



PUBLIC SUMMARY REPORT
ANNUAL SURVEILLANCE ASSESSMENT (ASA1)

SIME DARBY PLANTATION Sdn Bhd
Management Unit SOU20
Batu Pahat, Johor, Malaysia

Report Author
Charlie Ross – September 2011
EMandM@bigpond.net.au
Tel: +61 417609026

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SUMMARY

BSi Group Singapore Pte Ltd (BSi) has conducted the first Annual Surveillance Assessment (ASA1) of Sime Darby Plantation Sdn Bhd Strategic Operating Unit SOU20 (SOU20) comprising Chaah Mill, supply base, support services and infrastructure. BSi concludes that SOU20 operations comply with the requirements of RSPO Principles & Criteria: 2007 and MY-NI Indicators and Guidance : 2010.

BSi recommends the continuation of the approval of SOU20 as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS

AMESU	All Malayan Estates Staff Union
BOD	Biological Oxygen Demand
CDA	Controlled Droplet Application
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRAC	Hazard Identification Risk Assessment Control
MAPA	Malayan Agricultural Producers Association
MPOB	Malaysian Palm Oil Board
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
OSHAS	Occupational Safety & Health Assurance System
OSH	Occupational Safety & Health
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
R&D	Research and Development
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
TQEM	Total Quality Environmental Management

1.0 SCOPE OF SURVEILLANCE ASSESSMENT

1.1 Identity of Certification Unit

The SOU20 Chaah Mill and Estates are located at Batu Pahat, Johor (Figure 1). Additional maps showing details of Chaah, North Labis and Sungai Simpang Kiri Estates are also included (Figures 2, 3 and 4). The GPS location of the Mill is shown in Table 1.

Table 1: Mill GPS Location

MILL	LONGITUDE	LATITUDE
Chaah	102°59' 47.6772"	2°10' 40.8468"

1.2 Production Volume

The estimated tonnages reported for the Initial Certificate and the actual production since Certification are detailed in Table 2. It should be noted that the actual production since the award of the Initial Certificate on 18 November 2010 is not for a full year. Refer to Section 1.4 below for explanation of changes to tonnages.

Table 2: Production Tonnages

Chaah Palm Oil Mill	Estimate at Initial Certification	Actual 18/11/10 – 30/07/11	Projected 18/11/11 – 17/11/12
CPO	22,378	17,260	27,996
PK	7,362	4,072	6,598

1.3 Certification Details

Sime Darby RSPO Membership No: 035-04(O)
BSi RSPO Certificate No: SPO 548299
Initial Certification Assessment: 26, 27 & 29 June 2009
Date of Certification: 18 November 2010

1.4 Description of Supply Base

The Chaah Mill supply base is FFB from the three company owned Chaah, North Labis and Sungai Simpang Kiri Estates. The FFB production from Company owned Estates for the 01 July 2007 – 30 June 2008 reporting period that was used for the Initial Certificate, and actual production are listed in Table 3. It should be noted that Sime Darby acquired Sungai Simpang Kiri Estate from Kulim Malaysia Sdn Bhd on 01 September 2009 and the FFB has been included in the supply base since that date.

Table 3: FFB Tonnages Processed

Source	Estimate at Initial Certification	Actual 18/11/10 – 30/07/11	Projected 18/11/11 – 17/11/12
SOU20 Estates			
Chaah	63,938	42,377	69,263
North Labis	37,101	20,866	33,393
Sg Simpang Kiri	–	19,029	30,656
TOTAL	101,039	82,272	133,312

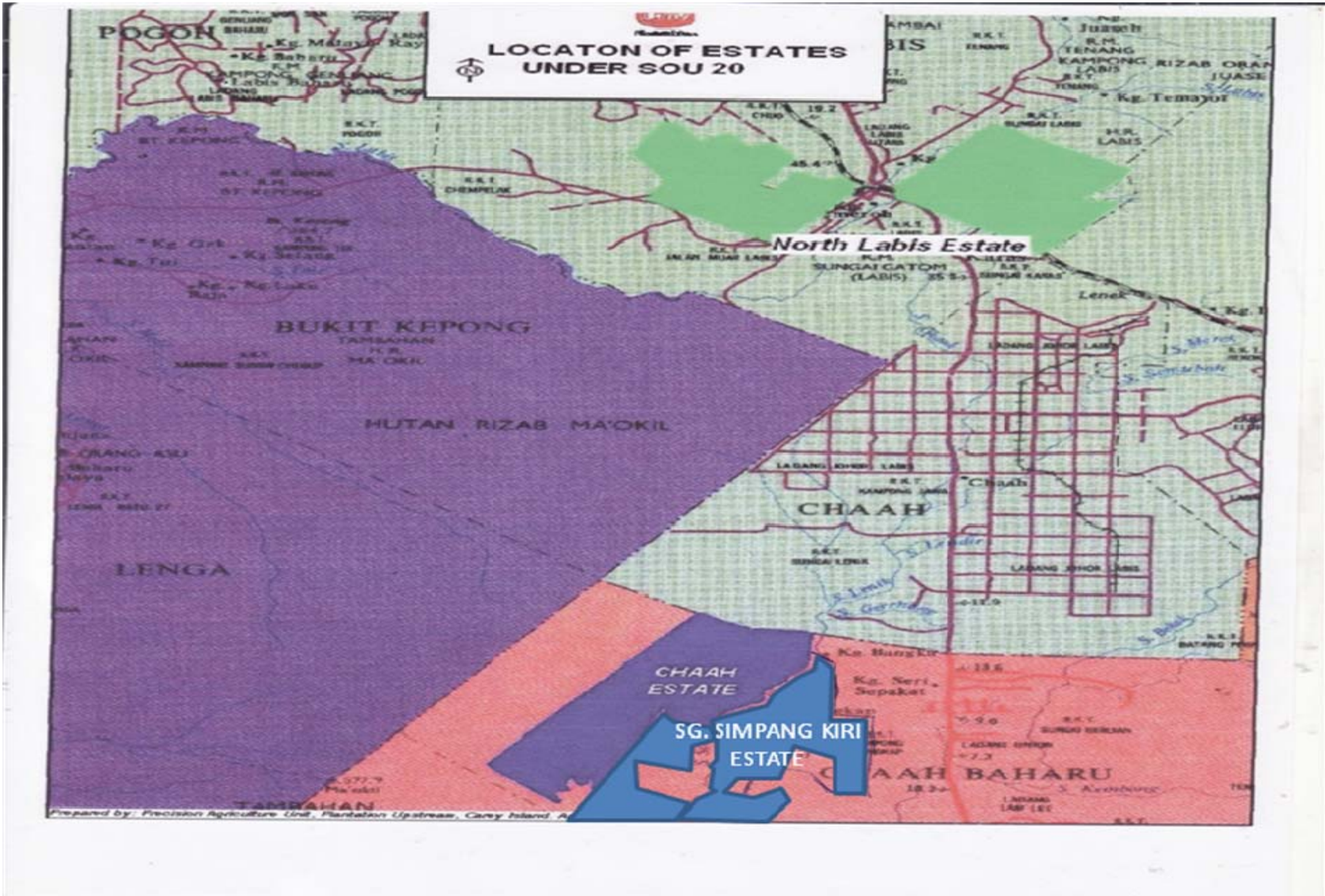


Figure 1: SOU20 Location Map

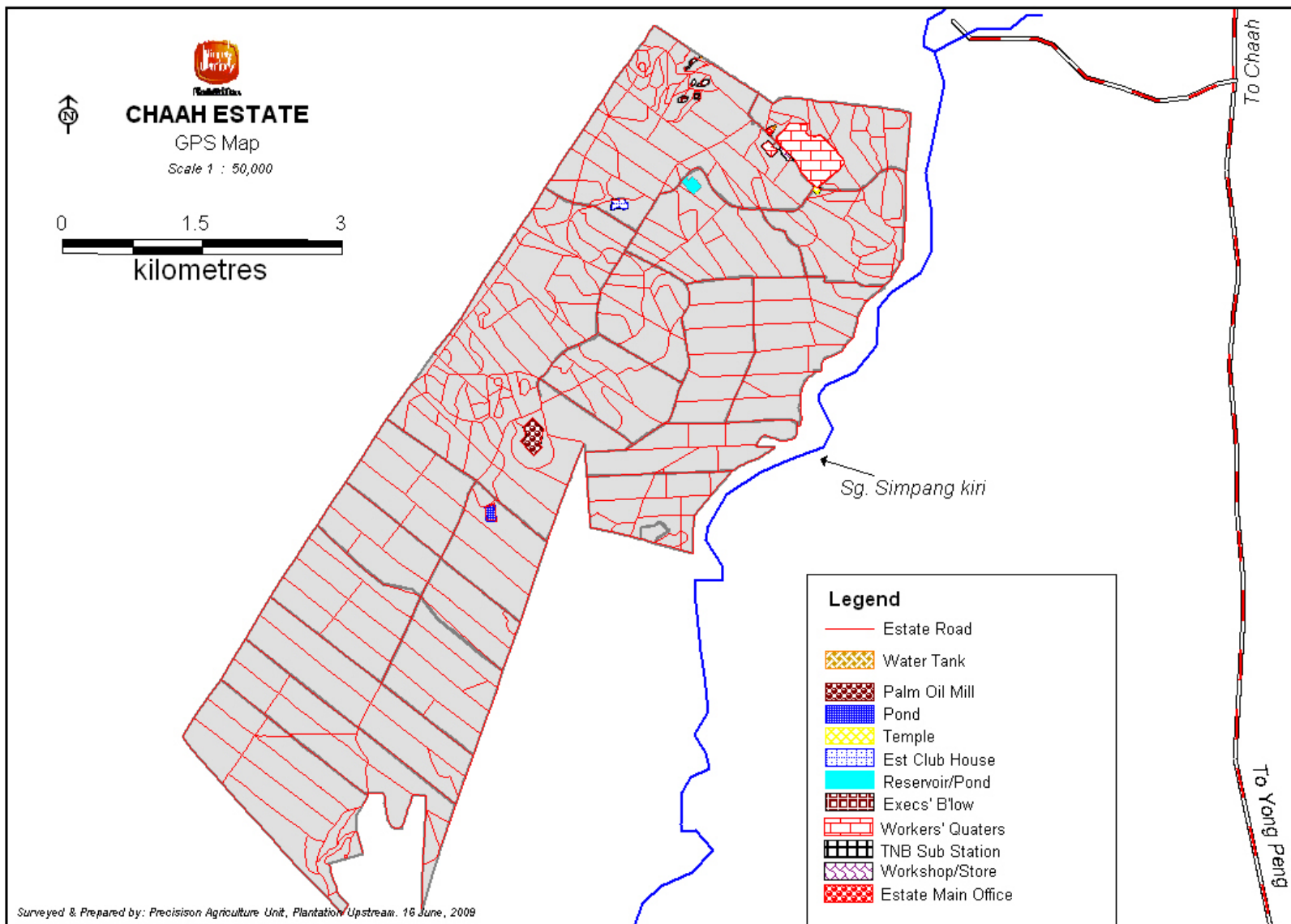


Figure 2: Chaah Estate Layout

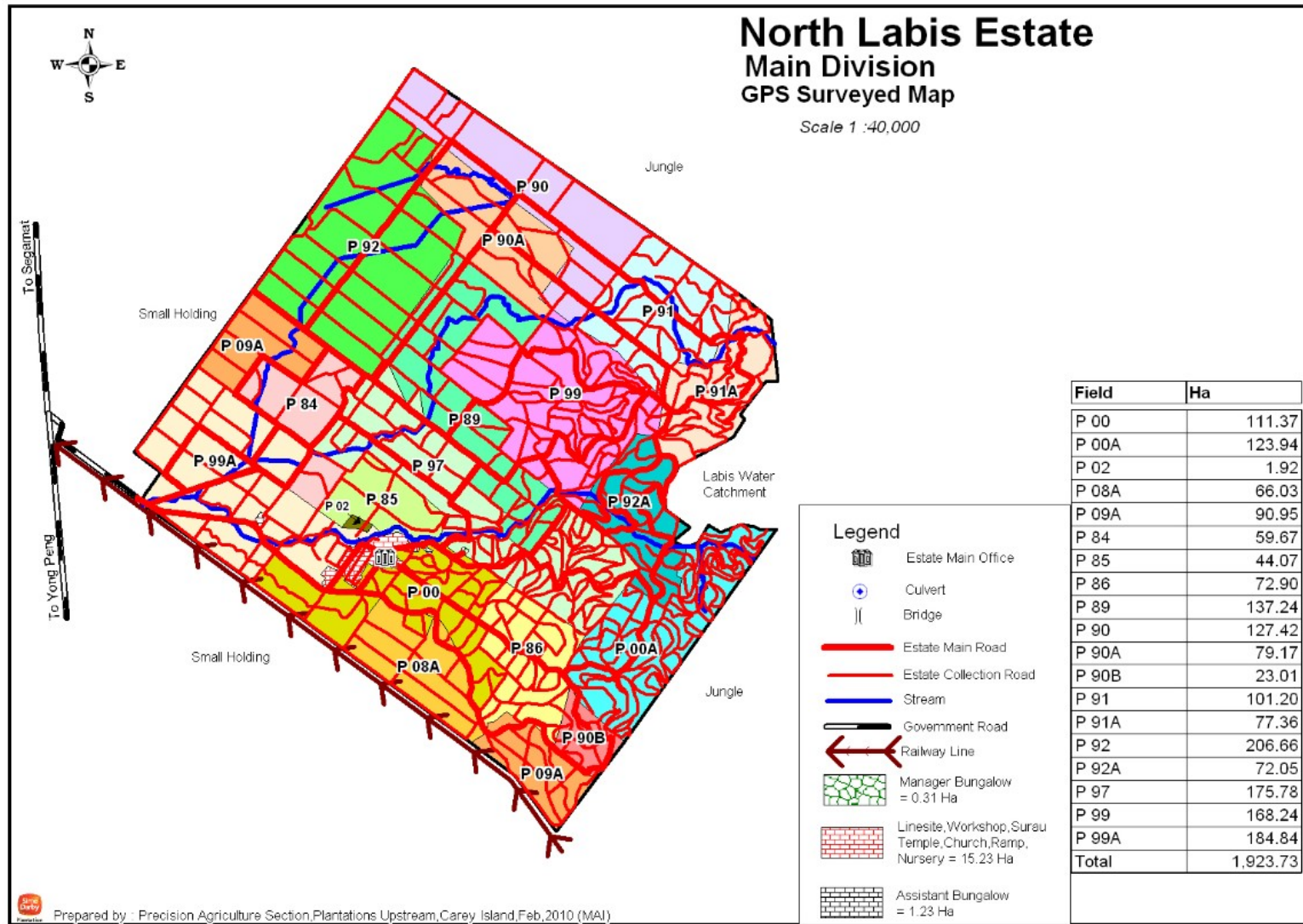


Figure 3: North Labis Estate Layout

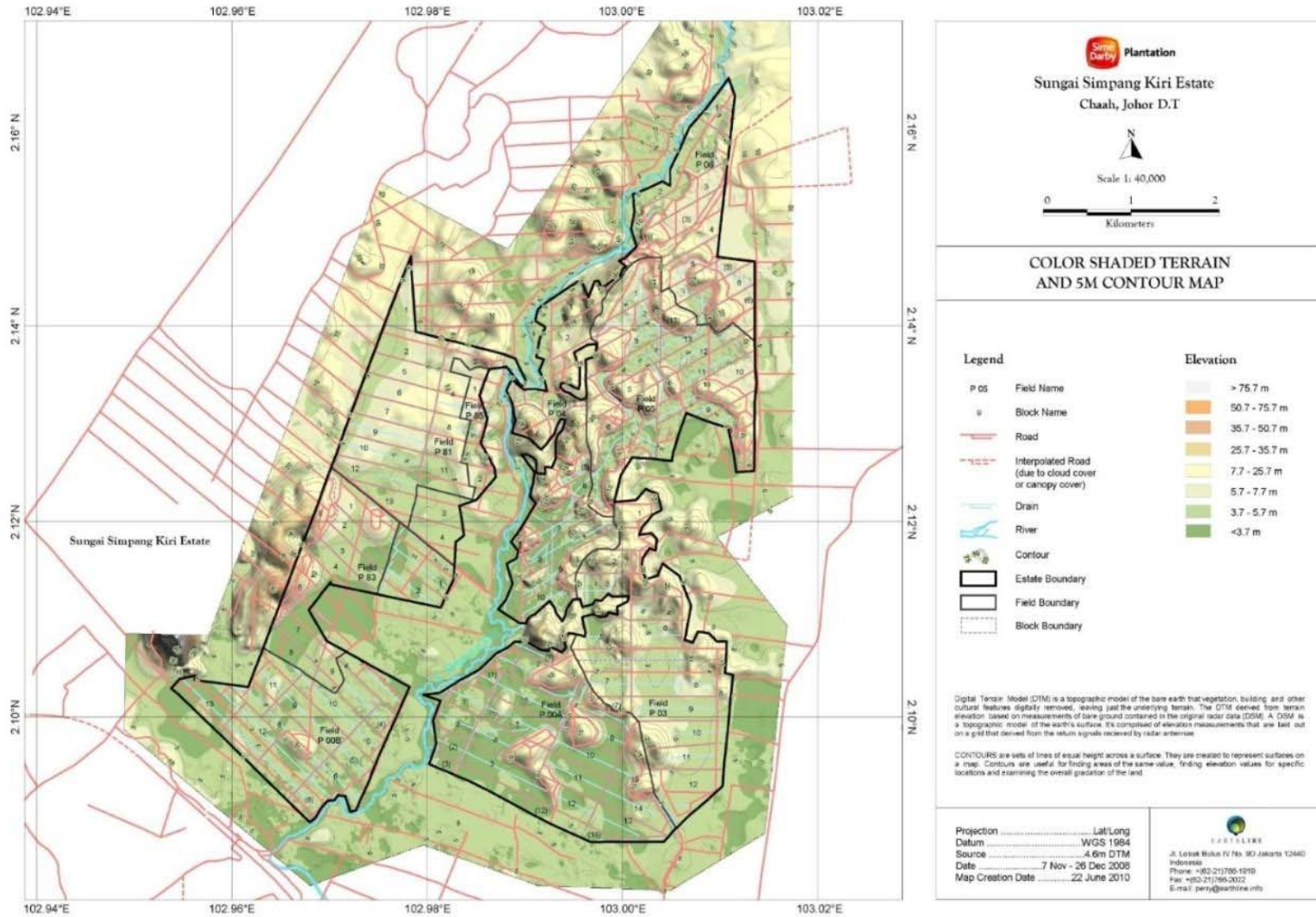


Figure 4: Sungai Simpang Kiri Estate Layout

The SOU20 Estates were developed in 1974 (Chaah) and 1911 (North Labis). Oil palms were first planted in the 1960s at North Labis and are in their third cycle and at Chaah palms are in their second cycle. The age profile of the palms is shown in Table 4A. North Labis Estate is being replanted and 20% of the palms are less than 5 years old and have not yet reached peak production. At Sungai Simpang Kiri Estate almost half of the palms have just reached maturity.

Table 4a: Age Profile of SOU20 Palms

ESTATE	AGE (years)	% PLANTED AREA
Chaah	21 – 30	0.2
	11 – 20	36.4
	4 – 10	62.0
	0 – 3	1.4
North Labis	21 – 30	26.7
	11 – 20	52.9
	4 – 10	4.0
	0 – 3	16.4
Sungai Simpang Kiri	21 – 30	23.3
	11 – 20	28.6
	4 – 10	48.1
	0 – 3	0

The areas planted are shown in Table 4b. The total plantable area at Chaah Estate reported during the Initial Certification has decreased by 78 ha due to designation for 'B' roads 55 ha, Main drain 16 ha and Collection drains 7 ha. The total plantable area at North Labis Estate was reduced by 139 ha due to designation for "A" and "B" roads.

Table 4b: SOU20 Estates and Areas Planted

Estate	Mature (ha)	Immature (ha)
Chaah	2,648	37
North Labis	2,868	488
Sungai Simpang Kiri	1,978	0
TOTAL	7,494	525

1.5 Progress against Time Bound Plan

Sime Darby Time Bound Plan (updated June 2011) is included as Appendix A. During 2010, Sime Darby initiated the realignment of three of the Management Units in Malaysia for strategic operating reasons. To date, the realignment of three Management Units (SOU9a, SOU30a and SOU30b) have been completed, reducing the total number of Management Units from 61 to 58.

Sime Darby has completed Initial Certification Assessments for all of the Management Units in Malaysia, and 11 of the 21 in Indonesia. Sime Darby has scheduled the Initial Certification Assessments for the

remaining 10 Management Units in Indonesia for mid-2011 and is on track to achieve the targets of the Time Bound Plan.

Sime Darby provided BSi with an update on progress with resolution of issues raised in 2008 at PT MAS in Indonesia. A follow-up meeting was held between top management of Sime Darby Plantation and representatives of Serikat Petani Kepala Sawit (Organisation for Representing Smallholders) during the RT8 Conference in Jakarta. Mr Paul Wolvekamp of Both ENDS mediated the meeting that was also attended by representatives of Sawit Watch and House of "Adat" from Sanggau. Inquiries by BSi indicated that significant progress has been made with regard to the issues raised earlier. No new issue was highlighted during the meeting.

BSi's continued involvement with 13 of the Sime Darby Management Units during the previous 12 months has not identified:

- (1) any unresolved significant land disputes;
- (2) any replacement of primary forest or loss of HCVs (Sime Darby did not carry out any new land development during 2010/11);
- (3) any labour disputes that are not being resolved through an agreed process;
- (4) any evidence of noncompliance with any law at any of the landholdings.

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

1.6 Progress of Associated Smallholders/ Outgrowers towards RSPO Compliance

Chaah Palm Oil Mill does not process any crop from Smallholders or Outgrowers.

1.7 Organisational Information / Contact Person

Sime Darby Plantation Sdn Bhd
 Management Unit SOU20
 Batu Pahat Johor
 MALAYSIA
 Contact Person: Mr Azizi bin Abdul Rahman
 Managerr Chaah Palm Oil Mill
 Phone: +60 07-934 2454
 Fax: +60 07-934 1455
 Email: azizi.abdul.rahman@simedarby.com

2.0 ASSESSMENT PROCESS

2.1 Assessment Team Members

Charlie Ross – Lead Assessor RSPO
 B.App.Sc. M.Sc (Env.Studies)
 Lead Auditor EMS RABQSA Cert N^o14370
 Topics assessed: Legal, Environment, Agricultural Practices, Social, Sustainability

Iman Nawireja – Assessor RSPO
 B.Ag.Sc. M.Sc. (Comm)

Topics assessed: Legal, Environment, Agricultural Practices, Social, Sustainability

Robyn Ross – Social Assessor RSPO

Topics assessed: Legal, Social, Women and Families, Sustainability

Noryati Hambali – Facilitator (Women and Families)

A CV for Ms Hambali, a new team member, is included at Appendix B.

2.2 Assessment Programme

The ASA1 was carried out 27–28 July 2011. The Assessment Programme is included as Appendix C.

The Programme included assessments of Chaah Palm Oil Mill, Chaah and Sungai Simpang Kiri Estates against all of the applicable RPSO indicators.

The Nonconformities that were assigned and the Observations that were identified during the Initial Certification Assessment were followed up to check the effectiveness of corrective actions and findings are detailed in Section 3.2 Page 14.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interview of staff, workers and their families and external stakeholders, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information.

This report is structured to provide a summary for each Principle, together with details for selected indicators. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

Mr Aryo Gustomo, BSi RSPO Scheme Manager, has reviewed this report for conformance with BSi Procedures and the RSPO Certification System requirements.

2.3 Stakeholder Consultation

Internal and external stakeholders were consulted to obtain their views on SOU20 environmental and social performance and any issues of concern that they may have. External stakeholders were interviewed at their premises where practical or they were invited to the Mill or the Estate. Internal stakeholders were interviewed in groups in the workplace or at their housing. Company officers were not present at any of the meetings. A list of stakeholders contacted is included at Appendix D.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During this ASA1, follow-up of the Nonconformity assigned against Minor Compliance Indicator 4.3.2

during the Initial Certification found implementation of corrective actions insufficient therefore the Nonconformity remains open. Eleven (11) Observations/Opportunities for improvement were identified – Refer Section 3.2 Page 14 for details. SOU20 prepared a Corrective Action Plan for addressing the identified Nonconformity, which BSi reviewed and accepted.

The Nonconformities that were assigned to Major Compliance Indicators 2.1.1, 4.4.1, 5.2.2, Minor Compliance Indicator 4.3.2 and the Nine (9) observations that were identified during the Initial Certification Assessment were followed up to check the effectiveness of corrective actions – Refer Section 3.3 Page 15 for details.

BSi recommends continuation of Certification for SOU20 as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

SOU20 has continued to take actions that are consistent with a commitment to transparency in dealing with local villagers and other stakeholders. This included maintaining records of meetings and making policy documents available on request.

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

The Mill and Estates maintain a filing system for requests for information received from Government and other stakeholders. Review of the files showed that the requests for information are mainly from MPOB, such as a “Survey on POME & biogas for renewable energy application in palm oil mills” received 7 December 2010 and replied by the Mill on 15 December 2010.

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

The Mill and Estates hold copies of all of the documents listed under Criterion 1.2 and these are publicly available upon request, in accordance with Sime Darby policy.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Inspection of documents and reports on internal audits of the SOU20 Mill and Estates confirmed legal compliance with licences and regulations, such as Environmental, Factories and Machinery and Labour Laws. The BOD of treated mill effluent and the smoke density of gaseous emissions from the mill boiler were consistently within the licence limits, as confirmed by laboratory tests and those done independently by consultants. Checks of a sample of pay records and

interviews of staff and workers showed compliance with Labour Laws. The Estates are on Government leased land and there were no disputes over land ownership.

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

Legal compliance was assessed by examining a sample of records, documents and reports and inspection of facilities and processes. Examples of documents are listed below.

Laboratory analyses of monthly samples of treated Mill effluent confirmed the BOD content meets licence requirements for land application for the previous twelve months (Figure 5). The maximum BOD during the previous year was 1,390 mg/L. Mill boiler emissions were tested 21 February 2011 and the level of dust particulate was within compliance with Regulation 25 of the Malaysian Environmental Quality (Clean Air) Regulations, 1978. The Mill is linked to the DOE via the continuous emissions monitoring system. Review of data indicated compliance with the smoke emission limits. The smoke density meter was calibrated by ST Tech Engineering Sdn Bhd on 20 June 2011, (Report No 8138).

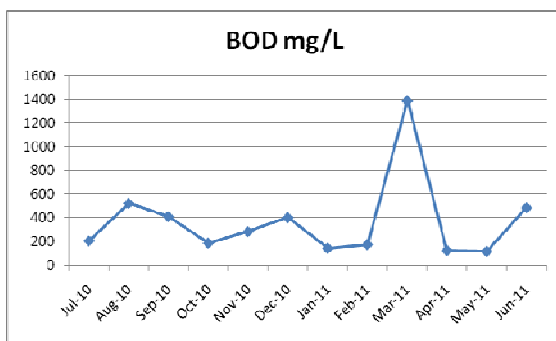


Figure 5: BOD of Treated Mill Effluent July 2010 – June 2011

The Mill and Estates hold copies of licences for plant and equipment, for example, Boiler Number 3 Certificate Number 121939 expiry 19 March 2012. Copies of licences for drivers, boiler attendants and engineers are held on personnel files.

The Mill has an approval letter from Labour Department dated 22 November 2010 for extension of overtime hours current to 30 November 2013. Inspection of a sample of Mill and Estates pay records confirmed overtime hours were within the approved limit. Pay records also confirmed pay and conditions complied with employment terms and conditions current at the time of the Assessment visit.

The Mill collected samples of drinking water from the housing 21 February 2011 and the report by Nalco Analytical Resources confirmed the results for physico-chemical and bacteriological quality were in compliance with the Malaysian Drinking Water Quality Standard.

The Mill and Estates hold a legal register that lists the legislation and Permit requirements and conditions for

OSHAS, Environment and Labour. In addition, the Mill and Estates hold copies of the applicable legislation.

The most recent DOSH visit to the Mill was on 20 December 2010 and the minor improvements to control general corrosion of the water softener treatment system have been rectified. The DOE visit on 19 April 2011 did not identify any significant issues requiring corrective action.

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

The Estates are on Government Leased land and the SOU20 operations are consistent with the terms of the land titles, which is for oil palm.

Inspection of a sample of boundary stones at Sungai Simpang Kiri and Chaah Estates confirmed that these have been marked clearly with a red and white post and were being maintained.

Inspection of records and interview of local kampung representatives indicated that there are no current or recent land disputes.

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

All of the Estate operations are on Government Leased land. The Estates do not restrict access by smallholders or the public to the land, except for the transport of FFB. SOU20 allows smallholders to graze their cattle within the oil palms of the Estate near their smallholdings.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

SOU20 is undertaking actions at the Mill and Estates to improve productivity. For example, it has a major replanting programme at North Labis Estate and rehabilitation of areas affected by the 2007 flood. The Mill has achieved OER above 21% over the past three years and aims to improve this further.

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

The Estates and Mill have Annual Operational and Capex Budgets that are projected for the next four years – 2008/09 though to 2011/12. The budgets include performance objectives and targets related to production, efficiency and quality.

The average annual FFB yield is very low for Sungai Simpang Kiri Estate that was explained as due to the low density of palms following flood damage that occurred in 2007. SOU20 is rehabilitating the areas to improve yield. In contrast, the average yield at Chaah Estate is projected at 26% t/ha/year.

The Mill OER (Figure 6) shows a sharp rise in efficiency in 2008/09 when Sime Darby took over the management of SOU20 and changed the FFB ripeness standard and

provided high emphasis on FFB quality, timely evacuation of the crop and loose fruit collection. There has been a decline in OER over the past two years that was explained as due to labour shortage which has affected FFB evacuation and quality delivered to the mill.

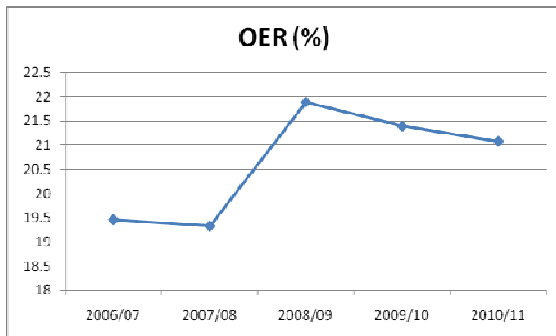


Figure 6: Average Annual OER 2006-2011

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

The Mill and Estates have continued to work towards consistent implementation of the Sime Darby Policies and SOPs for best practices. Internal audits were carried out by the Mill Advisor and the Estate Advisor to check on environmental and production performance.

A number of Observations were assigned against those indicators where the performance needs to be improved. These include the demarcation of riparian buffer strips for reinstatement at replanting, water conservation in the Mill, Mill safety and emergency response.

Overall, field practices were well implemented and good progress is being made on the rehabilitation of Sungai Simpang Kiri Estate that Sime Darby acquired from Kulim (Malaysia) Berhad in 2009. The company continues to place a high degree of importance on worker health and safety and provides appropriate PPE and training.

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

The Mill holds a copy of SOPs issued 1 November 2008 covering all work stations. In addition, the Mill has prepared Work Instructions in Bahasa Malaysia, which are displayed at each work station.

The Estates holds copies of the Sime Darby SOPs issued 2008 and have translated selected SOPs, such as harvesting and field upkeep, into Bahasa Malaysia.

The Mill Advisor visits approximately quarterly with the most recent visit 27 April to 03 May 2011. One of the issues raised was the need to de-sludge two of the effluent ponds and this is budgeted in 2011/12. The Estate Plantation Advisor's most recent visit to Sungai Simpang Kiri Estate was 04-06 May 2011. The Estate Manager has responded to issues raised.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Sime Darby Agronomy Section of R&D Department carried out annual inspection of the palms and leaf sampling at Sungai Simpang Kiri Estate on 21 January 2011 to monitor nutrient status and to recommend the annual fertiliser program.

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

Erosion control practices are documented in the Sime Darby Agricultural Reference Manual. At Chaah Estate, all of the land is flat except for 4% of the area, which is hilly. There are no steep slopes within the Estates. Erosion control practices include U-shaped stacking of pruned fronds, silt pits and terracing of slopes.

Groundcover vegetation generally was adequate at the Estates. However, inspection of field conditions showed some locations, such as Sungai Simpang Kiri Estate, with areas of bare soil where harvesting foot-paths had been "over-sprayed", but also there was incomplete spraying of palm circles. **CRO4: The Nonconformity issued during the Initial Certification Assessment remains open because inspection of the area at Chaah Estate showed very little improvement over the previously identified area of bare soil. Overspraying also was observed at Sungai Simpang Kiri Estate, where the full width of harvesting paths had been sprayed – refer Section 3.2 Page 14.**

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

Simpang Kiri River runs parallel to the Eastern boundary of Chaah Estate, which joins the Riparian Reserve of approximately 200m width. **Observation 01: Signs have been installed along small streams however, the riparian buffer zone has not been marked with an "X" on the palms that will not be replanted – Refer Section 3.2 Page 14.** The majority of the River reserve is within the river floodplain and very few trees remain. There has been no development within the reserve.

Simpang Kiri River also flows through Sungai Simpang Kiri Estate and approximately 700 ha is affected by flooding. Approximately 4 km of bunds have been constructed parallel to Simpang Kiri River to prevent flooding of a low-lying area of planted palms. The bunding complies with the Department of Irrigation and Drainage requirements.

Sime Darby Engineering Department has proposed to raise the height of the existing bund on SOU20 land to mitigate flooding. Engineering Department is consulting the government on this project and is commissioning a consultant to conduct an EIA for obtaining Government approval.

The Mill collects samples quarterly upstream and downstream of Chaah Estate. The most recent samples were collected 01 July 2011 and the results indicated no

significant difference in water quality parameters between upstream and downstream sites.

The Mill average annual water usage (Figure 7) increased significantly to 1.66 t/t FFB in 2008/09 due to the installation of a much larger capacity boiler (27 t/hr) compared with two small ones (13 t/hr). There has been a slight reduction in consumption, but it is still relatively high. **Observation 02:** *Water conservation is an important issue but water leaks such as those observed at the Mill Water Treatment Plant need to be repaired as first priority – Refer Section 3.2 Page 15.*

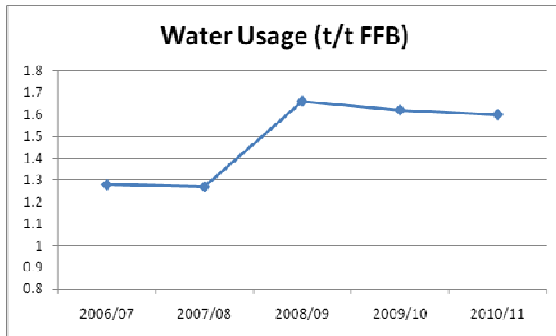


Figure 7: Annual Mill Water Usage 2006-2011

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

SOU20 is expanding the plantings of beneficial plants along roadsides and at Sungai Simpang Kiri, for example, approximately 90% of the target of 2 decametres per hectare has been established with *Tunera subulata*, *Cassia cobanensis* and *Antigonon leptopus*. The Estates also have installed Barn Owl boxes that have 66% occupancy.

Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.

The quantity of pesticide and treatment required is documented in Section 16.5 of the Sime Darby Agricultural Reference Manual. The Estates have displayed at the pesticide mixing area the quantity of pesticide to be measured for each spray application. **Observation 03:** *The accuracy of measuring pesticide concentrate for preparation of pre-mix spray solution could be improved by using "laboratory grade" plastic measuring cylinders – refer Section 3.2 Page 15.*

Inspection of the Pesticides Stores and records confirmed only pesticides are used that are registered by the Pesticides Board.

Inspection of the Pesticide Stores confirmed the storage meets regulatory requirements, for example, security, ventilation, signage, lighting, spill containment, separation and labeling of chemicals.

Labelling of all chemicals and Work Instructions is in Bahasa Malaysia. Work Instructions are displayed at the pesticide storage and use areas.

The sprayers undergo monthly medical checks at the Estates clinic. CHRA annual medical surveillance was carried out by a DOSH registered doctor, for example, at Sungai Simpang Kiri Estate 24 pesticide operators underwent surveillance on 22-23 February 2011.

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

- (a) The Health and Safety Policy signed by Top Management 1 April 2008 was displayed in Mill and Estates Offices.
- (b) The HIRAC that was previously prepared in 2008 was reviewed for the Mill Weighbridge Section tasks in December 2010 and on 25 July 2011. The review did not identify any changes to the risks. The Estates also have reviewed the HIRAC, for example Sungai Simpang Kiri in January 2011.
- (c) The Mill Safety Training Programme is documented for each work station for the current year July 2011 – June 2012. In addition, safety awareness is conducted on specific issues at morning briefings at the Mill and Estates. The Estates have a programme for scheduling of training awareness topics each month for the 2011/12 year.

Observation 04: *Mill safety needs improvement because of the following:*

- A drain cover at the FFB Loading area had moved and presented a fall hazard.
- A contractor's oxy-acetylene bottles at the steriliser cage repair area were not restrained and the pressure regulators were damaged. This was corrected immediately.
- An operator at the Kernel Station was not wearing hearing protection.
- Safety training, such as for First Aid Refresher Course is scheduled 6-monthly but has not been carried out for more than 2 years – refer Section 3.2 Page 15.
 - i. The Mill maintains records of Safety Toolbox Meetings including the topic and a list of attendees with most recent 23 March 2009. Records of Mill training and interview of workers indicated understanding of safety. The Estates holds records of training including the topic, attendees and signatures, for example, training for 8 sprayers conducted 16 December 2010 at Sungai Simpang Kiri Field 05/5 for demonstration of safe spray technique in the field.
 - ii. Inspection of herbicide spraying confirmed sprayers were working safely and in accordance with product precautions.
- (d) The Mill standard PPE issue is safety shoes, helmet and hearing protection, with station specific issue of gloves, dust mask, eye protection and high visibility

vest. Records are maintained of PPE issued to individuals including signature of recipient. The Estates issue to sprayers an apron, eye protection, respirator, gloves and rubber boots

- i. Inspection of operational areas at the Mill and spraying and harvesting tasks in the field confirmed appropriate PPE was supplied and being worn correctly.
- (e) The Mill Supervisor is designated OSH coordinator. The Estates Field Supervisor is OSH Coordinator.
- (f) Records confirmed the Mill holds quarterly OSH meetings with the most recent held 27 June 2011 with 12 attendees. Topics of discussion included safety inspection and issues related to various work stations. The Estates hold safety meetings quarterly with the most recent for Sungai Simpang Kiri Estate 22 July 2011, attended by 13 persons including staff, worker and contractor representatives; Topics of discussion included road safety issues. Information from Safety Committee Meetings is communicated to workers at muster briefings.
- (g) The Mill has revised the Emergency Response Plan that was previously prepared (1 August 2008) and the 2011/12 Plan included an updated site plan and list of Emergency Contacts. Refresher Emergency Fire Training was carried out 26 July 2011 by the local Fire Department. An emergency evacuation drill was carried out 11 September 2010, including a report on the response and improvements needed. The Drill showed that more awareness was required to improve the speed of evacuation when the siren was sounded. Sungai Simpang Kiri has an ERP for a flood event which happens from time to time. **Observation 05: Sungai Simpang Kiri Estate was affected by a major flood in January/February 2011, which provided an opportunity to test the implementation of the Emergency Response Plan, but the Estate has not prepared a report on the review of the effectiveness of the Response – refer Section 3.2 Page 15.**
- h) First Aid Training was carried out 22 June 2009 for 15 Mill Staff and Workers and 21 Chaah Estate staff and workers. Most of those workers are still employed at the Mill, although refresher training is considered appropriate. Sungai Simpang Kiri Estate Hospital Assistant carried out first aid training 14 July 2010 with 14 participants.
- i) First Aid Kits have been allocated to 8 locations in the Mill and are re-stocked monthly. The Estates have distributed First Aid Kits to Mandores and Supervisors.

Malaysian staff and workers are covered by SOCSO Insurance. Mill foreign workers are covered by RHB Insurance Berhad under a Master Policy current to 30 June 2012 with sub-policies issued for example, at Sungai Simpang Kiri 86 workers covered by sub-policy FW017861 current to 30 June 2012.

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

The majority of training at the Mill and Estates is carried out informally by on-the-job instruction and briefing. The Mill and Estates Annual Training Plans have been revised for the coming year 2011/12 that lists the schedule of training. Records of all Mill and Estates training are maintained on file for individuals including topic and signature of attendees.

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

SOU20 has achieved important environmental improvements following the commissioning of a new boiler, resulting in a decrease in smoke emissions.

Inspections confirmed riparian HCVs continue to be protected and workers were aware of the policy prohibiting hunting of fauna.

Waste management was well implemented with consistent recycling of palm by-products to the field. The small sanitary landfill at each Estate was kept neat and tidy and scheduled wastes were stored securely.

The zero burning policy appeared consistently implemented and point sources of pollutants were well controlled.

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

The Mill and Estates have reviewed the environmental aspects and impacts register. The main issue identified previously of black smoke emission from the mill boiler has been addressed by the commissioning of a new larger capacity boiler. However the two small boilers will need to be used from time to time when Boiler #3 is not available. Work is planned to refurbish the small boilers for reducing smoke emissions. The key issue at present is to reduce the usage of raw water in the mill and an Action Plan has been prepared to address this. The Plan includes the identification of all water uses and action for elimination and reduction of wastage and conducting awareness training for workers. **Observation 06: The feedback loop between the identification of environmental impacts, implementation of improvement programs and the Aspects and Impacts Register is not well established, because a number of the impacts that have been mitigated have not been included in the Register – refer Section 3.2 Page 15.**

Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

Field inspections confirmed that SOU20 has continued to maintain the HCV4 at riparian areas and the reinstated riparian corridor linking the adjacent Ma'okil Forest reserve and the Simpang Kiri River.

Observation 07: *The most recent Chaah HCV Action Plan has not been updated with the information from the latest HCV Management Plan – refer Section 3.2 Page 15.*

Signs are posted at the entrance to the Estates warning of protection of HCVs and prohibiting hunting. Interview of workers indicated that they understood the company rules that prohibit hunting and disturbance of the Forest Reserve at Chaah Estate.

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

The Mill and Estates have prepared a Waste Management Action Plan 2008/09, which details the action to be taken in relation to each type of waste generated and the person responsible. Inspection of the mill indicated solid wastes were well controlled, with appropriate facilities for temporary storage of processing by-products such as EFB, fibre and boiler ash. A scheduled waste store is appropriately designed for secure storage of spent lubricating oil, lead acid batteries and used chemical containers. The Waste Management Action Plan was reviewed May 2009.

The Mill has engaged Kualiti Alam (DOE Licence Nos: 000211 – 000215) for collection and disposal of scheduled wastes. A recent consignment of scheduled waste was sent to Kualiti Alam on 04 March 2011, Serial#090914-004, vehicle registration#JEN5169 refers. Sungai Simpang Kiri Estate recent collection of waste oil Manifest #1812 by Perniagaan Saudara Baru on 12 July 2011 vehicle registration# JHG6307. The Estates have engaged G-Planter for collection and disposal of empty pesticide containers.

Medical wastes from Sungai Simpang Kiri and North Labis Clinics are transferred to Chaah Clinic prior to collection and disposal by Pantai Medivest Sdn Bhd with most recent collection 18 July 2011 – consignment note held on file.

The Mill and Estates maintain records of scheduled waste stocktakes and copies are held of the manifests for collection of scheduled wastes. **Observation 08:** *At Sungai Simpang Kiri it was noted that there was no record of the empty 20 litre containers returned to the Scheduled Waste Store from previous use for pre-mix – refer Section 3.2 Page 15.*

Materials that are not suitable for recycling or re-use are disposed in a small, purpose-built landfill at each Estate. Inspection confirmed the landfills were appropriately located and well maintained, consistent with municipal landfill requirements, with a cover of soil placed on recently disposed waste.

The Mill keeps records of the quantities of crop residues transferred to the Estates (EFB, Boiler Ash and POME) and applied to the palms. The Estates maintain a programme for EFB application and records on a map the areas receiving material. POME is recycled to the field at Chaah Estate using a system of furrows for land application. **Observation 09:** *The Mill monsoon drain*

sediment trap had been cleaned but part of the oily solids had been discarded on the bank beside the trap instead of collecting the waste for safe disposal – refer Section 3.2 Page 15.

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

The mill continued to report renewable and non-renewable energy usage to Head Office on a monthly basis.

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.

SOU20 has adopted the Sime Darby Policy on zero burning. Inspection of the replanting area at Sungai Simpang Kiri confirmed that the felled palms and boles had been chipped for mulch. Inspections of workplaces at the Mill and Estates and housing areas did not find any evidence of fire being used for waste disposal.

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

The commissioning of the larger capacity new boiler has reduced black smoke emission from the previously operated old boilers. The small boilers are being refurbished to provide stand-by capacity in the event of the unavailability of the main boiler.

The Estates Pollution Prevention Plan continues to focus on control of point sources of pollution to ensure the control systems are maintained. Prevention of soil erosion and discharge of sediment in rainfall runoff has been highlighted.

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

SOU20 has maintained dialogue with its employees and the local community representatives. Meetings with worker representatives and Union Officials are documented. The system for addressing complaints and grievances appeared to be working well with the main issues relating to requests for housing repairs that were attended to in a timely manner.

The company' pay and conditions for staff and workers were consistent with Labour Laws. Interviews of staff and workers did not identify any incident relating to discrimination or minimum age of workers. The company has a good relationship with contractors and the local community.

Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

The SIA document that was prepared by Sime Darby TQEM Department on May 2009 was updated with information from consultation with stakeholders.

Observation 10: *The SOU20 Social Action Plan had not been updated to include issues that had been completed. Although local communities were consulted records were not kept of discussions and the results were not used for updating the Action Plans – refer Section 3.2 Page 15.*

Criterion 6.2: *There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.*

The Mill and Estates maintained records of internal communication in the form of letters and e-mails.

Observation 11: *The Mill and Estates List of Stakeholders could be improved by including relevant local Government contacts, Worker Union and NGOs – refer Section 3.2 Page 15.*

Criterion 6.3: *There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.*

Inspection of the “Workers Complaint Book Register” confirmed the Mill has recorded complaints and grievances since 2009 with action and status of the complaints. There are various complaints related to mill operation, such as: road condition, neighbours’ stray dogs, cows wandering through the housing complex, transportation, and requests for repairs to housing. For example, recent complaints were received from workers relating to un-cut grass at the housing making the complex look untidy. Inspection of Chaah Estate Complaints Register did not find any complaints only requests for repairs to the housing.

Criterion 6.4: *Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.*

Inspection of records did not identify any claim for compensation as all of the land is freehold title held by Sime Darby.

Criterion 6.5: *Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.*

Pay and conditions are documented in MAPA/AMESU Agreement and MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement. Interview of workers (local and foreign) confirmed their understanding of pay and conditions of the employment. For Indonesian workers socialisation on terms and conditions is carried out prior to recruitment and during post arrival orientation programme in Sime Darby facility.

Progress with construction/renovation of housing has continued, for example, 20 Mill worker houses have been renovated to 3 bedrooms with 10 planned for renovation during 2011/12. At Chaah Estate, conversion of duplex into 4 bedroom houses has been completed for 20 houses with a further 20 houses planned for renovation during 2011/12.

Children travel by private bus to local schools (primary Taman Desa Temu Jodoh approximately 7 km) and (secondary Chaah approximately 18 km) and the company subsidises 50% of transport costs. Staff, Workers and their families receive free medical treatment at the company clinics. Sime Darby provides a Crèche free for staff and worker children. Electricity is from the Government supply and provided to all houses. Water is provided and treated by the company and supplied to all houses at no cost.

Criterion 6.6: *The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.*

For the Mill, the last meeting with NUPW representatives was held 06 June 2010. Issues discussed were housing cleanliness, canteen, workers transport, and boiler fireman. Records are held on file. The Mill also has a Joint Consultative Committee where workers representatives are members. The first Joint Consultative Committee meeting was held on 10 May 2011. Minutes of the meeting are available, however, it could be improved by adding more detail on the attendance list. The last Estate meeting was 31 March 2011. Issues discussed were foreign workers, wage deductions, and repairs to the housing. Record are held on file.

Criterion 6.7: *Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.*

The minimum working age is 18 under the Labour Ordinance. Inspections and checks during the ASA1 did not find any under-age worker or children at workplaces in the Mill and the Estates.

Criterion 6.8: *Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.*

The Social Policy that was approved by Top Management in April 2008 includes a statement on anti-discrimination and is displayed at Mill and Estates Offices and on notice boards at muster areas. Interviews of Staff and Workers and inspection of pay records during ASA1 did not find any evidence of discrimination.

Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

A Policy on the Prevention of Sexual Harassment is documented in the Social Policy approved by Top Management April 2008. Interview of female staff and workers during ASA1 confirmed Gender Committees continue to operate and are now also used for organising social activities.

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

SOU20 does not purchase crop from smallholders or any outside suppliers.

Interviews with contractors confirmed they understand the contracts terms and conditions of employment and they consider that the agreement is legal and fair.

Interview of Contractors confirmed that payment is made in a timely manner and usually within 30 days of receipt of invoice.

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

SOU20 makes contributions to local communities as part of the CSR programme. For example, on 21 February 2011, the mill provided a donation to Kg Haji Khamisan residents who suffered from a recent flood. Other donations were made for sporting and religious ceremonies.

PRINCIPLE 7: Responsible Development of New Plantings

SOU20 has not carried out any new oil palm developments and there are no plans for expansion of plantings. Principle 7 is not applicable to this Assessment.

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

Following Initial Certification, SOU20 has continued to make progress with improvements that are important for overall sustainability. The Mill OER has exceeded 21% and this is targeted for further improvement. The replanting programme and rehabilitation of Sungai Simpang Kiri Estate will improve palm yields in the near future.

Environmental and social issues are being addressed appropriately and internal audits provide feedback on performance against company policies and standards. The company has maintained open dialogue with internal and external stakeholders and there are no unresolved issues with local communities.

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Integrated Pest Management techniques are being expanded to control palm pests and it has not been necessary to use Class 1A chemicals for several years.

Environmental Improvement Plans focus on the reduction of water usage at the Mill and soil conservation at the Estates.

Significant improvement in air quality has been achieved following the commissioning of a new boiler.

The Social Action Plan continues to focus on improvements for resident workers and their families. Houses are being upgraded and sealing of the roads at the housing compound has eliminated the dust problem.

3.2 Identified Nonconformities and Noteworthy Positive and Negative Observations (ASA1)

The Nonconformity assigned during the Initial Certification Assessment to Minor Compliance Indicator 4.3.2 remains open. Eleven (11) Observations/Opportunities for Improvement were identified.

SOU20 has prepared a Corrective Action Plan for addressing the identified Nonconformity, which BSi has reviewed and accepted.

CR04: Indicator 4.3.2 – Avoid or minimise bare or exposed soils within estates.

At the Initial Certification Assessment, inspection of Chaah Estate revealed significant areas of bare soil at locations where CDA spray equipment has been used and overspraying has occurred. Observation of spraying during the Stage I Assessment showed CDA spray equipment was being used incorrectly. Inspection during the Stage II Assessment showed no improvement at areas that had been recently sprayed.

ASA1 Findings: *Inspection of the area at Chaah Estate showed very little improvement over the previously identified area of bare soil. Overspraying also was observed at Sungai Simpang Kiri Estate, where the full width of harvesting paths had been sprayed.*

Corrective Actions:

- The Estates will conduct refresher training specific to the spray technique and weeding purpose.
- To improve supervision and checks of sprayers to ensure the correct technique is being used.

Follow-up will be carried out at the next Surveillance Assessment (ASA2) to assess the recovery of groundcover vegetation.

Observations/Opportunities for Improvement (ASA1)

OBS01 (4.4.1) Signs have been installed along small streams however, the riparian buffer zone has not been marked with an "X" on the palms that will not be replanted.

OBS02 (4.4.5) Water conservation is an important issue but water leaks such as those observed at the Mill Water Treatment Plant need to be repaired as first priority.

OBS03 (4.6.1) The accuracy of measuring pesticide concentrate for preparation of pre-mix spray solution could be improved by using “laboratory grade” plastic measuring cylinders.

OBS04 (4.7.1) Mill safety needs improvement because of the following:

- A drain cover at the FFB Loading area had moved and presented a fall hazard.
- A contractor’s oxy-acetylene bottles at the steriliser cage repair area were not restrained and the pressure regulators were damaged. This was corrected immediately.
- An operator at the Kernel Station was not wearing hearing protection.
- Safety training, such as for First Aid Refresher Course is scheduled 6-monthly but has not been carried out for more than 2 years.

The Mill took action prior to the Closing Meeting to address and rectify the above issues.

OBS05 (4.7.1) Sungai Simpang Kiri Estate was affected by a major flood in January/February 2011, which provided an opportunity to test the implementation of the Emergency Response Plan, but the Estate has not prepared a report on the review of the effectiveness of the Response.

OBS06 (5.1.1) The feedback loop between the identification of environmental impacts, implementation of improvement programs and the Aspects and Impacts Register is not well established, because a number of the impacts that have been mitigated have not been included in the Register.

OBS07 (5.2.2) The most recent Chaah HCV Action Plan has not been updated with the information from the latest HCV Management Plan.

OBS08 (5.3.2) The Mill and Estates maintain monthly stock takes of scheduled waste, but at Sungai Simpang Kiri it was noted that there was no record of the empty 20 litre containers returned to Scheduled Waste Store from previous use for pre-mix.

OBS09 (5.3.2) The Mill monsoon drain sediment trap had been cleaned but part of the oily solids had been discarded on the bank beside the trap instead of collecting the waste for safe disposal.

OBS10 (6.1.3) The Mill and Chaah Social Action Plan had not been updated to include issues that had been completed. Although local communities were consulted records were not kept of discussions and the results were not used for updating the Action Plans.

OBS11 (6.2.3) The Mill and Estates List of Stakeholders could be improved by including relevant local Government contacts, Worker Union and NGOs.

Noteworthy Positive Components

- Mill OER has remained above 21%.
- FFB yields have increased.
- Continuous improvement of RSPO implementation.

3.3 Status of Nonconformities (Major and Minor) Previously Identified (during Initial Certification Assessment)

Corrective action for the Nonconformities assigned to Major Compliance Indicators 2.1.1, 4.4.1 and 5.2.2 was checked during ASA1 and found to be consistently implemented and the Nonconformities remain closed. Implementation of corrective action for the Nonconformity assigned to Minor Compliance Indicator 4.3.2 was insufficient and the Nonconformity remains open – refer Section 3.2 Page 14.

Observations/Opportunities for Improvement

01 (2.1.1) Older housing constructed in 1981 has only two bedrooms. There is a five year programme to upgrade these houses to meet the Government requirement and tenders have been called for commencement of the work.

ASA1 Findings: Progress with construction/renovation of housing has continued, for example, 20 Mill worker houses have been renovated to 3 bedrooms with 10 planned for renovation during 2011/12. At Chaah Estate conversion of duplex into 4 bedroom houses has been completed for 20 houses with 20 houses planned for renovation during 2011/12.

02 (2.2.3) The company has not yet located all boundary stones and a survey has commenced to locate and reinstate missing boundary stones.

ASA1 Findings: The Estate engaged a registered surveyor with Johor Land Department to carry out a survey for reinstatement of boundary stones on Lot PTD 2379 along Sungai Simpang Kiri bordering with the government riparian buffer zone. The Report completed on 04 April 2011, indicated an abandoned area of approximately 2 ha is Estate property. The area has been set-aside as riparian buffer zone. The Estate has also appointed the same surveyor to re-survey boundary stones bordering Maakil Forest Reserve (OP04B, 04C, 04D, 98B, 98A, 99D, 99A, 03D, 97A, and 97B) and is expected to be finalised August 2011.

03 (4.2.2) The annual leaf sampling (Chaah Estate) by Sime Darby R&D Department was due in March 2009.

ASA1 Findings: *Sime Darby R&D carried out leaf sampling at Chaah Estate in August 2009 and October 2010, the results have been used for fertiliser recommendation.*

04 (4.4.5) The high water usage at the Mill was stated to be due to regular shut-down and start-up of the old boiler and the associated cleaning required. The Mill has prepared a “Water Consumption Reduction Action Plan”, which has identified areas that are targeted for making water savings.

ASA1 Findings: *The Mill water usage is still well above the target of 1.3 t/t FFB, but water leaks, such as at the Water Treatment Plant, need to be repaired as first priority. The Observation remains open.*

05 (4.5.4) Chaah Estate commenced the calculation of the pesticide usage indicator in January 2009 and plans to derive information from the previous years records for assessment of trend.

ASA1 Findings: *The Estate has prepared a graph of pesticide and herbicide usage on monthly basis since 2009 to show the trend.*

06 (4.6.1) At the time of the inspection of Chaah Estate there was no written information available at the chemical mixing area on the quantity of chemical to measure per 20 Litre container of pre-mix. Corrective action was taken immediately and a Work Instruction prepared and placed on display at the chemical mixing area to show the quantities of chemicals to be measured for each spray application.

ASA1 Findings: *Confirmed during inspection that a work instruction is in place.*

07 (4.6.4) At the time of the inspection, chemical spraymix was taken into the field in unlabelled containers. Clean water for sprayers to wash their hands also was taken into the field in unlabelled containers. Corrective action was taken immediately and the containers marked with paint to show the contents.

ASA1 Findings: *Confirmed during inspection that spraymix and clean water for washing was correctly labelled.*

08 (4.6.4) Although pictorials are used to illustrate safety, Bangladeshi workers may not understand the chemical hazards.

ASA1 Findings: *There are now no Bangladeshi pesticide sprayers at Chaah Estate.*

09 (4.6.5) At Chaah Estate 10 sprayers from Spray Team No 2 are scheduled to undergo CHRA Surveillance in July 2009.

ASA1 Findings: *Inspection of records confirmed CHRA carried out for all pesticide operators.*

3.4 Issues Raised by Stakeholders

The issues raised by stakeholders during the Certification Assessment (2009) were followed up during this Assessment and found to have been actioned appropriately by the company.

Issues Identified during ASA1

The majority of stakeholders had positive comments about SOU20. For the situations where stakeholders raised issues, the company’s response is stated below.

Local and foreign Mill workers are concerned about the uncomfortable transport trailer that takes them to and from the Mill each day.

Company Response: *The Mill will look at improving the bench seats of the transport trailer.*

The Mill subsidises school transport fees (50%), however, payment to the school bus contractor is often delayed and the contractor ceases the service leaving the children with no way to get to and from school.

Company Response: *A Mill staff member will work with the bus contractor to explain paper work and deadline requirements to enable payment in a timely manner.*

Workers stated that water tanks at Mill housing have not been cleaned for many years and residents are concerned that the quality of the water may affect their health.

Company Response: *The tanks are fitted with a drainage pipe and awareness will be conducted to explain to the residents how to drain and clean the tanks.*

Indonesian Mill workers asked why they did not receive the flood donation from the Government as did the local Malaysian workers.

Company Response: *This is a Government Policy and as such was implemented by the Government.*

Sungai Simpang Kiri Clinic Hospital Assistant asked if it would be possible for the company to provide a small refrigerator for storage of medicines.

Company Response: *A refrigerator for the clinic will be included in the “unbudgeted capex”.*

**4.0 CERTIFIED ORGANISATION'S
ACKNOWLEDGEMENT OF INTERNAL
RESPONSIBILITY**

4.1 Date of Next Surveillance Visit

The next surveillance visit will be scheduled within twelve months of ASA1.

4.2 Date of Closing Nonconformities (Major and Minor)

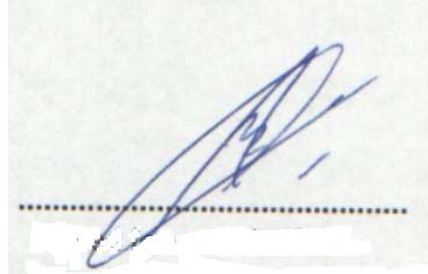
Table 5: Status of Nonconformities

CAR	CLASS	ISSUED	STATUS
CR01	Major	29/06/2009	Closed 06/07/2010
CR02	Major	29/06/2009	Closed 06/07/2010
CR03	Major	29/06/2009	Closed 06/07/2010
CR04	Minor	29/06/2009	Remains Open

4.3 Sign-off of Surveillance Assessment Findings

Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

Signed for on behalf of
Sime Darby Plantation Sdn Bhd (SOU20)



Mr Azizi bin Abdul Rahman
Manager Chaah Palm Oil Mill

Date: 20/09/2011

Signed for on behalf of
BSi Group Singapore Pte Ltd



Mr Charlie Ross
Lead Auditor

Date: 20/09/2011

Appendix "A"

Sime Darby Time Bound Plan

SIME DARBY TIME BOUND PLAN

Financial Year	SOU	Main Assessment	Status	Surveillance Assessment	Status
PLANTATIONS - MALAYSIA					
2010 / 2011	SOU 26	Jun-08	Certified in Oct-08	Sep-10	Re-certification approved
	SOU 28, 29, 30 & 30b*	May-08	Certified in Jan-09	Nov-10	*2 nd Surveillance Report submitted to RSPO by SIRIM
	SOU 14	Sep-08	Certified in May-10	Mar-11	1 st Surveillance Report to RSPO by BSi
	SOU 17	Sep-08	Certified in May-10	Mar 11	Assessed by SIRIM, 1 st Surveillance Report pending finalisation
	SOU 8, 9 & 9a**	Jan-08	Certified in May-10	Mar-11	**1 st Surveillance Report submitted by BSi to RSPO
	SOU 21	Feb-09	Certified in May-10	Feb-11	1 st Surveillance report submitted to RSPO by Moody Intl Cert
	SOU 25 & 30a***	Apr-09	Certified in May-10	Apr-11	***Assessed by BSi, 1 st Surveillance Report pending finalisation
	SOU 1	Jul-09	Certified in Aug-10	Jun-11	Planned
	SOU 19a	Jun-09	Certified in Oct-10	Jul-11	Planned
	SOU 20	Jun-09	Certified in Nov-10	Jul-11	Planned
	SOU 19	Jun-09	Certified in Jan-11	Jul-11	Planned
	SOU 27	May-10	Certified in Jan-11	Jan-12	Planned
	SOU 24	Dec-08	Certified in Mar-11	Nov-11	Planned
	SOU 5 & 6	Jan-09	Certified in Mar-11	Nov-11	Planned
	SOU 23	Jan-09	Certified in Apr-11	Nov-11	Planned
	SOU 7	Jul-09	Certified in Apr-11	Mar-12	Planned
	SOU 3	Mar-11	Certified in Jun-11	Mar-12	Planned
	SOU 2, 4, 5a, 18 & 22	Feb-09	Assessed, report pending finalisation with CUC		
	SOU 10, 11, 12 & 16	Jun-09	Public Summary Report submitted by CUC to RSPO		
	SOU 13, 15, 16, 31, 32, 33 & 34	Jun-09	Assessed, report pending finalisation with CUC		

Financial Year	SOU	Main Assessment	Status	Surveillance Assessment	Status
PLANTATIONS - INDONESIA					
2010 / 2011	SOU 13	Nov-08	Certified in Aug-10	May-11	Assessed by BSi, 1 st Surveillance Report pending finalisation
	SOU 1, 14	May-09	Certified in Nov-10	Sep-11	Planned
	SOU 2, 3, 4, & 5	Oct-10	Assessed, report pending finalisation with Mutu Agung		
	SOU 14, 15, 19 & 20	Nov-10	Assessed, report pending finalisation with Mutu Agung		
	SOU 18	Dec-10	Assessed, report pending finalisation with Mutu Agung		
	SOU 6, 7, 8, 9 & 10	Jun-11	Planned		
	SOU 11, 12, 20 & 21	Jun-11	Planned		

*Due to realignment of processing strategy, the SOU 30b mill has been designated as a third party mill with effect from September 2010 and currently is processing 100% crop procured from outside suppliers (non RSPO certified). Crop from SOU 30b estate is currently being processed by SOU 29 mill. Therefore, the Annual Surveillance Assessments were conducted only for SOU 28, 29 & 30. The RSPO certificate for SOU 30b has subsequently been withdrawn.

**Similarly, SOU 9a mill was designated as a third party mill with effect from July 2010 and crop from SOU 9a estate is currently being processed by SOU 8 mill. The RSPO certificate for SOU 9a has since been withdrawn.

***Annual Surveillance Assessment was conducted only for SOU 25 as SOU 30a mill has ceased operation with effect from August 2009. Subsequently SOU 30a was dissolved and the estate has been realigned under SOU 28. The RSPO certificate for SOU 30a has also been withdrawn.

Appendix “B”

CV for New Team Member

Noryati Hambali – Curriculum Vitae

Year of Birth:	1986
Nationality:	Malaysian (Permanent Resident)
Present Status:	Student
Location:	Puchong, Selangor, Malaysia
Home Address:	Lahad Datu, Sabah, Malaysia

Educational Qualifications

Noryati Hambali was born in Lahad Datu Sabah 1986 and attended the Government Primary School Sekolah Kebangsaan Pekan 3 Lahad Datu (1993-1998). She completed 'O' Level in Sekolah Menengah Kebangsaan Segama Lahad Datu, Sabah 2003 and is now doing her Diploma in Business Administration at Rima International College, Selangor to complete her 'A' Level.

Work Experience

She commenced working in Humana (Borneo Child Aid Society) as a Teacher in (2006) and relocated to teach at a school in the Lahad Datu area. Due to her good performance, within a year she was offered an Administration position with Humana where she assisted the Manager for a Period of 3 years (2007-2010). She then resigned in 2010 in order to continue her studies.

RSPO Experience

Noryati has assisted with the assessments of oil palm plantation companies in Sabah and Peninsula Malaysia. Her role has involved assisting and facilitating the interview of female workers and their families at oil palm Mills and Estates. She has first-hand knowledge of the issues facing families working and living in remote locations. She is fluent in Bahasa Malaysia, Sabahan and English, which is a key asset for effective communication with local as well as foreign workers.

Appendix “C”

ASA1 Programme

ASA1 PROGRAMME – 27–28 JULY 2011

DATE	TIME	ACTIVITY	CR	IN	RR	NH
SOU20 Wednesday July 27	AM	Opening Meeting	√	√	√	√
		Document Review including SIA/Environmental Action Plans	√	√		
CHAAH PALM OIL MILL	PM	Interview Mill Workers		√		
		Interviews (Contractors/External Stakeholders)		√		
		Review Pay Documentation			√	√
		Interview Female Staff/Workers			√	√
Thursday July 28	AM	Inspect Mill, Effluent Ponds, Stores, Workshop, Compost Site and Landfill	√			
		Visit Local Communities associated with Mill and Estates		√		
		Visit Mill Clinic and Interview Staff			√	√
		Inspect Housing and Interview Residents			√	√
TEAM 1 CHAAH ESTATE	PM	Closing Briefing	√	√	√	√
		Inspect Estate, including Buffer Zones/Interview Male Fieldworkers		√		
TEAM 2 SIMPANG KIRI ESTATE	AM	Inspect Stores, Landfill		√		
		Inspect Housing		√		
		Commence Document Review		√		
		Document Review including SIA/Environmental Action Plans		√		
TEAM 2 SIMPANG KIRI ESTATE	PM	Closing Briefing		√		
		Inspect Estate, including Land Application and Buffer Zones	√			
		Inspect Stores, Landfill	√			
		Interview Female Fieldworkers			√	√
TEAM 2 SIMPANG KIRI ESTATE	AM	Interview Female Office Staff/Workers			√	√
		Review Pay Documentation			√	√
		Document Review	√			
		Visit Clinic and Interview Staff			√	√
TEAM 2 SIMPANG KIRI ESTATE	PM	Inspect Housing and Interview Residents			√	√
		Closing Meeting	√	√	√	√
		Inspect Housing and Interview Residents			√	√

Appendix “D”

List of Stakeholders Contacted

LIST OF STAKEHOLDERS CONTACTED

<p><i>Staff and Workers</i> NUPW Worker Representative 5 Male Foreign Workers (Mill) 5 Male Local Workers (Mill) 2 Male Foreign Contractor Workers Chaah Estate 5 Male Harvesters Chaah Estate 5 Sprayers Chaah Estate (Male and Female)</p>	<p><i>Staff and Workers</i> 8 Female Mill Staff/Workers 5 Residents Chaah Mill Housing Hospital Assistant Chaah Mill/Estate Clinic 5 Female Staff/Workers Sungai Simpang Kiri Estate Hospital Assistant Sungai Simpang Kiri Estate Clinic 5 Residents Sungai Simpang Kiri Estate</p>
<p><i>Contractors & Suppliers</i> 2 Mill Suppliers</p>	<p><i>Local Communities</i> Kampung Hj Khamisan Head and Residents</p>
<p><i>Government Departments</i> Department of Labour Department of Safety and Health Department of Environment</p>	<p><i>NGOs and Others</i> Tenaganita AMESU, Subang Jaya NUPW, Kluang Branch Secretary</p>