><br>CO – 65 mg/m <sup>3</sup><br>Opacity – not exceeding Ringellman 1 | 21/9/18 report reference<br>ALM/SIMEDARBY/081<br>8/4213 | Solid particle (dust) – 38 mg/m <sup>3</sup> , dry@ 12%CO <sub>2</sub> .<br>NOx – 10 mg/m <sup>3</sup><br>SO <sub>2</sub> – 8 mg/m <sup>3</sup><br>CO – 121 mg/m <sup>3</sup><br>Opacity – not exceeding Ringellman 1 | Solid particle (dust) – 31mg/m <sup>3</sup> ,dry@12%C O <sub>2</sub> .<br>NOx – 7.8 mg/m <sup>3</sup><br>SO <sub>2</sub> – 5 mg/m <sup>3</sup><br>CO – 97 mg/m <sup>3</sup><br>Opacity – not exceeding Ringellman 1 | <p>Complied</p> |
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| Date of monitoring                                      | Stack no.2  | Stack no.3   |                    |            |            |   |  |  |   |   |   |                 |
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|       |   | <p>Smoke emission was monitored using online system (CEMS-DIS) to DOE based on the transmitted data from boiler smoke density indicator and recorder. Emission result was found in compliance with the regulatory limit.</p> <p>For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE. Refer to Indicator 4.4.3 for details.</p>   |          |
| 5.6.2 | <p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance</p>   | <p>For the estate, GHG emissions identified including CO<sub>x</sub>, SO<sub>x</sub> and NO<sub>x</sub> from various sources including fossil fuel, chemical, peat oxidation, sinks, crop sequestration, fertilizer consumptions and sequestration in conservation area.</p> <p>For mill, GHG emission identified from POME, fuel consumption and grid electricity utilization. 5 years plan for GHG reduction (phase I, 20 mills (Malaysia) was sighted. Programme such as feed in tariff (FIT), flaring, CNG, CaP, Co-gen was included in the plan.</p> <p>The Carbon Emission Reduction Strategy is the overall implementation plan that cuts across SDP's value chain- upstream, downstream and other related business. The group target is to reduce emission by 40% at 2021</p> | Complied |
| 5.6.3 | <p>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.</p> <p>- Minor compliance -</p> | <p>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.</p> <p>Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 3.0.1 is used and the management opted for full version was applied. Refer to appendix for details for GHG emission report.</p>   | Complied |

**Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.**

| <b>Criterion 6.1:</b><br>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. |   |  |                |
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| 6.1.1   | A social impact assessment (SIA) including records of meetings shall be documented.<br>- Major compliance -   | SIA was carried out on 23-26/3/2014 and 23/5/2014 for SOU 8 East which inclusive of East POM, East Estate, Dusun Durian Estate and Sepang Estate by Social & Environment Projects Unit, PSQM Department. The methodology of the assessment was through field interview, site observation and documentation review. Matters raised by the stakeholders were recorded in the report. | Complied       |
| 6.1.2   | There shall be evidence that the assessment has been done with the participation of affected parties.<br>- Major compliance -   | The stakeholders such as government authorities, contractors, suppliers, local communities and internal workers were participated in the social impact assessment process. Seen the attendance list and the matters raised by them were recorded in the report.  | 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.<br>- Major compliance -         | East POM and Sepang Estate has developed Social Management/ Action Plan for FY2018/2019 based on the complaints and grievances from stakeholder meeting. The management plan has included the plan to mitigate the negative impacts and promote the positive impacts with person to be responsible as well as the time frame to resolve.   | Complied       |
| 6.1.4   | The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.<br>- Minor compliance - | The Social Management Plan will be reviewed annually. The last review for the operating unit was done for FY2018/2019.   | Complied       |
| 6.1.5   | Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).<br>- Minor compliance -   | There was no scheme smallholder involves in the certification unit.  | Not applicable |

| <b>Criterion 6.2:</b><br>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties. |  |   |          |
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| 6.2.1  | Consultation and communication procedures shall be documented.<br>- Major compliance -         | 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. | Complied |
| 6.2.2  | A management official responsible for these issues shall be nominated.<br>- Minor compliance - | Assistant Manager of the POM and Assistant Manager of Sepang Estate has been appointed as official person in charge for any social issues raised in POM and estates. Appointment letter dated 1/1/2019 and 172018 was sighted.  | Complied |

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| 6.2.3   | <p>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.</p> <p>- Minor compliance -</p> | <p>Stakeholder list was developed which has included government authorities, local communities, contractors and suppliers into the list.</p> <p>Stakeholder meeting was conducted once a year and the last meeting was held on 4/1/2019 in East POM and 20/2/2018 in Sepang Estate with the participation of contractors, suppliers, school representatives and local communities. Meeting minutes was sighted and issues raised during the meeting were recorded.</p> <p>Besides, Sepang Estate also organized meeting with the cattle’s owner to discuss the issue raised during Union meeting by the workers. The meeting was conducted on 7/1/2019 with total 10 participants. The management has informed that concerns that raised by workers and hope the owners could corporate when handle with the cattle. Interviewed with the Union’s Representative found that the issue has been resolved.</p> <p>East Estate has conducted training for Contractor’s Workers Management with all the contractors on 30/11/2018. The purpose of the training is to explain and inform the contractors regarding the compliance of legal requirements. Attendance list and meeting minutes was sighted.</p> | Complied |
| <p><b>Criterion 6.3:</b><br/>         There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p> |   |  |          |
| 6.3.1   | <p>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.</p> <p>- Major compliance -</p>   | <p>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 which the involvement of disputed parties, zone heads, third parties and stakeholders.</p>   | Complied |

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| 6.3.2   | <p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>  | <p>East POM has implemented Complaint Book and Request for Housing Repair Book. The internal and external stakeholders could lodge their complaints via the book. Sampled of complaints as below:</p> <p>a. House No.: 76 dated 22/9/2018<br/> Issue: Dustbin was broken.<br/> Action: Quality Assistant had requested new dustbin from the store where there were 4 units of dustbin in the store verified through the Store Requisition dated 12/9/2018. The complainant has acknowledged on the request book after the dustbin has been replaced.</p> <p>East Estate has implemented Repair Request Form to record any repair works in housing that lodged by the workers. Sampled of the request form as below:</p> <p>a. House No.: Div. A No. 48 dated 11/1/2019<br/> Issue: Doors in toilet, kitchen and bedroom were broken. Window glasses and ceiling were damaged.<br/> Action: Seen the quotation sent by the contractor dated 27/1/2019 with Vendor # 9001017553 and photo evident of repair works done was sighted. The delivery date of the repair work was on 31/1/2019 as verified through the contract form dated 31/1/2019.</p> | Complied |
| <p><b>Criterion 6.4:</b><br/> 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.</p> |   |  |          |
| 6.4.1   | <p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance -</p> | <p>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.</p>   | Complied |

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| 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>SOP as per indicator 6.4.1.</p> <p>Besides, the company has implemented Social Policy dated January 2015 where they are committed to ensure that any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> | Complied |
| 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>  | Complied |
| <p><b>Criterion 6.5:</b><br/>         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.<br/>         - Major compliance -</p> | <p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and under contract. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity and temple fund. Payslip for June 2018, August 2018 and October 2018 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 43987 (EPOM)</li> <li>b. Employee No.: 52594 (EPOM)</li> <li>c. Employee No.: 123154 (EPOM)</li> <li>d. Employee No.: 122366 (EPOM)</li> <li>e. Employee No.: 124163 (EPOM)</li> <li>f. Employee No.: 3040 (SE)</li> <li>g. Employee No.: 97153 (SE)</li> <li>h. Employee No.: 105514 (SE)</li> <li>i. Employee No.: 3201 (SE)</li> <li>j. Employee No.: 102222 (SE)</li> <li>k. Passport No.: BK 0923200 (SE's Contract Worker)</li> <li>l. Passport No.: P 7352181 (SE's Contract Worker)</li> <li>m. Passport No.: L 1045187 (SE's Contract Worker)</li> <li>n. Passport No.: BR 0843901 (SE's Contract Worker)</li> <li>o. Employee No.: 90349 (DDE)</li> <li>p. Employee No.: 62127 (DDE)</li> <li>q. Employee No.: 120895 (DDE)</li> <li>r. Employee No.: 124009 (DDE)</li> <li>s. Employee No.: 119098 (EE)</li> <li>t. Employee No.: 54930 (EE)</li> <li>u. Employee No.: 120701 (EE)</li> <li>v. Employee No.: 139826 (EE)</li> </ul> <p>All the sampled workers have achieved the Minimum Wage Order 2016 of RM 1000/ month or RM 38.46/day.</p> <p>Dusun Durian Estate:</p> | <p>Major nonconformance</p> |
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|  |  | <ul style="list-style-type: none"> <li>• Interviewed with the contractors’ workers found that they were paid RM 37/ day and with overtime rate is RM 5/ hour. They were not paid double if work on rest day, Sunday.</li> <li>• Interviewed with the contractor confirmed that the workers’ daily rate is RM 37 with RM 5/ hour for overtime. If workers worked on rest day, their daily rate also RM 37 only.</li> <li>• Reviewed on the payslips from October 2018 to December 2018 found that the basic rate is RM 37/ day and the overtime rate is RM 5/ hour.</li> <li>• Reviewed on the Memorandum of agreement between contractor and the management, under Clause 4.1 (vi), stated “The Contractor shall ensure that all the said workers enjoy the monetary benefits entitled to them undr Malaysian laws, which inter alia shall include paid leave and paid medical leave.”.</li> </ul> <p>The daily rate of wages to be complied with Minimum Wage Order 2016 is RM 38.46 and the overtime rate should be RM 7.21/ hour. Therefore, the contractors have yet to comply with the requirements and did not pay the wages accordingly. Total 52 workers' payslips were reviewed for October 2018 to December 2018.</p> <p>Besides, sampled 4 workers for Contractor Sri have yet to receive payslip verified through interviewed with the workers and representative of contractor as below:</p> <ol style="list-style-type: none"> <li>a. Permit No.: PE 0457969</li> <li>b. Permit No.: PE 1093605</li> <li>c. Permit No.: PD 4968693</li> <li>d. Permit No.: PE 0437428</li> </ol> |  |
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| <p>6.5.2</p> | <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.<br/>         - Major compliance -</p> | <p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 93638 (EPOM)</li> <li>b. Employee No.: 124946 (EPOM)</li> <li>c. Employee No.: 125939 (EPOM)</li> <li>d. Employee No.: 123154 (EPOM)</li> <li>e. Employee No.: 124334 (SE)</li> <li>f. Employee No.: 123989 (SE)</li> <li>g. Employee No.: 3074 (SE)</li> <li>h. Employee No.: 92079 (SE)</li> <li>i. Employee No.: 124009 (DDE)</li> <li>j. Employee No.: 120895 (DDE)</li> <li>k. Employee No.: 99622 (DDE)</li> <li>l. Employee No.: 139826 (EE)</li> <li>m. Employee No.: 120701 (EE)</li> </ul> <p>Besides, for workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 52594 (EPOM)</li> <li>b. Employee No.: 107692 (EPOM)</li> <li>c. Employee No.: 103972 (SE)</li> <li>d. Employee No.: 91594 (SE)</li> <li>e. Employee No.: 105514 (SE)</li> <li>f. Employee No.: 85537 (SE)</li> <li>g. Employee No.: 90349 (DDE)</li> <li>h. Employee No.: 62127 (DDE)</li> <li>i. Employee No.: 62135 (DDE)</li> <li>j. Employee No.: 102260 (EE)</li> <li>k. Employee No.: 62384 (EE)</li> <li>l. Employee No.: 63435 (EE)</li> </ul> | <p>Major nonconformance</p> |
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|  |  | <p>m. Employee No.: 119098 (EE)</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p> <p><u>Dusun Durian:</u><br/>Reviewed on the employment contract for the contractors' workers found that the terms and conditions stated in the contract were not complying or stated as per the Employment Act 1955. For eg:</p> <ul style="list-style-type: none"> <li>a. Clause 2 – The wages will be paid by daily rate (RM 38/ day) and overtime will be paid RM 6/ hour. No allowance will be paid.</li> <li>b. Clause 4 – No paid annual leave will be given to the workers. All the leaves taken will not be paid.</li> <li>c. Sick leave and public holiday entitlement.</li> <li>d. Time of payment of wages.</li> <li>e. Total working hours in a week.</li> </ul> <p>Besides, sampled 4 workers for Contractor Sri have yet to sign and receive employment contract verified through interviewed with the workers and representative of contractor as below:</p> <ul style="list-style-type: none"> <li>a. Permit No.: PE 0457969</li> <li>b. Permit No.: PE 1093605</li> <li>c. Permit No.: PD 4968693</li> <li>d. Permit No.: PE 0437428</li> </ul> <p><u>East Estate and Sepang Estate:</u><br/>Document reviewed the employment contracts for the contractors' workers found that the contract was too simplified as it only mentioned working hours is 8 hours and 6 days per week with overtime whenever necessary. Wage was mentioned in the contract too. However, terms and conditions stipulated in the Employment Act 1955 has yet to be included in the contract such as</p> |  |
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|  |   | rate of overtime, annual leave entitlement, sick leave, time of payment of wages, notice of termination and rate for work on rest days and public holiday.  |          |
| 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.<br>- Minor compliance – | The workers are provided with free housing with water and electricity supplied by government. Free medical assistance was given to the workers. The estates and mill are located nearby town and there were government schools located nearby the estates. Linesite inspection was carried out on weekly basis by Medical Assistant in East POM, East Estate and Sepang Estate by using the Housing Complex/ Nest/ Community Hall Inspections checklist. The last inspection was carried out on 26/1/2019, 19/1/2019, 12/1/2019 and 5/1/2019 in Sepang Estate for Sg. Linau Division, Sg. Rawang Division and Main Division with comments were recorded by Medical Assistant. | Complied |
| 6.5.4  | Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.<br>- Minor compliance –   | The mill and estates are nearby with town and the workers are easily access to the adequate, sufficient and affordable foods. Interviewed with the workers confirmed that they will purchased their foods and goods from nearest town such as Sepang town.  | Complied |
| <b>Criterion 6.6:</b><br>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel. |   |   |          |
| 6.6.1  | A published statement in local languages recognising freedom of association shall be available.<br>- Major compliance -   | Sime Darby 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. The policy was developed in Bahasa Malaysia and English. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 17/1/2019 in East Estate. The policy was displayed at the notice board outside the office. Interviewed with the workers confirmed that they understood on the policy and aware that they are freely to join any association.  | Complied |

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| 6.6.2   | <p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>   | <p>NUPW meeting between workers and the management was conducted on 18/1/2019 in East POM. Seen the meeting minutes and the previous issues raised were resolved and updated during the meeting. There were new issues raised by the workers and proposed actions were briefed by the management representatives during the meeting.</p> <p>Sepang Estate has established Union Committee and meeting was conducted on 20/12/2018 to discuss the welfare of the workers. Issues were raised during the meeting and the Senior Assistant Manager was responded during the meeting. Interviewed with the Union’s representative found all the issues raised were resolved.</p> | Complied |
| <p><b>Criterion 6.7:</b><br/>         Children are not employed or exploited.</p>   |   |  |          |
| 6.7.1   | <p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p>   | <p>Sime Darby Plantation Berhad has developed Child Protection Policy and Social Policy dated January 2015 where they are committed to comply with the minimum age of employees. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 17/1/2019 in East Estate. The policy was displayed at the notice board outside the office. Document reviewed on the master listing of the employees found that all workers employed were above 18 years old. Interviewed with the workers confirmed that no child labour was found in the plantations.</p>  | Complied |
| <p><b>Criterion 6.8:</b><br/>         Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p> |   |  |          |
| 6.8.1   | <p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance -</p> | <p>SDPB has implemented Social Policy, Social &amp; 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. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 17/1/2019 in East Estate. The policy was displayed at the notice board outside the office.</p>  | Complied |

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| 6.8.2  | Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.<br>- Major compliance -                             | Interviewed with the workers consisted of different nationalities and different gender confirmed that they are treated equally without any discrimination. The workers were provided with standard treatment such as free medical treatment, fair overtime offered to all the workers whoever want to work and free housing to everyone.  | 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.<br>- 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 |
| <b>Criterion 6.9:</b><br>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.<br>- 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. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 17/1/2019 in East Estate. The policy was displayed at the notice board outside the office. | Complied |
| 6.9.2  | A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.<br>- Major compliance -                                | SDPB 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. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 17/1/2019 in East Estate. The policy was displayed at the notice board outside the office.                         | Complied |

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| 6.9.3  | <p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p> | <p>Sime Darby Plantation Berhad has developed Gender Committee Handbook, First Edition and the purpose of the development of this handbook is to provide general guide to the management, Gender Committee and other relevant parties to the specific components of the Gender Policy. Gender Committee was established in every operating unit to implement, promote and disseminate values and principles of the Gender Policy. It enhances the awareness of employees on issues related to women in the workplace, gender discrimination as well as fair and equal opportunity. Flowchart to handle the social issues was stated in the handbook as well. Besides, the company has established Whistleblowing channel that could be found in <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> to enable the employees to anonymously report actual, potential, or suspected wrongdoings without fearing repercussions.</p> <p>East POM has established Gender Committee and seen the organization chart. The meeting was carried out once every quarterly. The last quarterly meetings were conducted on 15/3/2018, 29/6/2018, 28/9/2018, 14/12/2018 and 17/1/2019. Issues raised by the committees were recorded in the minutes with actions to be taken. Training for Sexual Harassment was conducted on 15/3/2018 with photos and meeting minutes sighted. Gender Committee was established in Sepang Estate and meeting was conducted on quarterly basis and meeting minutes was sighted. No issue was raised and activities were organized such as make up class. Interviewed with the female workers confirmed that no case of sexual harassment or violence reported.</p> | Complied |
| <p><b>Criterion 6.10:</b><br/>         Growers and mills deal fairly and transparently with smallholders and other local businesses.</p> |  |   |          |
| 6.10.1   | <p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>   | <p>East POM is only received FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill.</p>   | Complied |

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| 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).<br>- Major compliance - | East POM is only received FFB from own certified supply bases and other certified FFB from other SOU. There was no smallholders or outside crop purchased by the mill.  | 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.<br>- Minor compliance -  | Sampled of contract agreement with the contractors as below:<br>a. Ref. No.: KKSEAST/2019/02 for loading of palm kernel shell from kernel plant valid from 1/1/2019 to 31/12/2019.<br>b. Contract No.: SDPB/Central East Region/PCI/SC-2018/2019 for supply, service, design and upgrading of control instrument for Boiler Control System valid from 1/3/2018 to 31/12/2019.<br>Ref. No.: T/SDPSB/PEN/FFB/0815/007 for transporting FFB valid 3 years from 1/9/2016.   | Complied |
| 6.10.4   | Agreed payments shall be made in a timely manner.<br>- Minor compliance -  | As per the agreement, the fee will be paid within 30 days from the date of receipt of the final and correct invoice from contractor. Sampled of the invoice and payment voucher as below:<br>a. INV# 6339724 dated 30/11/2018; Payment Voucher# 1600030275 dated 20/12/2018<br>b. INV# 6339725 dated 31/12/2018; Payment Voucher# 1600003532 dated 18/1/2019<br>c. INV# 3952, 3953 and 3954 dated 3/12/2018; Payment Advice Ref# 514976260100332 dated 18/12/2018<br>INV# 3981 and 3977 dated 1/1/2019; Payment Advice Ref# 515271620100037 dated 18/1/2019 | Complied |
| <b>Criterion 6.11:</b><br>Growers and millers contribute to local sustainable development where appropriate. |  |   |          |



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| 6.11.1  | <p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>- Minor compliance –</p>                      | <p>The managements have made contribution to the local communities such as provided job opportunity to the local people. Besides, provided assistance to the school and local communities whenever they requested. For eg: The school’s representative informed that Sepang Estate’s management has provided space in the estate for the student to practice for competitions and allowed the school to organize <i>Merentas Desa</i> in the estate. Seen the request letter and approval by the manager. Besides, the head of village has requested the management for grass cutting assistance during <i>Gotong-royong</i> in the village and the management has approved to provide workers to carry out grass cutting.</p> | Complied       |
| 6.11.2  | <p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance –</p> | <p>There was no scheme smallholder involves in the certification unit.</p>   | Not applicable |
| <p><b>Criterion 6.12:</b><br/>No forms of forced or trafficked labour are used.</p> |  |  |                |

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| <p>6.12.1</p> | <p>There shall be evidence that no forms of forced or trafficked labour are used.<br/>         - Major compliance -</p> | <p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment in their national language was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> <li>a. Permit No.: PE 1062377 valid until 17/7/2019 (EPOM)</li> <li>b. Permit No.: PE 0468498 valid until 21/6/2019 (EPOM)</li> <li>c. Permit No.: PE 1063322 valid until 23/8/2018 (EPOM)</li> <li>d. Permit No.: PE 1661119 valid until 1/9/2019 (EPOM)</li> <li>e. Permit No.: PE 0927444 valid until 3/7/2019 (SE)</li> <li>f. Permit No.: PE 0457198 valid until 29/5/2019 (SE)</li> <li>g. Permit No.: PE 1193090 valid until 3/8/2019 (SE)</li> <li>h. Permit No.: PE 1063211 valid until 20/7/2019 (SE)</li> <li>i. Permit No.: PE 6012574 valid until 21/9/2019 (SE)</li> <li>j. Permit No.: PD 9881850 valid until 7/2/2019 (DDE)</li> <li>k. Permit No.: PE 0438421 valid until 24/4/2019 (DDE)</li> <li>l. Permit No.: PE 1453877 valid until 3/8/2019 (DDE)</li> <li>m. Permit No.: PE 1811916 valid until 14/10/2019 (DDE)</li> <li>n. Permit No.: PE 0457969 valid until 22/3/2019 (DDE's Contract Worker)</li> <li>o. Permit No.: PE 0437428 valid until 22/3/2019 (DDE's Contract Worker)</li> <li>p. Permit No.: PE 0712558 valid until 29/4/2019 (DDE's Contract Worker)</li> <li>q. Permit No.: PE 1170511 valid until 6/5/2019 (DDE's Contract Worker)</li> <li>r. Permit No.: PE 1171389 valid until 21/6/2019 (DDE's Contract Worker)</li> <li>s. Permit No.: PE 1989926 valid until 2/9/2019 (EE)</li> <li>t. Permit No.: PE 1719717 valid until 8/3/2019 (EE)</li> <li>u. Permit No.: PE 0429033 valid until 29/5/2019 (EE)</li> <li>v. Permit No.: PE 0429034 valid until 29/5/2019 (EE)</li> </ul> <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves. They have signed on the passport retain.</p> | <p>Complied</p> |
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| 6.12.2  | Where applicable, it shall be demonstrated that no contract substitution has occurred.<br>- Minor compliance –  | Interviewed with the foreign workers confirmed that no contract substitution has occurred. They have been informed to work in plantations at their origin country.  | Complied       |
| 6.12.3  | Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.<br>- Major compliance -   | SDPB has implemented a Sime Darby’s Human Rights Charter on 13/1/2017, version 3.0 where they committed as below:<br>a. Providing equal opportunity<br>b. Respecting freedom of association<br>c. Eradicating any form of exploitation<br>d. Ensuring favourable working conditions<br>e. Enhancing Safety and Health<br><br>All the foreign workers will be provided with induction training in Sua Betong prior to be assigned to estates. All of them will be issued with an Induction Training Certificate. Besides, they were provided with decent living condition and free from any discrimination. The workers informed that they were treated equally without any discrimination and allow to join NUPW upon their wish. | Complied       |
| <b>Criterion 6.13:</b><br>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).<br>- 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. The policy has been briefed to all the workers on 16/1/2019 during the morning muster in East POM and 17/1/2019 in East Estate. The policy was displayed at the notice board outside the office.   | 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. | Not applicable in Peninsular Malaysia.  | Not applicable |
| <b>Principle 7: Responsible development of new plantings</b>        |   |   |                |

**East 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 annual surveillance assessment. The immature areas are replanted area.

**Principle 8: Commitment to continual improvement in key areas of activity**

**Criterion 8.1:**

Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.

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| <p>8.1.1</p> | <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"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base.</li> </ul> <p>- Major compliance -</p> | <p>Operating unit in SOU 8 has established continual improvement plan based on projects and documented Kaizen Charter. Sighted the sampled implementation of the management plan FY 2018 as follows:</p> <p><u>East Palm Oil Mill</u></p> <p>The Mill has established continual improvement plan based on projects and documented Kaizen Charter. Sighted the sampled implementation of the management plan FY 2018 as follows:</p> <ul style="list-style-type: none"> <li>i. to reduce oil losses in effluent per FFB from median 0.67% to 0.50% by January 2018. As ta June 2018, the total benefits recorded at RM 265006.28</li> <li>ii. Modification of CPO despatch platform to improve working at height safety during CPO despatch operation. The mill have install the falling arrest system which are longer and stronger. The workers are available to move until the end of the tanker.</li> <li>iii. Installation of used tyres at loading ramp front section wall to reduce damage to ramp hooper by the FFB lorry while loading. The used tyres used to withstand the impact of direct hit from FFB prime mover.</li> <li>iv. To eliminate steam wastages assuming 1890 kg/hour of steam loss during mill processing because of steam trap leaking. The mill have replace leaking and banking condensate steam trap.</li> </ul> <p><u>Dusun Durian Estate</u></p> <p>The Estate has established continual improvement plan based on projects and documented Kaizen Charter. Sighted the sampled implementation of the management plan FY 2018 as follows:</p> <ul style="list-style-type: none"> <li>i. To replace tube well project for water supply at nursery with widening and desilting the existing pond.</li> <li>ii. Reduce the amount of A\$ paper purchased by recycling the used paper for other printing usage.</li> </ul> <p><u>East Estate</u></p> | <p>Complied</p> |
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|  |  | <p>The Estate has established continual improvement plan based on projects and documented Kaizen Charter. Sighted the sampled implementation of the management plan FY 2018 as follows:</p> <ul style="list-style-type: none"><li>i. To improve safety feature on the Mini Tractor Grabber by installing front guard. The installation is done due to incident of MTG operator been hit by frond.</li></ul> |  |
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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                   |

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|--------|-----------------|-------------------------------|-----------------------|---------------------------|--|---|
| 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   |
| 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.          |



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|--------|--------------|----------------------|-----------------------|---------------------------|---|-----------------------|
| 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. |
| 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                   |

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|--------|-------------|------------------|-----------------------|---------------------------|-------------------------------|---------|
| 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      | Pamakan 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              |

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| NO | Name of PT                   | Name of Mill   | Location  | Date of Certification | End Date of Certification | Certificate Number | Remarks  |
|----|------------------------------|----------------|---|-----------------------|---------------------------|--------------------|--|
| 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  |
| 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  |

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| NO | Name of PT                                    | Name of Mill | Location  | Date of Certification | End Date of Certification | Certificate Number | Remarks |
|----|---|--------------|---|-----------------------|---------------------------|--------------------|---------|
| 18 | PT BHUMIREKSA NUSA SEJATI                     | TELUK BAKAU  | Pelangiran, Sg. Guntung, Indragiri Ilir, 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     |

Legends

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

NA - NOT APPLICABLE

**Appendix C: GHG Reporting Executive Summary**

The GHG emissions that were produced in 2018 for East 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 East Palm Oil Mill and supply base are as following:

| Emission per product | tCO <sub>2</sub> e/tProduct |
|----------------------|-----------------------------|
| CPO                  | 1.2                         |
| PKO                  | 1.2                         |

| Extraction | %     |
|------------|-------|
| OER        | 20.92 |
| KER        | 4.11  |

| Production   | t/yr       |
|--------------|------------|
| FFB Process  | 122,385.45 |
| CPO Produced | 23,967.74  |
| PKO Produced | 6,072.50   |

| Land Use                    | Ha                 |
|-----------------------------|--------------------|
| OP Planted Area             | 26,337.68          |
| OP Planted on peat          | 144.6892           |
| Conservation (forested)     | 0                  |
| Conservation (non-forested) | 0                  |
| <b>Total</b>                | <b>26,482.3692</b> |

**Summary of Field Emission and Sink**

|  | Own Crop*          |                          | Group              |                          | 3 <sup>rd</sup> Party |                          | Total              |                          |
|--|--------------------|--------------------------|--------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------------|
|  | tCO <sub>2</sub> e | tCO <sub>2</sub> e / FFB | tCO <sub>2</sub> e | tCO <sub>2</sub> e / FFB | tCO <sub>2</sub> e    | tCO <sub>2</sub> e / FFB | tCO <sub>2</sub> e | tCO <sub>2</sub> e / FFB |
| <b>Emission</b>                          |                    |                          |                    |                          |                       |                          |                    |                          |
| Land Conversion                          | 60,866.16          | 0.38                     | 778.87             | 0.38                     | 0                     | 0                        | 61,645.03          | 0.38                     |
| CO <sub>2</sub> Emission from fertilizer | 6,195.67           | 0.04                     | 63.88              | 0.04                     | 0                     | 0                        | 6,259.55           | 0.04                     |
| NO <sub>2</sub> Emmision                 | 6,449.54           | 0.04                     | 50.23              | 0.03                     | 0                     | 0                        | 6,499.77           | 0.04                     |
| Fuel Consumption                         | 773.83             | 0                        | 10.52              | 0                        | 0                     | 0                        | 784.35             | 0                        |
| Peat Oxidation                           | 6,495.12           | 0.03                     | 0.32               | 0                        | 0                     | 0                        | 6,495.44           | 0.04                     |
| <b>Sink</b>                              |                    |                          |                    |                          |                       |                          |                    |                          |
| Crop Sequestration                       | -57,661.92         | -0.36                    | -736.28            | -0.36                    | 0                     | 0                        | -58,398.20         | -0.36                    |
| Conservation Sequestration               | 0                  | 0                        | 0                  | 0                        | 0                     | 0                        | 0                  | 0                        |

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|--------------|------------------|-------------|---------------|-------------|----------|----------|-----------|------|
| <b>Total</b> | <b>23,118.40</b> | <b>0.13</b> | <b>167.54</b> | <b>0.09</b> | <b>0</b> | <b>0</b> | 23,285.94 | 0.14 |
|--------------|------------------|-------------|---------------|-------------|----------|----------|-----------|------|

\*Note: Includes both estates and smallholders

**Summary of Mill Emission and Credit**

|                              | tCO <sub>2</sub> e | tCO <sub>2</sub> e/tFFB |
|------------------------------|--------------------|-------------------------|
| <b>Emission</b>              |                    |                         |
| POME                         | 24,137.74          | 0.15                    |
| Fuel Consumption             | 53.85              | 0                       |
| Grid Electricity Utilisation | 1,629.74           | 0.01                    |
| <b>Credit</b>                |                    |                         |
| Export of Grid Electricity   | 0                  | 0                       |
| Sales of PKS                 | 0                  | 0                       |
| Sales of EFB                 | 0                  | 0                       |
| <b>Total</b>                 | <b>25,821.33</b>   | <b>0.16</b>             |

**Summary of Kernel Crusher Emission and Credit (if applicable)**

| <b>Emissions</b>               | <b>tCO<sub>2</sub>e</b> |
|--------------------------------|-------------------------|
| PK from own mill               | 8,067.73                |
| PK from other source           | 0                       |
| Fuel Consumptions              | 0                       |
| <b>Total Crusher emissions</b> | <b>0</b>                |

\*This mill has no kernel crusher operation.

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

| <b>POME Diverted to Anaerobic Digestion:</b>       |     |
|--|-----|
| 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**

| <b>5.1 Applicability of the general chain of custody requirements for the supply chain</b> |   |   |  |
|--|---|---|--|
|  | <b>Requirement</b>  | <b>Evidence</b><br>For any N/A raised, justification is required.   | <b>Compliance</b><br>(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 are managed by Global Trade Marketing department at Sime Darby Plantation, HQ and held the palmTrace registration number for respective mill (East Palm Oil Mill: RSPO_PO1000000097 | 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.  | East POM is not a trading company. Therefore, this requirement is not applicable.   | Yes                                    |
| 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 Bhd held RSPO membership number: 2 10008-04-000-00 since 06 September 2004. Company has registered in palmTrace system as follows: Members ID – East Palm Oil Mill: RSPO_PO1000000097. Licensee valid until 18/05/2019 Member category : Oil Mill   | Yes                                    |
| 5.1.4  | Processing aids do not need to be included within an organization’s scope of certification.   | Processing aids are not used in the milling process.  | Yes                                    |
| <b>5.2 Supply chain model</b>  |   |   |  |
| 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.  | The FFB suppliers are of RSPO certified estates which consists of East POM certification unit and other Sime Darby  | Yes                                    |

|                                   |   |  |     |
|-----------------------------------|---|--|-----|
|                                   |   | group estates Declassification of the CPO or PK was done in accordance to the correct order.   |     |
| 5.2.2                             | The site can use one (1) or a combination of supply chain models as audited and certified by the CB.  | East POM only produced IP certified palm product and the sales of product were IP or conventional.   | Yes |
| <b>5.3. Documented Procedures</b> |   |  |     |
| 5.3.1                             | <p>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:</p> <ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul> | <p>Procedure for supply chain has been established entitled "Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability" [appendix 15 of the Sustainable Plantation Management System (SPMS)], version 4, dated September 2018.</p> <p>Among the subjects covered in the procedure are</p> <ul style="list-style-type: none"> <li>• Responsibilities</li> <li>• control of documents &amp; records</li> <li>• delivery of FFB from the estate</li> <li>• receiving FFB at the mill</li> <li>• process monitoring</li> <li>• CPO and PK dispatch</li> <li>• Non-conforming products and/or documents</li> <li>• Product claims</li> <li>• Outsourced contractor</li> <li>• Training</li> <li>• Reclassification of mill's supply chain model</li> <li>• Production volume</li> <li>• Conversion factors</li> <li>• Internal audit</li> <li>• Complaints</li> <li>• Management review</li> </ul> | Yes |
|                                   | <ul style="list-style-type: none"> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>  | <p>Among the records included in the procedures are:</p> <ul style="list-style-type: none"> <li>• Weighbridge tickets</li> </ul>   | Yes |



|                                     |  |   |     |
|-------------------------------------|--|---|-----|
|                                     |  | <ul style="list-style-type: none"> <li>• Dispatch of CPO/PK – weighbridge ticket, delivery order, shipping document</li> <li>• Daily production report</li> <li>• Record and balance</li> <li>• All the records were found to be up-to-date.</li> </ul>   |     |
|                                     | <ul style="list-style-type: none"> <li>• 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.</li> </ul> | Addressed in the SOP for Sustainable Supply Chain and Traceability, clause 4.0. The assigned persons are the Head of Operating Unit where in this case the Mill Manager. Based on interview, the person in-charge was able to demonstrate the implementation of their procedures in accordance to the standard requirements.  | 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>Addressed in the SOP for Sustainable Supply Chain and Traceability, clause 17.0. Based on the procedure, the internal audit is to be conducted annually in accordance to Internal Audit Procedure (SD/SDP/PSQM/IAP).</p> <p>CAP process is documented under internal audit procedure, SD/SDP/PSQM/IAP rev:2 dated 1/11/17. The timeline for CAP submission and closure has yet to be followed, within 14 days from closing meeting and closure within 60 days for evidence verification by lead auditor. This CAP process has yet to be consistently followed for improvement.</p> | Yes |
|                                     | <p>ii) effectively implements and maintains the standard requirements within its organization</p>  | Combined internal audit for supply chain was last conducted on 7-11/1/2019 by 4 internal auditor sourced from other department (PSQM). There were 4 major raised (RSPO SCC) as the results of the audit.  | Yes |
| <b>5.4. Purchasing and goods in</b> |  |   |     |

|       |   |   |     |
|-------|---|---|-----|
| 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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul> | <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"> <li>• Consignment note no. (008851)</li> <li>• Estate's names (Sepang – E123)</li> <li>• Date &amp; time of delivery ( 26/1/19)</li> <li>• Field No. (05C1, P02C1)</li> <li>• No. of bunches (961 bunches)</li> <li>• Vehicle no. (NCW 5731)</li> <li>• Seal no. (052091)</li> </ul> <p>E.g. of information available in the mill's weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Weighbridge ticket no.:164442</li> <li>• Name of estates (Sepang – E123)</li> <li>• Field No. (05C1, P02C1)</li> <li>• Name of driver (anonymous)</li> <li>• Vehicle no. (NCW 5731)</li> <li>• Date &amp; time in/out (2:56 PM, 3:19 PM)</li> <li>• Total bunches (961 bunches)</li> <li>• Seal no. (052091)</li> <li>• Net weight (17.52 mt)</li> </ul> | Yes |
|       | <ul style="list-style-type: none"> <li>• 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).</li> </ul>  | <p>The information was available in various documents such as delivery order and weighbridge tickets.</p>   | Yes |
|       | <ul style="list-style-type: none"> <li>• 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</li> </ul>   | <p>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</p>  | Yes |

|                                    |   |  |     |
|------------------------------------|---|--|-----|
|                                    | 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.  | [ref.: clause 7.2 of SOP for Sustainable Supply Chain and Traceability]  |     |
|                                    | <ul style="list-style-type: none"> <li>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 (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> </ul> | 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 ( <a href="http://www.rspo.org">www.rspo.org</a> ). Physical RSPO certificate for all diverted crops sent to East Mill, e.g. from SOU9 (West) was verified. Validity check was done prior to each FFB delivery. West Oil Mill RSPO 543594 valid until 18/5/20.   | Yes |
|                                    | <ul style="list-style-type: none"> <li>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.</li> </ul>  | NA – this part is applicable for supply chain actor after refinery.  | Yes |
| 5.4.2                              | The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.  | <p>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.</p> <p>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.</p> | Yes |
| <b>5.5. Outsourcing activities</b> |   |  |     |
| 5.5.1                              | 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   | No bulking facilities outsourced by the mill. Transporter for CPO and PK (JASA and JBL) was assigned by buyer.   | N/A |

|       |  |  |     |
|-------|--|--|-----|
|       | <p>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> |  |     |
| 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>  | Not applicable. No outsourcing activity. | 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 certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>   | Not applicable. No outsourcing activity. | N/A |
|       | <p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>   | Not applicable. No outsourcing activity. | N/A |
|       | <p>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.</p>   | Not applicable. No outsourcing activity. | N/A |
| 5.5.3 | <p>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.</p>  | Not applicable. No outsourcing activity. | 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.  | Not applicable. No outsourcing activity.  | N/A |
| <b>5.6. Sales and goods out</b> |  |   |     |
| 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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul> | <p>East POM ensured the required information is available in document form. Sampled of CPO contract: S/C-PSD/1810/CPO0579H dated 24/9/18, quantity 250 mt (delivery month – October 2018)</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer; XXX</li> <li>• The name and address of the seller: KKS East, Carey Island, Selangor</li> <li>• The loading or shipment/ delivery date; e.g. 4/10/18</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Crude Palm Oil (CPO) RSPO IP</li> <li>• The quantity of the products delivered; e.g. 40.15 mt</li> <li>• Any related transport documentation; e.g. Despatch note e.g. #011074</li> <li>• Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 543543</li> <li>• A unique identification number: palm trace no. TR-ee9bcf19- 6435</li> <li>• Available in a few forms e.g. DN no., seal no., etc.</li> </ul> <p>East POM ensured the required information is available in document form. Sampled of PK contract: S/C-PSD/1812/PKO700 dated 24/9/18, quantity 600 mt (delivery month – December 2018)</p> | Yes |

|   |  |  |            |
|---|--|--|------------|
|   |  | <ul style="list-style-type: none"> <li>• The name and address of the buyer; XXX</li> <li>• The name and address of the seller: KKS East, Carey Island, Selangor</li> <li>• The loading or shipment/ delivery date; e.g. 19/12/2018</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Crude Palm Oil (CPO) RSPO IP</li> <li>• The quantity of the products delivered; e.g. 29.49 mt</li> <li>• Any related transport documentation; e.g. Despatch note e.g. #011367</li> <li>• Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 543543</li> <li>• A unique identification number: palm trace no. TR-65a8dd3e- d6b9</li> <li>• Available in a few forms e.g. DN no., seal no., etc.</li> </ul> |            |
|   | <ul style="list-style-type: none"> <li>• 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).</li> </ul>   | <p>Information is complete and available in various documents such as sales contract, mill weighbridge ticket, delivery note, transporter collection order.</p>  | <p>Yes</p> |
|   | <ul style="list-style-type: none"> <li>• 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.</li> </ul> | <p>Review period from February 2018 to December 2018. Shipping announcement details refer to table C.</p>  | <p>Yes</p> |
| <p><b>5.7. Registration of transactions</b></p> |  |  |            |

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| 5.7.1       | <p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries and;</li> <li>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.</li> </ul>   | <p>The registration of Palm Trace is carried out by the Sime Darby's Global Trade Marketing Department, HQ. All transaction will be registered in the Palm Trace.</p>   | <p>Yes</p>                 |                             |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
|-------------|---|---|----------------------------|-----------------------------|---------------------|----------------------------|-----------------------------|----------|--------|--------|---|---|------------|---|--------|----|---|------------|---|-----|-----|------|----------|---|---|---|---|-----------|------|--------|-----|---|-----------|---|------|------|---|-------------|---|-------|---|----|-----------------------------|
| 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"> <li>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.</li> </ul> | <p>Based on downloaded transaction license ID: CB 70765, palm trace transaction recorded for CPO is 7440.18 mt. No reconciliation of certified CPO compared to NC product for the period of February 2018 to December 2018. Based on quarterly records and balance from February 2018 to December 2018, the following were recorded:</p> <table border="1" data-bbox="1153 847 1848 1374"> <thead> <tr> <th>Month</th> <th>RSPO Delivery (PK)</th> <th>RSPO Delivery (CPO)</th> <th>Confirmed transaction (PK)</th> <th>Confirmed transaction (CPO)</th> </tr> </thead> <tbody> <tr> <td>Feb 2018</td> <td>518.29</td> <td>394.66</td> <td>0</td> <td>0</td> </tr> <tr> <td>March 2018</td> <td>0</td> <td>194.24</td> <td>00</td> <td>0</td> </tr> <tr> <td>April 2018</td> <td>0</td> <td>250</td> <td>450</td> <td>1200</td> </tr> <tr> <td>May 2018</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>June 2018</td> <td>1300</td> <td>249.06</td> <td>100</td> <td>0</td> </tr> <tr> <td>July 2018</td> <td>0</td> <td>72.2</td> <td>1300</td> <td>0</td> </tr> <tr> <td>August 2018</td> <td>0</td> <td>32.19</td> <td>0</td> <td>00</td> </tr> </tbody> </table> | Month                      | RSPO Delivery (PK)          | RSPO Delivery (CPO) | Confirmed transaction (PK) | Confirmed transaction (CPO) | Feb 2018 | 518.29 | 394.66 | 0 | 0 | March 2018 | 0 | 194.24 | 00 | 0 | April 2018 | 0 | 250 | 450 | 1200 | May 2018 | 0 | 0 | 0 | 0 | June 2018 | 1300 | 249.06 | 100 | 0 | July 2018 | 0 | 72.2 | 1300 | 0 | August 2018 | 0 | 32.19 | 0 | 00 | <p>Major nonconformance</p> |
| Month       | RSPO Delivery (PK)  | RSPO Delivery (CPO)   | Confirmed transaction (PK) | Confirmed transaction (CPO) |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| Feb 2018    | 518.29  | 394.66  | 0                          | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| March 2018  | 0   | 194.24  | 00                         | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| April 2018  | 0   | 250   | 450                        | 1200                        |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| May 2018    | 0   | 0   | 0                          | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| June 2018   | 1300  | 249.06  | 100                        | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| July 2018   | 0   | 72.2  | 1300                       | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |
| August 2018 | 0   | 32.19   | 0                          | 00                          |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |                             |

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|----------------------|--|--|----------------------|------|--------|---|------|----------|---|-------|-----|------|----------|---|-----|-----|------|----------|------|---|-----|---|-------|---------|---------|------|------|--|
|                      |  | <table border="1"> <tr> <td>Sept 2018</td> <td>600</td> <td>282.12</td> <td>0</td> <td>0796</td> </tr> <tr> <td>Oct 2018</td> <td>0</td> <td>40.14</td> <td>600</td> <td>1700</td> </tr> <tr> <td>Nov 2018</td> <td>0</td> <td>286</td> <td>500</td> <td>2000</td> </tr> <tr> <td>Dec 2018</td> <td>1100</td> <td>0</td> <td>600</td> <td>0</td> </tr> <tr> <td>Total</td> <td>3518.29</td> <td>1800.61</td> <td>3550</td> <td>5696</td> </tr> </table> <p>CPO - RSPO delivery: 1,800.61 mt (balance sheet) vs 5,696 mt (palm trace), NC CPO sold: 28,120.57 mt (balance sheet). No evidence provided for commodity downgrade from IP to NC CPO.</p> | Sept 2018            | 600  | 282.12 | 0 | 0796 | Oct 2018 | 0 | 40.14 | 600 | 1700 | Nov 2018 | 0 | 286 | 500 | 2000 | Dec 2018 | 1100 | 0 | 600 | 0 | Total | 3518.29 | 1800.61 | 3550 | 5696 |  |
| Sept 2018            | 600  | 282.12   | 0                    | 0796 |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| Oct 2018             | 0  | 40.14  | 600                  | 1700 |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| Nov 2018             | 0  | 286  | 500                  | 2000 |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| Dec 2018             | 1100   | 0  | 600                  | 0    |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| Total                | 3518.29  | 1800.61  | 3550                 | 5696 |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
|                      | <ul style="list-style-type: none"> <li>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.</li> </ul> | Not applicable. Products are not sold beyond refinery.   | Not Applicable       |      |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
|                      | <ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>   | This was not effectively demonstrated. Refer to earlier under indicator 5.7.2  | Major nonconformance |      |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
|                      | <ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>   | This was not effectively demonstrated. Refer to earlier under indicator 5.7.2  | Major nonconformance |      |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| <b>5.8. Training</b> |  |  |                      |      |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| 5.8.1                | 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.  | Training plan for 2018/2019 were available which training for RSPO Supply Chain has been included. Training need analysis is done prior to development of training plan.   | Yes                  |      |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |
| 5.8.2                | Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply   | Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation such as Assistant Managers, QA,   | Yes                  |      |        |   |      |          |   |       |     |      |          |   |     |     |      |          |      |   |     |   |       |         |         |      |      |  |



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|                                 | chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.   | clerk, lab supervisor & assistant, weighbridge operators. At East POM case, 5 personnel were identified.<br><br>The latest RSPO training was carried out on 12/2/2018 attended by other operating units representative. The refresher training was given by PSQM personnel from HQ. Additional training for contractors were last carried out on 20/2/18. Transport contractors (JASA and JBL) were involved in the training. |     |
| <b>5.9. Record Keeping</b>      |  |   |     |
| 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.  | N/A |
| <b>5.10. Conversion factors</b> |  |   |     |
| 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 ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its derivatives. This is relevant for derivatives of Palm | Conversion factor of CPO and PK production is depending on the actual OER and KER. Last year's average from February to December 2018 were 20.55% (OER) & 4.53% (KER).  | Yes |

|   |   |   |     |
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|   | Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.  |   |     |
| 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.  | Yes |
| <b>5.11. Claims</b>                     |   |   |     |
| 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.   | RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims  | Yes |
| <b>General corporate communications</b> |   |   |     |
| 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 East POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc). | N/A |
| 4.2                                     | In corporate communications a member is allowed to:<br>a. Display its RSPO membership status<br>b. Display the RSPO web address (www.rspo.org)<br>c. State that the member supports the work of the RSPO<br>d. State the member's history with regard to the RSPO.<br>e. Use the RSPO trademark to promote its membership of the RSPO.<br>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 East 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 East POM as to date.   | N/A |

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| 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 East 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 East POM and verified through document and site review (notice board, business card, shipping documentation, procurement/purchasing document and promotional material etc).  | Yes |
| <b>Business to business communications</b> |   |   |     |
| 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 is 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.   | Shipping documentation verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated that i.e product/commodity with SCC model (Crude Palm Oil RSPO IP) and RSPO certificate number; RSPO 543543. Refer to weighbridge ticket number 011074 dated 4/10/18. This also applies to PK. | Yes |
| 5.3  | 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:<br>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. | East POM is not under distributor or wholesaler category. Thus, this requirement is not applicable.   | Yes |

|   |   |   |     |
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|   | b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.  |   |     |
| 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 status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim.</p> | East POM is producing crude palm product and does not involved in any labelling of end product and the presence of certified palm oil contained within a product. This requirement is for the next supply chain actor and not applicable for POM. | N/A |
| <b>Business to consumer communication</b> |   |   |     |
| 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.  | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM.  | 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.   | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM.  | 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.  | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM.  | N/A |
| 6.4                                       | Business to consumer communication shall not include information about the claimant's RSPO membership status.   | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM.  | N/A |

|     |  |  |     |
|-----|--|--|-----|
| 6.5 | Members shall not communicate to consumers information about their suppliers' RSPO membership status.  | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM. | 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.   | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM. | 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.  | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM. | 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 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 <a href="http://www.rsपो.org">www.rsपो.org</a> . | No business to consumer communication on product specific claim made East POM and only producing crude and unfinished product. This is not applicable for POM. | N/A |

**MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES**

**Certified oil palm content (IP)**

|                                     |  |   |     |
|-------------------------------------|--|---|-----|
|                                     | For IP, 95% or above of the oil palm content must be RSPO IP-certified.  | Oil palm content is 100% CPO and claim as RSPO IP-certified.  | Yes |
|                                     | For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.  | No SG claim made.   | Yes |
|                                     | 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.   | Oil palm content is 100% CPO and claim as RSPO IP-certified. All infeed material (FFB) is RSPO certified. | Yes |
| <b>Labelling and trademark (IP)</b> |  |   |     |
|                                     | Members are allowed to use the RSPO label in one of the following ways:<br>a. RSPO trademark which includes the tag 'CERTIFIED' or<br>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. | As to date, no RSPO trademark used by East POM.   | Yes |
| <b>Messaging (IP)</b>               |  |   |     |
|                                     | Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:<br><ul style="list-style-type: none"> <li>The oil palm products contained in this product have been certified to come from RSPO sources. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: <a href="http://www.rspo.org">www.rspo.org</a></li> </ul>  | As to date, no RSPO trademark used by East POM.   | Yes |

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|   | <ul style="list-style-type: none"> <li>• RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• The entire supply chain is monitored by independent, RSPO-accredited auditors. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records.</li> </ul> |  |     |
| <b>MODULE B – MASS BALANCE SPECIFIC RULES</b> |  |  |     |
| <b>Minimum Mass Balance content (MB)</b>      |  |  |     |
|   | 95% or above of the oil palm content must be RSPO MB-certified.  | East POM is producing RSPO IP product and no MB claim made as to date. | Yes |
|   | 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.  | East POM is producing RSPO IP product and no MB claim made as to date. | Yes |
| <b>Labelling and trademark (MB)</b>           |  |  |     |
|   | <p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> <li>• Surrounded by the text: 'Certified sustainable palm oil'.</li> <li>• 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.</li> </ul>   | East POM is producing RSPO IP product and no MB claim made as to date. | Yes |

|  |   |   |            |
|--|---|---|------------|
|  | <ul style="list-style-type: none"> <li>• The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'.</li> <li>• 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).</li> <li>• 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 &amp; Claims document.</li> </ul> |   |            |
| <b>Messaging (MB)</b>                    |   |   |            |
|  | <p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> <li>• [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.</li> <li>• 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.</li> <li>• 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.</li> </ul>                                       | <p>East POM is producing RSPO IP product and no MB claim made as to date.</p> | <p>Yes</p> |
|  | <p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <p>Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</p>   | <p>East POM is producing RSPO IP product and no MB claim made as to date</p>  | <p>Yes</p> |
| <b>MODULE C – PARTIAL PRODUCT CLAIMS</b> |   |   |            |



|   |   |  |            |
|---|---|--|------------|
|   | <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"> <li>• 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.</li> <li>• At least 50% of the oil palm content has been supplied through an RSPO certified supply chain as IP, SG or MB.</li> <li>• The remainder of the oil palm content that is not RSPO-certified is covered by the purchase of RSPO Credits to an equivalent volume.</li> <li>• The product-specific claim is limited to only the following phrase: 'This product contributes to the production of certified sustainable palm oil'.</li> <li>• 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.</li> </ul> | <p>East POM is producing RSPO IP product and no MB claim made as to date.</p>  | <p>Yes</p> |
| <b>MODULE D – COMBINED SUPPLY CHAIN MODELS SPECIFIC RULES</b> |   |  |            |
|   | <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 =&gt; 95% SG claim is made<br/>         65% SG + 30% MB =&gt; 95% MB claim is made<br/>         55% MB + 40% B&amp;C =&gt; 95% partial product claim can be made<br/>         45% SG + 55% B&amp;C &lt; 50% B&amp;C claim can be made</p>  | <p>East POM is producing only RSPO IP product and no possibility of mixture inputs supplied. All infeed material (FFB) coming from RSPO certified estates.</p> | <p>Yes</p> |
|   | <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>East POM is producing only RSPO IP product and no possibility of mixture inputs supplied. All infeed material (FFB) coming from RSPO certified estates.</p> | <p>Yes</p> |

|                                |  |  |     |
|--------------------------------|--|--|-----|
|                                | 95% IP + 5% MB => 95% IP IP claim can be made<br>95% SG + 5% MB => 95% SG SG claim can be made<br>95% MB + 5% C => 95% MB MB claim can be made   |  |     |
| <b>5.12. Complaints</b>        |  |  |     |
| 5.12.1                         | The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.   | Addressed in Section 18 of the supply chain SOP. Should there be any complaints from stakeholders pertaining supply chain issues, it will be handled through Procedure for External Communication in PQMS SOM Sub-Section 5.5 Appendix 5.5.3.2. There has been no complaint from any third party with regards to supply chain so far.  | Yes |
| <b>5.13. Management Review</b> |  |  |     |
| 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.   | RSPO SCC management review was last conducted on 25/1/2019. It was chaired by Mill Manager and attended by other estates manager, mill staff which include AMs, Head of AP, office clerk, lab supervisor, quality supervisor and mill supervisor.  | Yes |
| 5.13.2                         | The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul> | Based on the minutes of meeting, the following agendas were adequately recorded: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard. (item 1.8)</li> <li>• Customer feedback. (item 1.0.1)</li> <li>• Status of preventive and corrective actions. (item 1.8)</li> <li>• Follow-up actions from management reviews. (item 1.0.2)</li> <li>• Changes that could affect the management system. (item 3.0)</li> <li>• Recommendations for improvement. (item 4.0)</li> </ul> | Yes |

|        |  |  |     |
|--------|--|--|-----|
| 5.13.3 | <p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul> | <p>Discussion about the improvement of the effectiveness of the management system and its processes, and any resource needs were found to be included in the meeting minute.</p> | Yes |
|--------|--|--|-----|

**Appendix E: CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: Identity Preserved)**

| D.1 Definition  |  |   |                                 |
|-----------------|--|---|---------------------------------|
|                 | Requirement  | Evidence<br>For any N/A raised, justification is required.  | Compliance<br>(Yes / No or N/A) |
| D.1.1           | <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p> | <p>East palm oil mill received only certified FFB from supply base. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;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. No diversion crop received from other certified estate from February to December 2018.</p> | Yes                             |
| D.2 Explanation |  |   |                                 |
| D.2.1           | <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;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</p>  | <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>   | Yes                             |

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|             | to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.  |  |                            |                             |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
|-------------|--|--|----------------------------|-----------------------------|---------------------|----------------------------|-----------------------------|----------|--------|--------|---|---|------------|---|--------|----|---|------------|---|-----|-----|------|----------|---|---|---|---|-----------|------|--------|-----|---|-----------|---|------|------|---|-------------|---|-------|---|----|-----------|-----|--------|---|------|----------|---|-------|-----|------|----------|---|-----|-----|------|----------------------|
| D.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). | <p>Based on downloaded transaction license ID: CB 70765, palm trace transaction recorded for CPO is 7440.18 mt. No reconciliation of certified CPO compared to NC product delivered/sold for the period of February 2018 to December 2018. Based on quarterly records and balance from February 2018 to December 2018, the following were recorded:</p> <table border="1" data-bbox="1124 639 1874 1391"> <thead> <tr> <th>Month</th> <th>RSPO Delivery (PK)</th> <th>RSPO Delivery (CPO)</th> <th>Confirmed transaction (PK)</th> <th>Confirmed transaction (CPO)</th> </tr> </thead> <tbody> <tr> <td>Feb 2018</td> <td>518.29</td> <td>394.66</td> <td>0</td> <td>0</td> </tr> <tr> <td>March 2018</td> <td>0</td> <td>194.24</td> <td>00</td> <td>0</td> </tr> <tr> <td>April 2018</td> <td>0</td> <td>250</td> <td>450</td> <td>1200</td> </tr> <tr> <td>May 2018</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>June 2018</td> <td>1300</td> <td>249.06</td> <td>100</td> <td>0</td> </tr> <tr> <td>July 2018</td> <td>0</td> <td>72.2</td> <td>1300</td> <td>0</td> </tr> <tr> <td>August 2018</td> <td>0</td> <td>32.19</td> <td>0</td> <td>00</td> </tr> <tr> <td>Sept 2018</td> <td>600</td> <td>282.12</td> <td>0</td> <td>0796</td> </tr> <tr> <td>Oct 2018</td> <td>0</td> <td>40.14</td> <td>600</td> <td>1700</td> </tr> <tr> <td>Nov 2018</td> <td>0</td> <td>286</td> <td>500</td> <td>2000</td> </tr> </tbody> </table> | Month                      | RSPO Delivery (PK)          | RSPO Delivery (CPO) | Confirmed transaction (PK) | Confirmed transaction (CPO) | Feb 2018 | 518.29 | 394.66 | 0 | 0 | March 2018 | 0 | 194.24 | 00 | 0 | April 2018 | 0 | 250 | 450 | 1200 | May 2018 | 0 | 0 | 0 | 0 | June 2018 | 1300 | 249.06 | 100 | 0 | July 2018 | 0 | 72.2 | 1300 | 0 | August 2018 | 0 | 32.19 | 0 | 00 | Sept 2018 | 600 | 282.12 | 0 | 0796 | Oct 2018 | 0 | 40.14 | 600 | 1700 | Nov 2018 | 0 | 286 | 500 | 2000 | Major nonconformance |
| Month       | RSPO Delivery (PK)   | RSPO Delivery (CPO)  | Confirmed transaction (PK) | Confirmed transaction (CPO) |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| Feb 2018    | 518.29   | 394.66   | 0                          | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| March 2018  | 0  | 194.24   | 00                         | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| April 2018  | 0  | 250  | 450                        | 1200                        |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| May 2018    | 0  | 0  | 0                          | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| June 2018   | 1300   | 249.06   | 100                        | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| July 2018   | 0  | 72.2   | 1300                       | 0                           |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| August 2018 | 0  | 32.19  | 0                          | 00                          |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| Sept 2018   | 600  | 282.12   | 0                          | 0796                        |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| Oct 2018    | 0  | 40.14  | 600                        | 1700                        |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |
| Nov 2018    | 0  | 286  | 500                        | 2000                        |                     |                            |                             |          |        |        |   |   |            |   |        |    |   |            |   |     |     |      |          |   |   |   |   |           |      |        |     |   |           |   |      |      |   |             |   |       |   |    |           |     |        |   |      |          |   |       |     |      |          |   |     |     |      |                      |

|                                  |   |  |          |      |   |     |   |       |         |         |      |      |  |
|----------------------------------|---|--|----------|------|---|-----|---|-------|---------|---------|------|------|--|
|                                  |   | <table border="1"> <tr> <td>Dec 2018</td> <td>1100</td> <td>0</td> <td>600</td> <td>0</td> </tr> <tr> <td>Total</td> <td>3518.29</td> <td>1800.61</td> <td>3550</td> <td>5696</td> </tr> </table> <p>CPO - RSPO delivery: 1,800.61 mt (balance sheet) vs 5,696 mt (palm trace), NC CPO sold: 28,120.57 mt (balance sheet). No evidence provided for commodity downgrade from IP to NC CPO. Thus, a major NC was raised.</p>  | Dec 2018 | 1100 | 0 | 600 | 0 | Total | 3518.29 | 1800.61 | 3550 | 5696 |  |
| Dec 2018                         | 1100  | 0  | 600      | 0    |   |     |   |       |         |         |      |      |  |
| Total                            | 3518.29   | 1800.61  | 3550     | 5696 |   |     |   |       |         |         |      |      |  |
| <b>D.3 Documented procedures</b> |   |  |          |      |   |     |   |       |         |         |      |      |  |
| D.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:4, Dated September 2018 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 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 site's procedures for the implementation of this standard.</p>                      | <p>SOP for Sustainable Supply Chain and Traceability, Issue No:4, Dated September 2018 has identified every responsible personal who involved in the implementation RSPO Supply Chain Certification. The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirement</p>                         |          | Yes  |   |     |   |       |         |         |      |      |  |
| D.3.2                            | <p>The site shall have documented procedures for receiving and processing certified FFBs.</p>   | <p>SOP for Sustainable Supply Chain and Traceability, Issue No:4, Dated September 2018 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</p>   |          | Yes  |   |     |   |       |         |         |      |      |  |

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|                                    |   |   |     |
|------------------------------------|---|---|-----|
|                                    |   | material/product, outsourced contractor, training, reclassification of mill's supply chain model and production volume.   |     |
| <b>D.4 Purchasing and goods in</b> |   |   |     |
| D.4.1                              | The site shall verify and document the tonnage and sources of certified FFBs received.                | <p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified. Records verified by internal and external audit. The accompanying documents of incoming FFB from own estate are estate's weighing bridge tickets which has the info about name of estate, RSPO certificate number, weighbridge ticket number, seal number, date of delivery, field number, number of bunches. Upon arrival at the mill, the mill issues its weighbridge ticket as confirmation of receipt. The estate's ticket number were recorded in the mill's ticket number. For the review period of February 2018 to December 2018, no diversion crop received from other Sime Darby's certified estates.</p> <p>Sample of weighbridge tickets checked:</p> <p>i)East Estate (E-153)<br/>           DO no. :389682, date: 26/1/19, A crop/field P01D<br/>           RSPO certificate number: RSPO 543543<br/>           Weight: 9.08 mt, lorry: WY1745</p> <p>i)East Estate (E-153)<br/>           DO no. :008851, date: 26/1/19, A crop/field P02C1, 05C1<br/>           RSPO certificate number: RSPO 543543<br/>           Weight: 17.52 mt, lorry: NCW5731</p> | Yes |
| D.4.2                              | The site shall inform the CB immediately if there is a projected overproduction of certified tonnage. | The facility is aware of this procedure. There was no projected overproduction for the period under review from February 2018 – December 2018.  | Yes |

|                           |  |   |                      |
|---------------------------|--|---|----------------------|
|                           |  | 92.80 % of volume allocated has been used for the period of February to December 2018. Threshold limit has yet to be set to ensure no overproduction and prompt notification to CB for volume extension.  |                      |
| <b>D.5 Record keeping</b> |  |   |                      |
| D.5.1                     | 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.<br><br><i>IP Mill must report on real time basis.</i>   | Real time monitoring was not effectively demonstrated based on quarterly records and balance from February 2018 to December 2018, it was found that:<br><ul style="list-style-type: none"> <li>i) February 2018 : delivery of RSPO PK more that stock (7.56 mt)</li> <li>ii) June 2018 : delivery of RSPO PK more than stock (819.83 mt)</li> <li>iii) December 2018 : delivery of RSPO PK more than stock (454.47 mt)</li> </ul> <p>Thus, a major NC was raised.</p> | Major nonconformance |
| <b>D.6 Processing</b>     |  |   |                      |
| D.6.1                     | The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation. | During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.  | Yes                  |

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**Supply Chain Declaration** *(Applicable For Appendix E)*

| <b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b> |                     |   |   |                             |
|--|---------------------|---|---|-----------------------------|
| <b>No.</b>   | <b>Month - Year</b> | <b>Volume of FFB from certified supply bases (mt)</b> | <b>Volume of FFB from uncertified supply bases (mt)</b> | <b>Total FFB/Month (mt)</b> |
| 1  | February 2018       | 12,042.82   | 0   | 12,042.82                   |
| 2  | March 2018          | 15,460.84   | 0   | 15,460.84                   |
| 3  | April 2018          | 13,308.13   | 0   | 13,308.13                   |
| 4  | May 2018            | 11,890.85   | 0   | 11,890.85                   |
| 5  | June 2018           | 11,334.98   | 0   | 11,334.98                   |
| 6  | July 2018           | 11,468.24   | 0   | 11,468.24                   |
| 7  | August 2018         | 13,384.80   | 0   | 13,384.80                   |
| 8  | September 2018      | 14,440.04   | 0   | 14,440.04                   |
| 9  | October 2018        | 15,409.36   | 0   | 15,409.36                   |
| 10   | November 2018       | 13,353.26   | 0   | 13,353.26                   |
| 11   | December 2018       | 14,125.42   | 0   | 14,125.42                   |
|  | <b>Total</b>        | <b>146,218.74</b>                                     | <b>0</b>  | <b>146,218.74</b>           |

| <b>B. Monthly Records of Certified CPO &amp; PK since the last audit</b> |                     |                           |                          |
|--|---------------------|---------------------------|--------------------------|
| <b>No.</b>   | <b>Month - Year</b> | <b>Certified CPO (mt)</b> | <b>Certified PK (mt)</b> |
| 1  | February 2018       | 2,740.78                  | 510.733                  |
| 2  | March 2018          | 3,523.78                  | 709.883                  |
| 3  | April 2018          | 2,965.60                  | 593.196                  |
| 4  | May 2018            | 2,708.87                  | 490.631                  |
| 5  | June 2018           | 2,418.20                  | 455.756                  |
| 6  | July 2018           | 2,541.35                  | 516.079                  |
| 7  | August 2018         | 2,989.82                  | 662.077                  |
| 8  | September 2018      | 3,129.61                  | 692.905                  |
| 9  | October 2018        | 3,423.41                  | 732.361                  |
| 10   | November 2018       | 2,937.46                  | 619.53                   |
| 11   | December 2018       | 2,365.20                  | 643.824                  |
|  | <b>Total</b>        | <b>31,744.08</b>          | <b>6,626.975</b>         |



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| <b>C. Records of Certified CPO &amp; PK Sold under PalmTrace to Buyers since the last audit (if any)</b> |                    |  |                                |                               |
|--|--------------------|--|--------------------------------|-------------------------------|
| <b>No.</b>   | <b>Buyers Name</b> | <b>Palmtrace Trading License Number</b>  | <b>Certified CPO Sold (mt)</b> | <b>Certified PK Sold (mt)</b> |
| 1  | Buyer A            | TR-05093a34-59d4<br>TR-0b81176a-34e9<br>TR-9dbe3715-8be0<br>TR-d8863a56-9d84<br>TR-5ec19866-9b89<br>TR-ac60070f-f322<br>TR-7485374c-3181<br>TR-1c5e07cf-8c8a<br>TR-52cf565d-aa94<br>TR-287a0a37-5603<br>TR-2376e5dd-9787<br>TR-1a45fab5-b122<br>TR-d98d0ccc-c276<br>TR-4c8aedf8-448f<br>TR-cc0e3631-5ad6<br>TR-742803bf-1250<br>TR-91e75c06-ec75<br>TR-fdafc986-ea9f<br>TR-ef431765-fb59<br>TR-219f31d7-0697<br>TR-a5d02dc1-123b<br>TR-1960f354-c1b1<br>TR-8830cf9c-4dd1<br>TR-6695f294-ddd7<br>TR-9dcdd4a9-f5c6<br>TR-9662f75e-4631<br>TR-fc585aed-a6f1<br>TR-422fee94-f9bd<br>TR-a6c070a6-07ad<br>TR-8cd6eb32-ed64<br>TR-224f544c-1cb8<br>TR-55b76e44-4b88<br>TR-bec258c2-2002<br>TR-3fb25e06-4b8e | 3,445.75                       | 0                             |

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|   |         |  |          |       |
|---|---------|--|----------|-------|
|   |         | TR-72827628-1d5e<br>TR-7b6220c1-c44a<br>TR-ee1385ee-1133<br>TR-faf987df-cf99<br>TR-467a5d34-6ee0   |          |       |
| 2 | Buyer B | TR-85cd900f-e1ff<br>TR-1b4557b2-0cca<br>TR-ac1dad5f-e8df<br>TR-fb1d5d0e-c3e3<br>TR-118b4510-7406<br>TR-05237c9b-69db<br>TR-ee9bcf19-6435<br>TR-851ed2dd-8acb<br>TR-c041304b-6d15 | 2250     | 0     |
| 3 | Buyer C | TR-65a8dd3e-d6b9<br>TR-d0061593-d24b<br>TR-d12155fb-79a9<br>TR-51665e8e-29b9<br>TR-aa01d140-e012<br>TR-ba2be8ec-95ab<br>TR-028160ae-3665<br>TR-25efb4af-09b7                     | 0        | 3550  |
|   |         | Total  | 5,695.75 | 3,550 |

**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) |
|-----|-------------|-------------|---------------|--------------|
|     | N/A         |             |               |              |

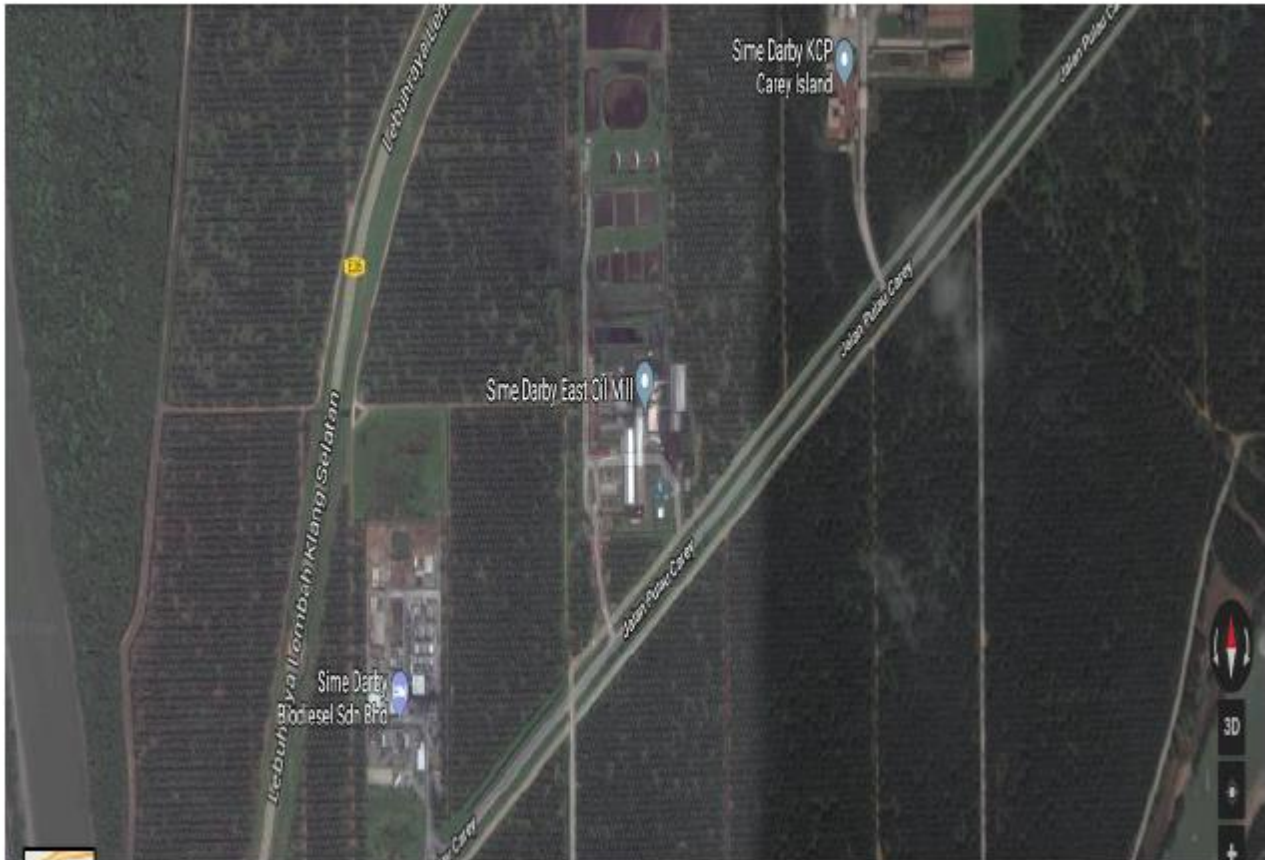
**E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any)**

| No. | Buyers Name | CPO Sold (mt) | PK Sold (mt) |
|-----|-------------|---------------|--------------|
| 1.  | Buyer A     | 21,649.75     | 0            |
| 2.  | Buyer B     | 0             | 2,010        |
|     | Total       | 21,649.75     | 2,010        |

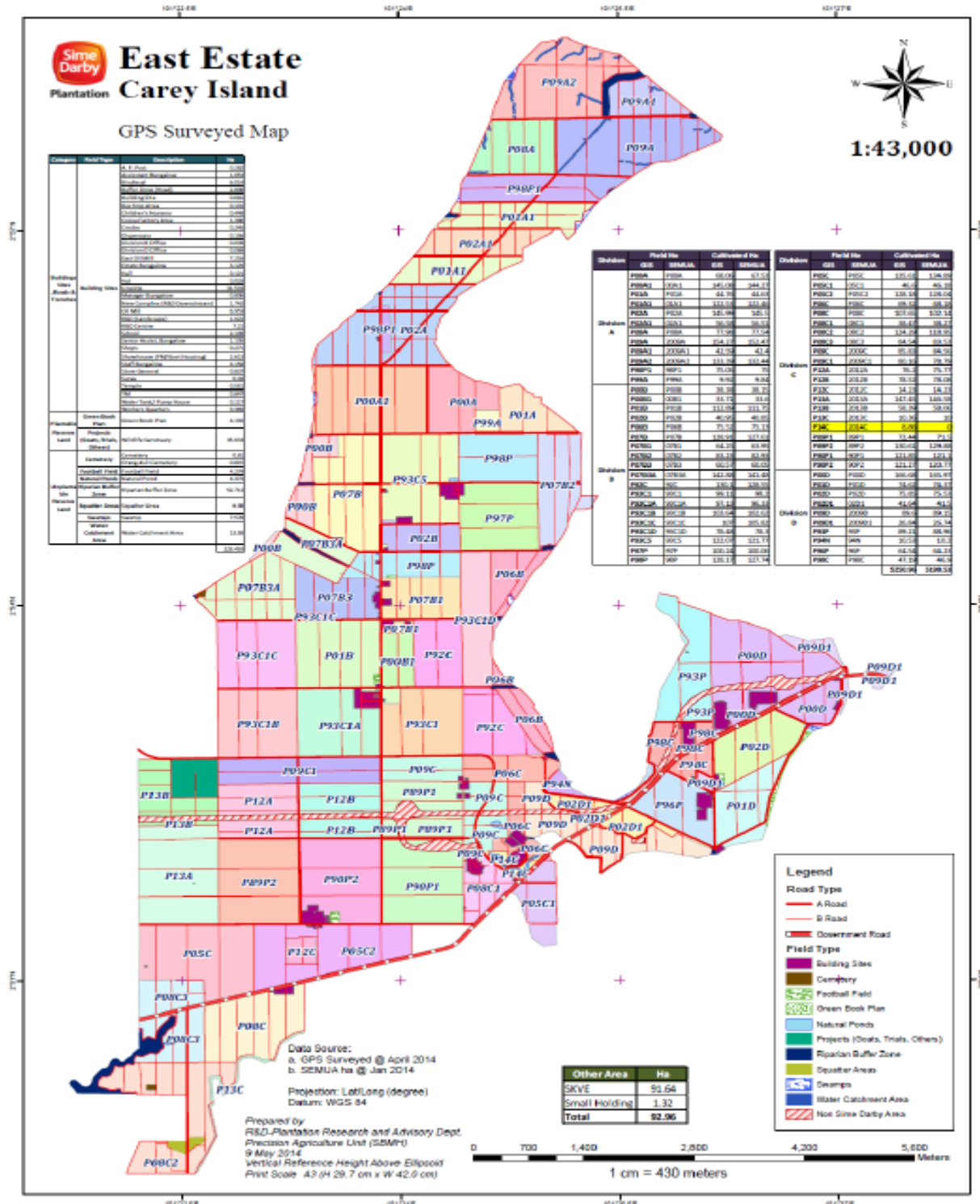
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| <b>F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)</b> |                    |   |  |
|--|--------------------|---|--|
| <b>No.</b>   | <b>Buyers Name</b> | <b>PalmTrace Trading License Number</b> | <b>RSPO Credits of Certified CPO Sold (mt)</b> |
| 1  | Not applicable     |   |  |

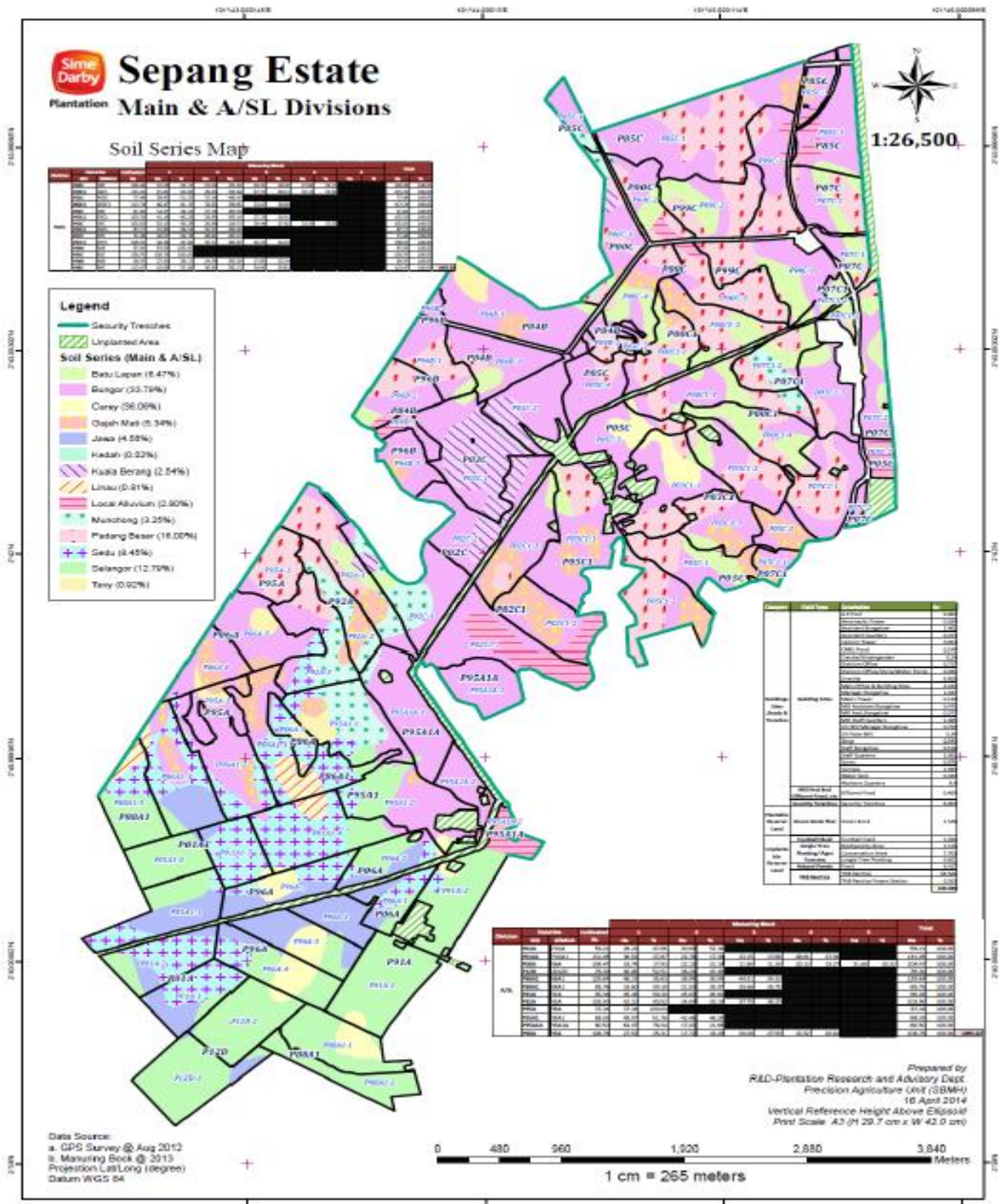
**Appendix F: Location Map of East Palm Oil Mill Certification Unit and Supply bases**



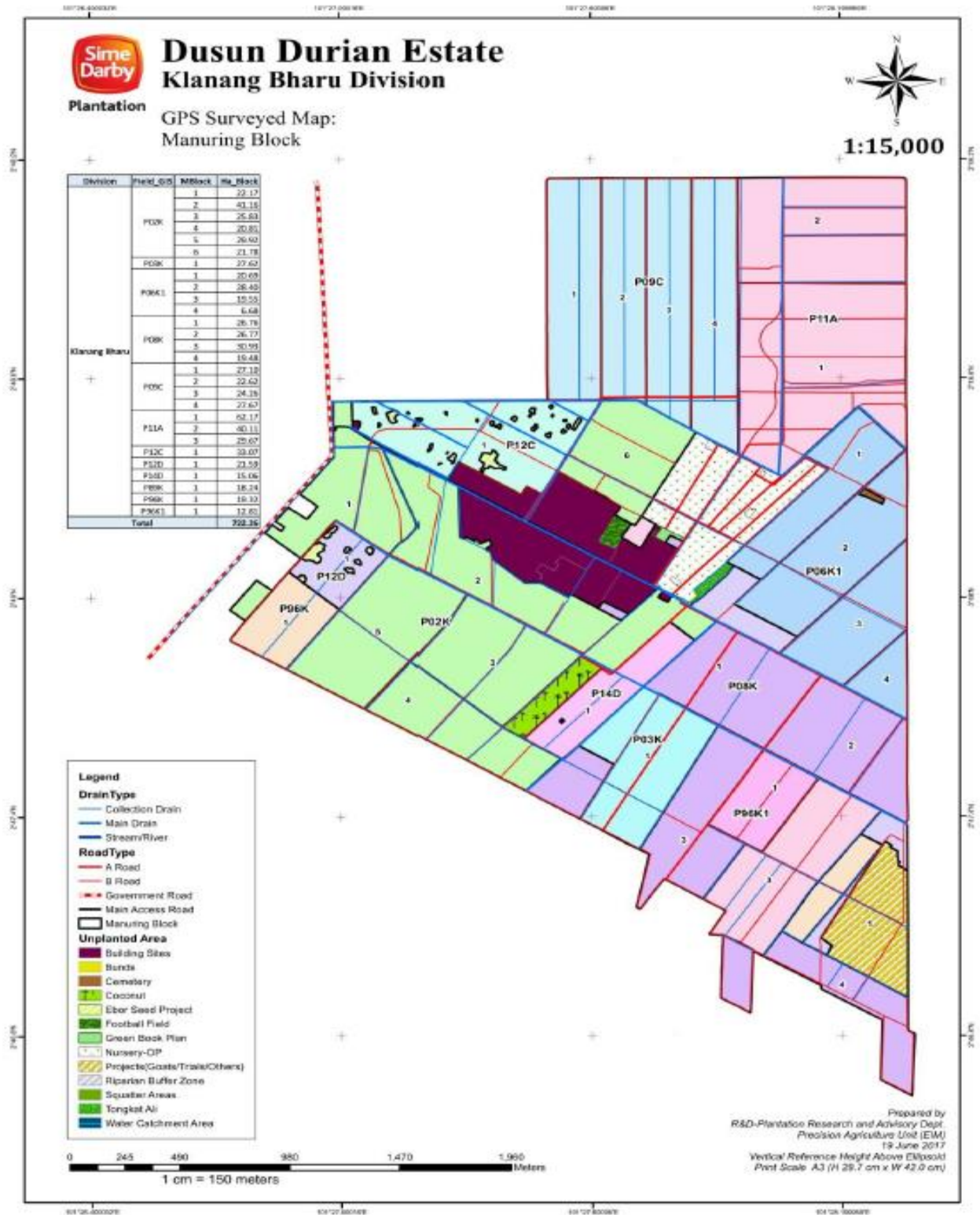
**Appendix G: East Estate Field Map**



**Appendix H: Sepang Estate Field Map**



**Appendix I: Dusun Durian Estate Field Map**



**Appendix J: List of Smallholder Sampled** *(If applicable – scheme/associated/group certification)*



## Appendix K: 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                             |
| SCCS       | Supply Chain Certification Standard                                |
| SEIA       | Social & Environmental Impact Assessment                           |
| SIA        | Social Impact Assessment   |
| SOP        | Standard Operating Procedure                                       |