



...making excellence a habit.™

PUBLIC SUMMARY REPORT

RSPO

4th ANNUAL SURVEILLANCE ASSESSMENT (ASA04)

Sime Darby Plantation Sdn Bhd SOU 9: West Palm Oil Mill Selangor, Malaysia

Report Author:

Senniah Appalasamy – March 2014

BSI Group Singapore Pte Ltd (Co. Reg. 1995 02096-N)
1 Robinson Road
#15-01 AIA Tower
SINGAPORE 048542
Tel +65 6270 0777
Fax +65 6270 2777
Aryo Gustomo : aryo.gustomo@bsigroup.com
www.bsigroup.sg

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

TABLE of CONTENTS

Page N^o

SUMMARY	1
ABBREVIATIONS USED	1
1.0 SCOPE OF SURVEILLANCE ASSESSMENT	1
1.1 Identity of Certification Unit	1
1.2 Production Tonnages Certified.....	1
1.3 Certification Details.....	1
1.4 Description of Fruit Supply Base and Supply Chain	1
1.5 Other Certifications held	2
1.6 Progress against Time Bound Plan for other Management units.....	2
1.7 Organisational Information/Contact Person	2
2.0 ASSESSMENT PROCESS	6
2.1 Certification Body	6
2.2 Qualifications of the Lead Assessor and Assessment Team.....	6
2.3 Assessment Methodology, Programme, Site Visits.....	6
2.4 Stakeholder Consultation.....	7
3.0 ASSESSMENT FINDINGS	7
3.1 Summary of Findings.....	7
3.2 Detailed Identified Nonconformity and Observations.....	14
3.3 Status of Nonconformities (Major and Minor) Previously Identified and observations.....	15
3.4 Issues Raised by Stakeholders and Findings with respect to each Issue.....	16
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	16
4.1 Date of next visit (Re-Certification).....	16
4.2 Date of Closing Nonconformities (Major and Minor)	17
4.3 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	17

LIST of TABLES

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

LIST of FIGURES

1	Location of West Palm Oil Mill and West Estate in Carey Island, Selangor, Malaysia.....	3
2	West Estate location map.....	4
3	West Estate layout.....	5

List of Appendices

A	Sime Darby Plantation Time Bound Plan
B	Sime Darby Plantation Sdn Bhd, SOU 9 West Certification Unit RSPO Certificate Details
C	4 th Annual Surveillance Assessment Program
D	List of stakeholders contacted
E	West Palm Oil Mill Supply Chain Assessment (Module D: Segregation)

SUMMARY

BSI has conducted the Fourth Annual Surveillance Assessment (ASA 4) of Sime Darby Plantation (RSPO membership No.: 1-0008-04-000-00), West Palm Oil Mill and supply base located in Carey Island, Selangor, Malaysia comprising one mill, one estate, support services and infrastructure.

The assessment was conducted onsite to assess the continuous compliance of the certification unit against the RSPO P&C MYNI: 2010; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; and Supply Chain Certification Standard: November 2011. The onsite assessment was conducted on 10 – 12 February 2014.

Based on the assessment result, BSI concludes that West Palm Oil Mill and supply base comply with the RSPO requirements [RSPO P&C MYNI-2010; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; and Supply Chain Certification Standard: November 2011, Module D – CPO Mills: Segregation.

BSI recommends the continuation of the approval of West Palm Oil Mill and supply base operations as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS USED

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CAP	Corrective Action Plan (for nonconformity)
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
IPM	Integrated Pest Management
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NUPW	National Union of Plantation Workers
PPE	Personal Protective Equipment
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 Identity of Certification Unit

The West Palm Oil mill and estate are located in Selangor, Malaysia (Figure 1). The oil mill is located within the West estate in Carey Island, Selangor, Malaysia. Additional map included (Figures 2 and 3) showing West Estate location and layout. The GPS location of the mill is shown in Table 1.

Table 1: Mills GPS Locations

Mill	Easting	Northing
West Palm Oil Mill (Processing Capacity: 50mt/hour)	101° 20' 60"	2° 55' 0"

1.2 Production Volume

The estimated tonnages reported for the ASA 4 and the actual production for previous year are detailed in Table 2 below for comparison. The actual production details are for the last 12 months in 2013. The projected tonnages for the next 12 months of reporting period of the certificate are based on the annual budget.

Table 2: Production tonnages certified

West Palm Oil Mill	FFB	CPO	OER	PK	KER
2013 Estimate	233,767	49,540	21.19	12,719	5.44
2013 Actual	200,359	41,834	20.65	9,343	4.66
2014 Estimate	238,380	50,229	21.07	12,088	5.07

Note: Refer to Table 3 for FFB Supply details.

1.3 Certification details

RSPO Membership No: 1-0008-04-000-00
 BSI RSPO Certificate No: SPO 543594
 Date of Certification: 19 May 2010
 Date of Certification Assessment: 28 – 30 January 2009.
 Date of ASA 1: 6 – 8 April 2011
 Date of ASA 2: 19 – 21 March 2012
 Date of ASA 3: 4 – 6 February 2013
 Date of ASA4: 10 – 12 February 2014

1.4 Description of Supply Base and Supply Chain

The supply base is mainly from West Estate. Additional supply is from adjacent East Estate that is part of SOU 8 which was certified by BSI. The actual FFB production and projected production is shown in Table 3 below. West Palm Oil Mill uses the Segregation system for the supply chain because the mill only purchase certified FFB for own supply base and RSPO Certified Sime Darby Group estate. Supply chain element was checked and described in Appendix E.

Table 3: Actual and Projected Estate FFB Tonnages

Estate	2013 Estimate	2013 Actual	2014 Estimate
West	145,090	111,357	166,866
FFB from Adjacent East Certification Unit (Cert. # SPO 543543)	88,677	89,002	71,514
TOTAL	233,767	200,359	238,380

The projected figures show an increase compared with actual in 2013. This increase expected by the operating units considering the age profile and favourable weather experienced. Apart from that the crop forecast through bunch census indicated that there will be some increase in FFB production.

Table 4a: Age Profile of Palms

AGE (years)	Estate and % of Planted Area
	West Estate
25 – 30	-
21 – 25	6
11 – 20	45
4 – 10	44
0 – 3	5
TOTAL	100

Note: Overall 95% of the planted area in West Estate is matured. 89 % of the matured are in the prime mature stage. This is one of the reasons for the higher FFB estimated the year 2014.

Table 4b: Estate and Areas Planted

Estate	Mature (ha)	Immature (ha)	Infrastructure & Unplanted	Total (ha)
West	4,756	261	724	5,741

The total certified area is 5,741ha. Total planted area is 5,017ha with 4,756ha matured and 261ha is immature. The immature area is replanted area. Around 724ha is used for infrastructure and it is unplanted.

1.5 Other Certifications Held

West Palm Oil Mill does not have other certificates.

1.6 Organisational Information / Contact Person

Sime Darby Plantation Sdn Bhd
SOU 9 Management Units,
Ladang West, 42960 Carey Island
Selangor, MALAYSIA.

Contact Person: Mr Fadzil Othman Merican Idris
Senior Manager, West Estate
Fax: +603-31220528
Email: west.estate@simedarby.com

1.7 Progress against Time Bound Plan

Sime Darby Time Bound Plan is included as Appendix A. Sime Darby has achieved RSPO Certification for 34 of the Management Units in Malaysia and 19 in Indonesia.

There are two management units in Malaysia undergone RSPO initial Certification due to newly commissioned mills. Pagoh Palm Oil Mill was certified in January 2014. Sua Betong certification unit was certified in February 2014. There are 6 certification units in Indonesia was audited and summary report is being RSPO peer reviewed. Upon certification of the remaining Management Units, Sime Darby will have achieved the Time Bound Plan.

As per the time bound plan, Pagoh palm oil mill which was commissioned end of 2012 was certified on 28 January 2014.

BSi has continued involvement with assessments of Sime Darby Management Units during the 2013/14 period. During this time, Sime Darby has kept BSi informed of any issues and claims made against it. No issues with partial certification were identified at the time of this report. At the time of preparation of this Report, BSi is not aware of:

- Any unresolved significant land disputes;
- Any replacement of primary forest or loss of HCVs;
- Any labour disputes that are not being resolved through an agreed process;
- Any evidence of noncompliance with any law at any of the landholdings.

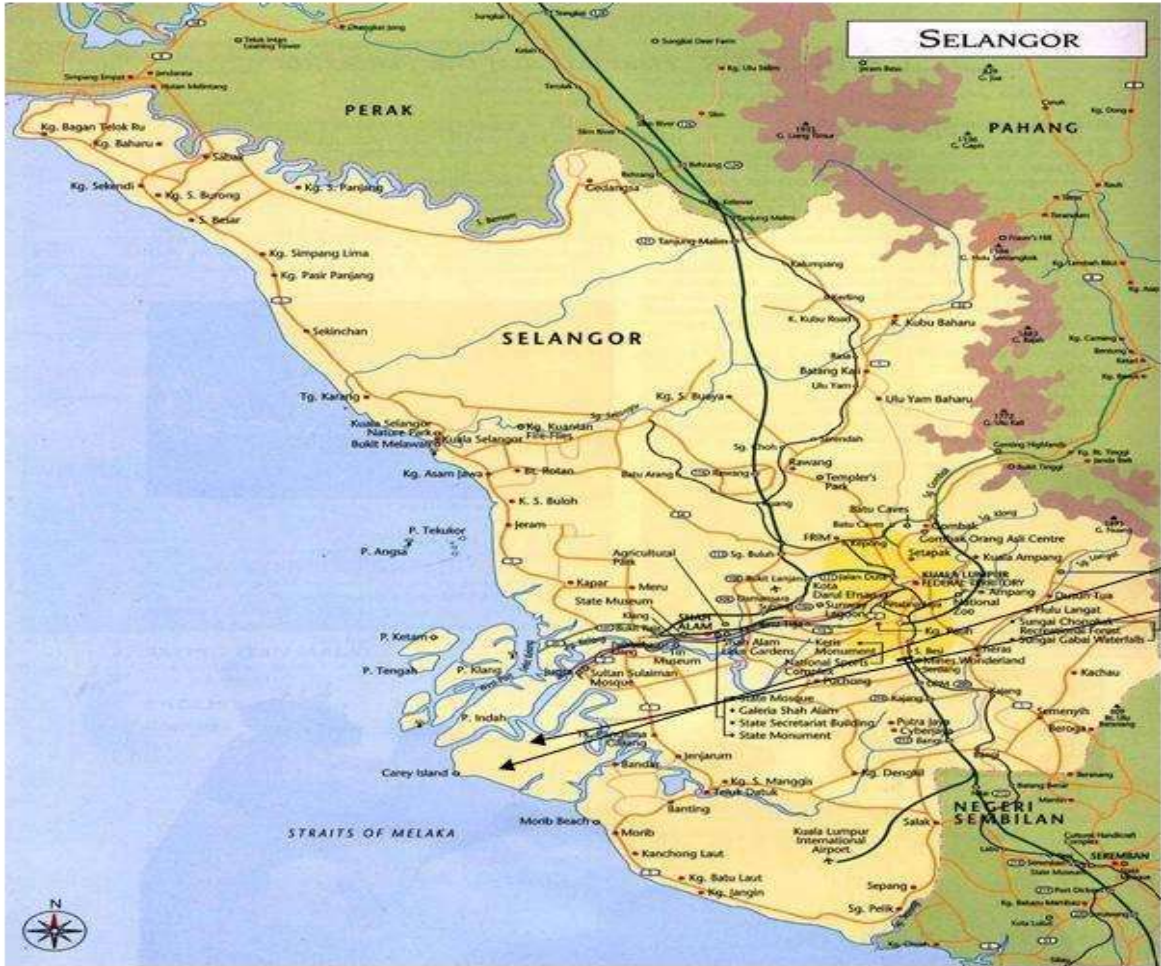
BSi considers that Sime Darby meets the RSPO requirements for Partial Certification rules.

Progress of Associated Smallholders/Out growers towards RSPO Compliance

West certification unit does not have any associated smallholders. The palm oil does not purchase any FFB from out-growers as well.

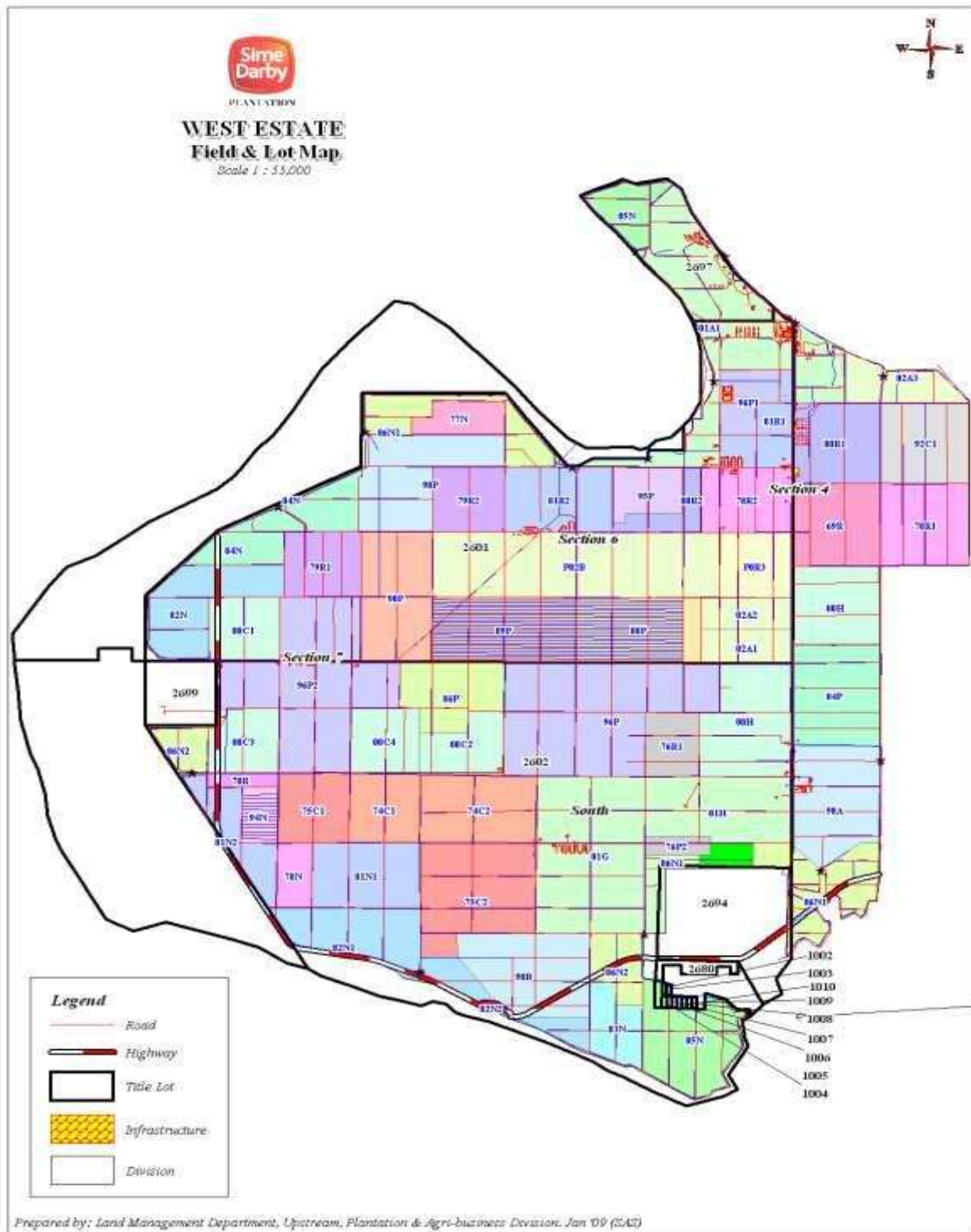
Figure 1: Location of West Palm Oil Mill and West Estate in Carey Island, Selangor, Malaysia.

LOCATION MAP FOR SOU 9



- SOU 9
- WEST ESTATE
- WEST OIL MILL

Figure 3: West Estate layout



2.0 ASSESSMENT PROCESS

2.1 Certification Body

BSI Group Singapore Pte Ltd
1 Robinson Road
#15 – 01 AIA Tower
Singapore 048542

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

BSi is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi provides independent, third-party certification of management systems. BSi has a Regional Office in Singapore, and an Office in Kuala Lumpur, Jakarta and Thailand.

2.2 Qualifications of the Lead Assessor and Assessment Team

Senniah Appalasamy – Lead Assessor

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training and Sustainability Report Assurance (SRA) Assessor Training. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

Muhammad Haris B. Abdullah – Team member

He holds MBA from University Utara Malaysia and a degree in Business Administration (Hons) Majored in Human Resource Development from the Open University Malaysia. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He has completed RSPO (P&C), ISO 14001 (Environmental Management System) and International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. He also has more than 3 years working experience in oil palm plantation and

conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He had assisted with conducting audits of oil palm plantation for more than 8 companies against the RSPO P&C in Indonesia and Malaysia for the past 4 years. During this assessment, he assessed on the aspect of Legal, Environment, Social and community engagements, Stakeholders consultation, and workers welfare.

Nabila Seth Nivan – Team member

Nabila Seth Mohd Nivan is a fulltime employee with BSi Services Malaysia. She graduated in Business Administration from University Technology Mara, Malaysia. She attended internal RSPO training in September 2012. Currently she is an ISO 9001:2008 auditor with BSi. She has audited more than 17 companies against the ISO 9001 standard for the past 2 years and recently involved as Social Auditor during the RSPO Assessment to assess the social aspects and gender issues.

2.3 Assessment Methodology, Programme, Site Visits

The Annual Assessment was conducted on 10 - 12 February 2014. The audit programme is included as Appendix C.

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 west estate. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

The observations that were identified during the ASA3 were followed up to check the effectiveness of corrective actions and implementation. The ASA4 findings are detailed in Section 3.2.

This report is structured to provide a summary for each Principle and Criteria, 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 requirement.

2.4 Stakeholder 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 environmental and social performance. Some were conducted purely through phone conversation.

Meetings were held with stakeholders by social auditor in the team 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 auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions continued. The auditor recorded comments made by stakeholders and verified with the management before incorporating into the assessment findings.

Employee interviews with male and female workers and staff were held in private at the workplace in the mill and the estate. 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 meetings were held with the local community leader and head of village. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix D.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

Objective evidence was obtained separately for each Principle, together with details for selected Criteria for the mill and the estate. The results for each selected indicator from each of these operational areas have been aggregated to provide an assessment of overall conformance of the Company's operations with each selected Criterion. A statement is provided for the Indicators to support the finding of the assessment team.

During the ASA4, there were four minor nonconformities and two Observations/Opportunities for improvement were identified. West Certification Unit has prepared a Corrective Action Plan for addressing the identified nonconformities that was reviewed and accepted by BSi audit team. Observations raised during the ASA3 were followed up. Minor nonconformity raised during the ASA4 will be followed up during the next surveillance. Details are in section 3.2 and 3.3.

BSI recommends the continuation of Certification for West Certification Unit and maintain as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

The certification unit and supply base has maintained up to date policies, procedures and management plans for

provision of information to the public upon request. The company have effective system for receiving and responding to the request of information to the public and has kept the record of request and responses.

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.

Mill and estate maintained record of request and replies to the request from external and internal stakeholders. For example, AMESU (North Selangor region) has requested the management to allow AMESU representative to attend annual women's convention on 10/10/13 and approved and replied by the manager on 19/10/13.

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.

Inspection of document confirmed that mill and estate keep copy of management documents (land titles/user right, health and safety plan, plan and impact assessment relating to environmental and social impacts, pollution prevention plan, details of complaints and grievances, negotiation procedures and continues improvement plan) and this are publicly available.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Inspection of records showed that West Mill and its supply base complied with all of their respective permit conditions and legal requirements. This confirmed that the internal audits and checks were effective for monitoring compliance is effectively conducted. All the operation units hold a land title and no land dispute issues were sighted or highlighted by the stakeholders.

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

The Mill and Estate have kept a list of legal requirements. Company has owned mechanism to ensure all relevant legal requirements are comply. I.e. document of Mechanism on Tracking of Law Changes which includes list of laws, regulation reference, permit and license to manage. In addition, each operation has a List of Licenses showing the expiry dates. Inspection of a sample of licenses and permits confirmed all valid. i.e. MPOB license No. 533238004000 valid until 30/9/2014 and DOE permit No. 001298 valid until 30/6/2014. Approval for overtime extension dated 2/12/13 (Ref. No.: (30) dlm Bhg PU/9/134 Rev 2), allowing maximum 130 hrs/month, valid until there is a new request for any extension of the limit given.

Review of internal audit reports showed that the Mill and the Estate had maintained legal compliance with applicable laws and regulations, in particular for Safety, Social, and Environmental regulations. The latest internal audit was done in 13 January 2014.

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

West Estate operation is on freehold land. Land titles and copy of land titles are available during the audit. The land titles sighted for Grant No. 44326 (Lot No. 2700), Grant No. 44294 (Lot No. 2697) and Grant No. 46220 (Lot No. 2602).

The Estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of a sample of boundary stones at West Estate during the field inspection confirmed that they were clearly marked and maintained. There were no issues of land disputes noted during the stakeholder interview and documents check.

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

The mill and estates are on freehold land. Interview of local community representatives confirmed that there is no land dispute or any claim of customary land within the estate.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

West Certification Unit has well developed internal management system for monitoring and improvement of their operations against operation target to achieved long term economic and financial viability. Monthly reports are produced and send to head office for monitoring purpose. In addition Plantation Sustainability Quality Management (PSQM) department conduct inspection toward production related issue and provide technical assistant for the estate including RSPO certification and monitoring of compliance.

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

Mill and estate has annual operating cost and production projected for five years. Mill and estate has prepared 5 Year Business Plan for period covering 2013 - 2017 and reviewed annually and updated when there is a change in the earlier plans. The last review was carried out on March 2013 prior to end of financial year 2012/2013 to develop the 2013 – 2017 business plan. The plan includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement of infrastructures.

West estate has replanting program within next 5 years. Replanting is planned for palm older than 25 years old. Next replanting will be commencing in 2014/15 Financial Year for 127.21 ha area.

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

West Palm Oil Mill and the supply base estate have implemented management systems for monitoring and control of best practice implementation. This includes a program of regular internal audits, visit by the zone General Manager, Agronomist and Planting Advisor. Visit reports are used as a monitoring tool and improvement made based on the findings and recommendations.

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

Sime Darby has prepared Group Standard Operating Procedures (SOPs) for mills and estate covering all the relevant operations. Inspection to the field and mill confirm that the SOPs are implemented. Assistant Managers and staff monitor the day-to-day implementation.

Mill advisor and Planting Advisor make annual visit to evaluate the performance of the mill and estates. General Manager visits the estates on quarterly basis to review estate performance against Sime Darby standard. Latest planting advisor visit was on 1/10/2013 submitted monitoring report No. 01/13-14. Issues highlighted were rectified by the estate management. Both West Mill and Estate maintain DOSH and DOE Visit Records as well. DOE last visited on 23 December 2013. Recent internal RSPO compliance audit was conducted on 13 January 2014. There were no major issues. All identified minor non compliance was addressed by the operating units prior to the external audit.

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

Agronomist visits the estate prior to fertilizer recommendation. Result of the leaf analysis combined with visual observation by the agronomist used as guidance to prepare the fertilizer recommendation. Recommendation for the financial year 2013/2014 dated 25 June 2013. Sime Darby Research Centre carries out monitoring of fertilizer application. Application records are documented in the daily costing book. Sample checked found that for field number 09B, MOP was applied as per recommendation with 1.25kg/palm as per recommendation. Record shows the application date, field number, dosage applied per palm, type of fertilizer and number of applicators.

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

Groundcover with soft grass and soft weeds are being maintained. Replanted area is established with *mucuna* cover crops and vegetation is well established with soft grass. There is no significant erosion risk was noted during the field visit. There are no peat soils or soil categorised as problematic or fragile soil at all estates.

Estate has implemented annual road maintenance programme. During audit, ongoing road maintenance work was visited. The maintenance work was carried out with road grading and patching. Road inspected are generally in a good condition and well maintained. The road maintenance program has also included the progress work and detail of the work such as field number and total length covered. These records are clearly documented in the monthly progress report which subsequently submitted to General Manager.

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

Reinstatement of riparian strips at both side of the stream during replanting is implemented as per estate programme. Inspection in the field confirmed that buffer zone have been set aside for reinstatement during replanting. No bunds/weirs/dams were constructed across the main waterways in the estate.

Research Centre carried out water analysis of the monsoon drain prior to connecting to the nearby field drain. Result dated 24/1/2014 shows BOD below 3ppm shows the parameter are within the standard (standard is BOD is 100mg/L). The sampling point was clear indicated by signage at the point where sampling is carried out.

West mill has maintained monitoring on water usage which recorded every day and summarised on monthly basis. Average water consumption varies from 0.77m³ – 1.02m³/mt FFB processed compared to 0.94m³ during the last assessment. The target of 1:1 is achieved.

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

The implementation on biological method of controlling pest in the plantation is through IPM techniques such introduction of barn owl at the rate of 1 box to 20 ha to control rat damage. The owl occupancy is monitored by the estates. Last census in West Estate was held on 11 September 2013 indicate about 40.74% of occupancy. These reports are submitted to Sime Darby Research Centre as part of monitoring by research center.

Beneficial plants such as *Cassia cobanensis*, *Turnera subulata* and *Antigonon leptopus* established as a preventive measure to control leaf eating pest. The establishment generally spread through the estate especially on the road edges. Major pest is bagworm and estate conduct census prior to justify any chemical

treatment and obtain approval from Agriculture Department for any purchase of pesticide.

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.

Purchasing of agrochemical controlled from head office. Inspection at site reveals that only pesticides registered by the Pesticide Board were used. Latest register updated on 22 January 2014 to ensure compliance.

No paraquat use since March 2004.

Annual medical surveillance carried out for all operators as per CHRA. The last medical surveillance was done on 16 January 2014 at “Klinik Hartati” by OHD Doctor (Reg. No.: 127/669/1 (709) and the result shows applicators are medically fit for work.

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

Sime Darby’s OHS Policy signed by the top management provides guidance for all OSH related matters. This policy communicated to all employees onsite during safety meeting and morning briefing.

The annual review of the HIRARC was carried out by safety officer onsite and compliance officers. Last review was done on 9 December 2013 by the HIRARC committee which includes the manager, assistants, contractors, workers representatives and OSH department representative. Mill and estate have individual training program to address all the safety requirement and work procedures. Safety awareness is ongoing all the time through morning briefing which includes safety at work and records are maintained.

Visit to the mill and estate reveal that good awareness of safety is practiced by employees. Both operating units supply appropriate PPE that suits individual work requirement to cover the potential hazards as per HIRARC. It is also noted that PPE use is implemented and monitored through work site inspection conducted by the on-site compliance officer and OSH committee members.

The Assistant Manager is the person responsible for any OSH issues and communicates and updates the manager accordingly. OSH meetings are conducted quarterly. OSH meeting minutes dated 10/1/2014 was checked and found that there are no any pending issues. Meeting was attended by representative from all categories of workers and contractors. Total of 22 OSH committee members attended the meeting.

The mill has emergency evacuation plan complete with emergency contact details, organisation chart, responsibility and training was conducted to communicate the plan. The OSH training includes firefighting training by Fire and Rescue Department, first aid training by St. John Ambulance, internal safe driving training at Sua Betong Recruitment centre etc. Recent internal safety and health audit was conducted by ESH Manager from PSQM Head Office on 27 January 2014. Compliance was reported.

Inspection reveals that first aid kits and equipments are available at work site and first aiders are train to handle any emergency situations. Accident reports are sent to DOSH as per requirement in the month of January. Accident records are documented if there are any accidents. There is no fatal accident but minor common injuries are noted. Local workers are covered by SOCSO and foreign workers are covered by RHB accident insurance (Policy No.: FW055653) valid till 30/6/2014.

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

West Mill and Estate have annual training program based on a training need analysis carried out at the operating unit level for each work-station and work area by respective supervisor and recommendation of trainings are made. The program includes the frequency of training/re-training on an annual basis. Training includes formal courses conducted using external resources and "on-the job" instruction and briefing which includes contractors.

Sample of training records checked and verified was conducted during the last 12 months:

1. Environment and Biodiversity Policy Communication Training date 25/1/2014.
2. Safety Awareness training dated 22/1/2014.
3. Lock out Tag out Training dated 2/1/2014.
4. SOP Kernel Plant dated 9/1/2014.
5. Drivers Competency Training dated 5/12/2013 and 29/8/2013 attended by company drivers as well as contractor's drivers.
6. Chemical Management Training dated 30/12/2013.
7. Pesticide application training dated 11/7/2013.
8. First Aid training dated 28/11/2013.
9. Agrochemical Spraying Training by external supplier dated 18/7/2013.

However as an area for improvement, an observation was raised against indicator 4.8.1: At West Mill and Estate, Copy of the induction conducted for the foreign workers by the Sua Betong Recruitment Centre was still at the Recruitment Centre.

Contractors confirmed during interview that they were included in the training activities and have undergone safety training before they start work on site and are required to attend safety briefings as well. Health and Safety conditions are also included in the contract documents.

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

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

The mill and all estates carry out the annual review of environmental impacts in term of Environmental Impact Assessment management Action Plans and Continuous Improvement Plans with latest reviewed was on 16 December 2013. A list of Actions for Improvement of environmental performance has been revised for each of the significant impacts. The review for mill was done on 7 December 2013 includes project on retrofit the Biogas Plant at the Effluent Treatment Plan.

During replanting at the estate palms are felled, chipped and kept on the same area as an organic fertilizer. Replanting areas are established with cover crop to mitigate any environmental impacts such as erosion of top soil.

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.

The initial HCV assessment was conducted internally to identify possible presence of HCVs within and adjacent to the estates prior to the initial certification assessment. The details were presented in the certification assessment summary report.

The HCV and Biodiversity around the estate were monitored and maintained by Sime Darby Research and Development located in the same vicinity of the estate. Visit to the Biodiversity area along the Malacca Straits found the area is being well maintained with the planting of trees.

Enhancement of the river buffer zones are also being carried out. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. Inspection of housing areas and interview of residents confirmed workers are aware of the company policy that prohibits illegal hunting.

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

West mill and estate have identified waste products and sources of pollution in the Environmental Impact Assessment and Pollution Prevention Plan which was reviewed in 16 December 2013. However, site visit to

the mill compound found that identified pollutions were not mitigated in some of the areas. Therefore, a nonconformity was raised as per below.

NC Ref: 1022246N1: Minor nonconformity against indicator 5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. At West Mill: There were no plans developed and implemented to reduce pollution for the following: Water pollutants caused by the leaching water from the shell storage area which contaminating the drain water at the drain between the mill compound and the workshop compound. Diesel spillage was noted at the diesel storage area caused during the diesel re-filling to the vehicles. There is a heavy machinery parked at the diesel storage with leaking oil was without any spill kit/tray to avoid contamination to the soil.

Domestic waste is collected twice a week and disposed at the landfill within the estates fields. The control of household and other waste at all line sites is under better control and this was demonstrated by the each line site being in a tidy condition.

Mill operational waste such as EFB, Fiber, Shell and effluent is recycled. POME and EFB applied in the field is monitored and well managed with furrow system for POME.

All operating units are continuously manage schedule waste stores at the mill and each of the estates. Schedule waste is disposed through licensed collector. For example, Mill has disposed schedule waste on 10/9/2013 through Kualiti Alam Sdn. Bhd (Consignment Note No.: 817945). West estate has disposed schedule waste through G-Palnter Sdn. Bhd with the latest disposal on 4/12/13. Medical wastes are sent to the company Panel clinic (Klinik Sentosa) on monthly basis. Latest disposal was on 5/2/14 acknowledged by the clinic which is subsequently disposed through Pantai Medivest.

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

The Mill monitors and reports energy usage monthly to head office through monthly report. The company has optimized the use of renewable energy. Retrofit of the Biogas Plant is in the progress to reduce the dependency on the government electricity supply. The energy usage varies from 18 – 24 kWh per tonne FFB processed depending on the FFB supplied by the estate. Average of 1.07kWh Renewable Energy Usage has been used in 2013/14 Financial Year as at January 2014.

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.

No any sign of open burning activities in the field. During replanting palms are felled, chipped and mulched on the field where replanting is being carried out. Inspection to

the newly replanted area confirmed that zero burning techniques are implemented during replanting.

However, during inspection at estate housing it was found burning of domestic waste. Therefore, a nonconformity was raised as per below.

NC Ref: 1022246N2: Minor nonconformity against indicator 5.5.3: No evidence of burning waste (including domestic waste). At West Estate: Visit to the housing site at the West Estate Division 4 on 11/2/2014 found very recently burned domestic waste at the back of houses (opposite the Tamil School) occupied by the employees from the mill and SPDA. There is no evidence to ensure no waste burning activities at the housing site as per the Continuous Improvement Plan.

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

The mill and all estates Pollution Prevention Plan was documented in the Environmental Impacts Identification and Improvement Plan, reviewed for the financial year 2013/14. Inspection confirmed the Mill and Estates have implemented appropriate controls for preventing pollution from point source emissions to air and discharges of wastewater. However, some of the pollution were not mitigated which has been raised as minor non conformity against indicator 5.3.2 above.

West Mill has a plant to generate electricity from biogas captured from anaerobic digestion of mill effluent. When electricity is not being generated, the biogas is flared. It reduces the emission of methane and other greenhouse gases associated with anaerobic digestion of the mill effluent. The flaring of biogas reduces the impact of the methane that otherwise would have been emitted.

Smoke emission quality test at the mill was done every 6 month in accordance to the Environmental Quality Regulation. The latest test was conducted by UiTM – A&A Laboratory on 13 December 2013. Test result dated 23/1/14 (Ref. No.: 5513/2013/12) shows that all parameters were complied with the standard requirements.

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

West Mill and estate maintain good relationship with internal and external stakeholders such as employees, contractors, surrounding communities and regulatory bodies. Improvement on social obligation includes improvement of the housing and facilities for the employees and contribution to the surrounding community development such as road maintenance.

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.

Initial Social Impact Assessment was last prepared in 25th March 2011 with the participation of affected parties and being reviewed annually to identify latest social impacts. The PSQM department is responsible to perform the SIA assessment. Internal SIA was held on 7 February 2014 attended by the representative from mill and estate just before the external audit. This was a follow up assessment which was conducted with external stakeholders such as contractors, local villagers and government departments including local school teachers on 9 Jan 2014. There were no major issues highlighted.

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 Estate engage in communication with local communities and interested parties. The communication procedure is as per Sime Darby's group communication policy which shows flow chart of the communication procedure. This was confirmed during interview with the local community representative and village head.

At each operating units the Social Liaison Officer or Mill and Estate Assistant Manager is the person responsible for communications with communities and other stakeholders. Stakeholders confirm that they know the social liaison officer. Stakeholder list is updated and maintained with information on contact details and name of the representative. Communication is recorded as part of the stakeholder communication document.

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.

Grievance procedure developed and communicated to all stakeholders during meetings. Complaint and grievances have been recorded in complaint book. Inspection of the records indicated that the systems to resolve all disputes are in a timely manner. Complaints on housing defects are attended by the same day or the complainant is informed on the status of the issue by next day. There are also cases where complaints were raised verbally to the staff and executives although workers are encouraged to record in the book. Even verbal grievances are attended promptly. This was confirmed by the workers and staff interviewed.

The issue on overplanting of 1.29ha of Sime Darby land by Kampung Sungai Kurau residents is still in progress by the Land Department of Sime Darby. This was confirmed by internal and external stakeholders interviewed. The area was visited during the audit and the process of discussion is accepted mutually by all parties involve.

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.

Reference to the issues highlighted under criteria 6.3 above, the estate management is progressively addressing and the resolution of the above land issue will be completed soon. Re-survey of boundary by surveyor has been completed and pending for the final decision by the Sime Darby Corporate Land Management Department.

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.

All the workers are covered by the MAPA/NUPW agreement and the staff covered with MAPA/AMESU agreement. This is documented at all the operating units. Migrant workers make up the majority of the workforce who are engaged on 3 year contracts and can be extended as necessary. Payments are made as per the agreement. Workers are paid above minimum wage standard as laid out for Malaysia, and are therefore able to make savings and decent living. Inspection of contracts of both local and foreign workers confirmed that pay and conditions are available in local language and clearly explained during the week long induction training for the foreign workers.

Interview with the foreign workers at the estate found that they are not clearly understood the work contract although they confirm that the terms was explained during the induction training at Sime Darby's Sua Betong Recruitment Centre. Therefore, a nonconformity was raised as per below.

NC Ref: 1022246N3: Minor nonconformity against indicator 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. At West Estate: Interview with Sprayers from Gang CDA Division West revealed that they were not exposed to the work contract as there is no briefing conducted by the management. The workers has been working since Year 2006 and having minimum understanding on the conditions of employment and uncertainty in issues such as holiday entitlement and sickness.

Mill and estate provide adequate housing to their employees and meets the government standard. However, visit to the estate housing site found the upkeep of the drainage system at the Division 4 housing site were not carried out regularly causing water

stagnant and breeding ground for mosquito. Therefore, a nonconformity was raised as per below.

NC Ref: 1022246N4: Minor nonconformity against indicator 6.5.3: Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible At West Estate: During the visit to the West Estate Division 4 housing site on 11/2/2014 it was noted that the drains are clogged and the waste water is not flowing out to the main drain. The drains are covered with grass indicating there were no drain cleaning conducted. Further verification and interview with the occupants of the houses reveal that they are facing mosquito problem and bad smell. Recommendation from Planting Adviser report No. 01/13-14 dated 1/10/2013 to organise a "gotong royong" to ensure the cleanliness of the housing site is yet to be implemented.

Clinics continue to provide medical treatment for staff, workers and their families at no cost. Water and electricity are provided to houses and places of worship are within walking distance of housing. Mill and estate provide dedicated transportation to bring the workers to town to withdraw their salary. Other amenities seen are like kindergarten, grocery shop, football field, primary school, ambulance etc.

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.

Union meeting was last conducted in October and 11 December 2013 respectively attended by the worker's representative, Mill and Estate management, NUPW representatives and Selangor Branch Secretary. Further interview with workers and staffs confirmed they are free to join a union if they so wished, which confirmed Sime Darby has maintained its policy of freedom of association. Interview with Selangor Branch Secretary was also confirmed that workers are free to join workers union.

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.

Inspection to employee contract agreement and list of registration confirmed that those employed are as per company policy on minimum age. The minimum working age is 18 and above. During field visit and consultation with stakeholders confirm that there is no child labour at any of the operations.

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 policy is displayed at Mill & Estate main office. This was communicated with all employees. Interview with workers confirmed understanding and awareness of the policy. Pay record and interview with employees confirm that there is no any kind of discrimination. All workers have access to the grievance and resolution mechanism.

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

A statement to prevent sexual harassment and violence is documented in the Sime Darby Plantation Social Policy. Female staff members and workers appointed as gender committee member representing each operating units and work category that involve female workers.

The company has developed specific grievance mechanism on sexual harassment and violence. Female workers interview confirmed understanding of the mechanism and no issue was raised during the audit.

Gender Committee in West palm oil mill was conducted on 17th December 2013 while West Estate on 06th February 2014. Interview with gender committee and female worker's representative confirmed that there is no gender or harassment issue. They are aware of policy protecting their rights, understanding the procedure to lodge sexual harassment cases. Gender organisation chart was sighted and found updated and communicated.

However as an area for improvement, an observation was raised against indicator 6.9.2: At West Mill, Participation of Male Staffs in the Gender Committee Meeting was noted which does not serve the meeting purpose as the meeting address concerns of women.

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

The West Mill only process FFB harvested from company owned estates and no FFB reception from smallholders or out growers.

The company has standard term and condition of contract agreement which is explained prior to signing. Prompt payment is made as per contract agreement. No issues were highlighted by the contractors interviewed. Inspection to the "Grievance Book" indicated no complaint was raised in relation to processing of the payment.

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

West POM and Estate provides assistance to local schools and places of worship on request and this is considered appropriate for the socioeconomic setting. Interview with the school headmaster confirmed that there has been lot of contribution from the operating units throughout the year.

Principle 7: Responsible Development of New Plantings

West Certification Unit has not carried out any new oil palm developments and there are no plans for expansion of plantings. Therefore, principle 7 is not applicable to this assessment.

PRINCIPLE 8: Commitment to Continuous 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 continuous improvement in key operations.

West Palm Oil Mill and supply base estate have carried out annual review of the environmental and social aspects of its operations to identify improvements. The Social Action Plan has continued to work towards improving stakeholder relationship through engagement and dialogue besides further improving the workers housing.

Pesticide use is limited to use only when there is outbreak and justified with census prior to application. IPM is continuously implemented as part of efforts to reduce pesticide usage. Paraquat is completely eliminated. Recycling awareness is progressively implemented and evidence of recycling was noted during the assessment.

3.2 Detailed Identified Nonconformities, Evidence of closing out Major Nonconformities and Auditor Conclusions (ASA4)

There was no major nonconformity raised during this ASA4. However, four minor nonconformities were raised together with 2 observations for improvement identified. The management submitted corrective action plans for the nonconformity. Closing out the minor nonconformity and observations for improvement will be followed up during the re-certification Assessment.

The detail of the minor nonconformities is as below:

NC Ref: 1022246N1: Minor nonconformity against indicator 5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. At West Mill: There were no plans developed and implemented to reduce pollution for the following: Water pollutants caused by the leaching water from the shell storage area which contaminating the drain water at the drain between the mill compound and the workshop compound. Diesel spillage was noted at the diesel storage area caused during the diesel re-filling to

the vehicles. There is a heavy machinery parked at the diesel storage with leaking oil was without any spill kit/tray to avoid contamination to the soil.

The management has identified the cause and submitted corrective action plan as follows:

1. A. Contamination wall built to trap the leachate to reduce the water pollution.
B. The whole drain between mill and workshop cleaned from solid and leachate.
2. A. Tray for spillage will be provided during fuel refill into vehicle.
B. Bund built to block oil spillage into soil.
3. A. Tray spillage kit provided.
B. Refresher training will be conducted to all driver and maintenance team to handle oil leaking spillages.

BSI has reviewed and accepted the corrective action provided by the management. The implementation of the corrective action plan will be reviewed during the re-certification Assessment.

NC Ref: 1022246N2: Minor nonconformity against indicator 5.5.3: No evidence of burning waste (including domestic waste). At West Estate: Visit to the housing site at the West Estate Division 4 on 11/2/2014 found very recently burned domestic waste at the back of houses (opposite the Tamil School) occupied by the employees from the mill and SPDA. There is no evidence to ensure no waste burning activities at the housing site as per the Continuous Improvement Plan.

The management has identified the cause and immediately called for meeting and training on 12/2/2014 involving all contractors and their respective house owners. They were brief on awareness on open burning and the consequences. The management also submitted a corrective action plan as follows:

1. No open burning allowed.
2. To erect more signboards at housing area for “no open burning” to create awareness.
3. Continuous awareness training for workers on no open burning during daily master.

BSI has reviewed and accepted the corrective action provided by the management. The implementation of the corrective action plan will be reviewed during the re-certification Assessment.

NC Ref: 1022246N3: Minor nonconformity against indicator 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the

workers or explained carefully to them by a plantation management official in the operating unit. At West Estate: Interview with Sprayers from Gang CDA Division West revealed that they were not exposed to the work contract as there is no briefing conducted by the management. The workers has been working since Year 2006 and having minimum understanding on the conditions of employment and uncertainty in issues such as holiday entitlement and sickness.

The management has identified the cause and submitted a corrective action plan as follows:

The estate management will brief and explain to all workers as they join the estate about condition of employment at West Estate. Re-briefing will be given to all existing workers during morning muster. All documents will be kept at estate level beside the routine induction training and briefing at the Sime Darby's Sua Betong Recruitment Centre.

BSI has reviewed and accepted the corrective action provided by the management. The implementation of the corrective action plan will be reviewed during the re-certification Assessment.

NC Ref: 1022246N4: Minor nonconformity against indicator 6.5.3: Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible At West Estate:

During the visit to the West Estate Division 4 housing site on 11/2/2014 it was noted that the drains are clogged and the waste water is not flowing out to the main drain. The drains are covered with grass indicating there were no drain cleaning conducted. Further verification and interview with the occupants of the houses reveal that they are facing mosquito problem and bad smell. Recommendation from Planting Adviser report No. 01/13-14 dated 1/10/2013 to organise a "gotong royong" to ensure the cleanliness of the housing site is yet to be implemented.

The management has identified the cause and submitted a corrective action plan as follows:

1. The estate has made monthly programmed and monitoring records for drain cleaning.
2. To have a proper cleaning and maintenance schedule with close monitoring system.
3. To organize frequent gotong-royong at the housing site as per suggestion from Planting Adviser.
4. To inculcate awareness among the contract workers by conducting awareness training/briefing to maintain the cleanliness at the housing area.

BSI has reviewed and accepted the corrective action provided by the management. The implementation of

the corrective action plan will be reviewed during the re-certification Assessment.

Observation/Opportunity for improvement

Observation 1 (4.8.1): At West Mill and Estate, Copy of the induction conducted for the foreign workers by the Sua Betong Recruitment Centre was still at the Recruitment Centre.

Observation 2 (6.9.2): At West Mill, Participation of Male Staffs in the Gender Committee Meeting was noted which not serve the meeting purposes as the meeting address concerns of women.

3.3. Status of Nonconformities (Major and Minor) Previously Identified and observations (ASA3)

No new nonconformities were assigned during the ASA3.

Observation/Opportunity for improvement

There were four Observations/Opportunities for improvements were identified during ASA3. The progress with the Observations/Opportunities for Improvement was checked during this ASA4. The Details are of below:

01 (2.1.1): West Mill Labour Department approval of extension to the number of overtime hours worked each month will expire on 30.11.2013. It is important to ensure sufficient time to complete the renewal process.

ASA4 Findings: Labour Department approval on overtime permit dated 2/12/2013 (Ref.No.: (30) dlm Bhg PU/9/134 Rev 2), allowing maximum 130 hrs/month with condition the normal working time is not exceeding 7 hrs/day was sighted during the document review. The permit is valid till 1/12/2014.

02 (4.4.1): At West Estate, *Mucuna bracteata* had encroached the riparian buffer zone and there was a significant risk of smothering the trees. The Estate took action immediately and removed the *Mucuna* vines.

ASA4 Findings: During the field visit, it was noted that the riparian buffer zones are well maintained. There was no encroachment of *Mucuna bracteata* found at the riparian buffer zones.

03 (5.3.2): The disposal of mill and estate refuse at the landfill area could be improved by ensuring:

(a) Refuse is placed in only one cell at a time until filled, before disposal in adjacent cells.

(b) Green waste is not buried in the landfill cells, but is placed on the composting row at the adjacent area.

ASA4 Findings: Visit to the estate landfill found the refuse is being placed in only one cell at a time until filled, before disposal in adjacent cells. Also, Green waste is not buried in the landfill cells, but is placed on the composting row at the adjacent area.

04 (6.5.3): Some "verbal" requests for repairs to Mill

worker houses may not be recorded and therefore miss being actioned.

ASA4 Findings: Document review and interview with workers found that all request for repairs are being recorded in "Buku Aduan Kerosakkan" and immediately being actioned.

3.4 Issues raised By Stakeholders and Findings with Respect To Each Issue

During this ASA4, majority of stakeholders had positive comments about West Certification Unit. Issues raised by stakeholders were discussed with the management and the company's response is obtained. The detail of stakeholders comment is provided in each criterion as part of this summary report.

Contractors: Payment is made promptly and no any disputes.

Management response: Management ensures that payment is paid as per contract term.

Auditor findings: No issues to further verify.

Gender committee representative: Highlighted issue on housing where mill workers are staying in the estate houses were requested to move to another house due to housing upgrading works.

Management response: The shifting of workers due to upgrading work is being carried out on stages. Official letters will be given to the workers prior to the shifting in order for them to prepare. Therefore, the workers need not to worry about moving to another house. The management also will re-brief all the workers involved during the morning muster.

Auditor finding: Sample official letter for workers to shift to different housing was sighted. Further interview with other workers found they were given prior notice on the arrangement and they are aware of the upgrading works. Therefore, the issue is being addressed accordingly by the management as per existing procedure.

Head of the village and village representative: Confirmed that good relationship is maintained with the management and villagers. No any disputes were highlighted. Company also makes contribution such as donation.

Management response: Management will assist whatever possible.

Auditor finding: Interview and document review shows that management did contribute such as donation. No further issues.

Union representative and Branch Secretary: No any unresolved disputes were highlighted. Ad-hoc meetings held if there is any urgent matter to be discussed and management allows any discussion.

Management response: Management always try their best to keep the union informed on any information so that issues are discussed and solved.

Auditor finding: Records and further verification with sample of workers confirm that there is no pending issues or unresolved issues.

Schools – SJK (T) Pulau Carey Barat and SMK Pulau Carey:

Confirmed that the mill and estate management assist them during sports day and other contributions such as donation is given.

Management response: This has been a practice that if there is an official request from school, it will be considered.

Auditor finding: Document check shows contribution records includes donations to schools. No further issues to verify.

Foreign workers representative: Interview with foreign workers at West estate revealed that they were not exposed to the work contract as there is no briefing conducted by the management. The workers has been working since Year 2006 and having minimum understanding on the conditions of employment and uncertainty in issues such as holiday entitlement and sickness.

Management response: The briefing was conducted at the Sime Darby's Sua Betong Recruitment Centre. Management will look into this and conduct another briefing at estate level.

Auditor finding: There is no documented record to show that the induction explained the contract terms. Nonconformity was raised. See NC Ref: 1022246N3

House Occupants: They are facing mosquito problem and bad smell due to drain not maintained.

Management response: Recently there was a staff in charge of housing was transferred to another division and new staff still under training. Management will take immediate action to improve the condition.

Auditor finding: To verify the issue, audit team member visited the West Estate Division 4 housing site on 11/2/2014 it was noted that the drains are clogged and the waste water is not flowing out to the main drain. The drains are covered with grass indicating there were no drain cleaning conducted. Further verification and interview with the occupants of the houses reveal that they are facing mosquito problem and bad smell. Nonconformity was raised. See NC Ref: 1022246N4

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Visit (Re-Certification)

The re-certification visit will be scheduled within twelve months of this ASA4.


4.2 Date of Closing Nonconformities (Major and Minor)

NC Ref.	CLASS	ISSUED	STATUS
CR01 5.3.2	Minor	28/1/2009	Closed on 8/4/2011
CR02 4.4.7	Minor	8/4/2011	Closed on 21/3/2012
CR03 5.3.2	Minor	8/4/2011	Closed on 21/3/2012
1022246N1 5.3.2	Minor	12/2/2014	"open"
1022246N2 5.5.3	Minor	12/2/2014	"open"
1022246N3 6.5.2	Minor	12/2/2014	"open"
1022246N4 6.5.3	Minor	12/2/2014	"open"


4.3 Acknowledgement of Internal Responsibility and Formal Sign-off of 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 – SOU 9 West
Certification Unit


.....
Mr. Fadzil Othman American Idris
Senior Manager, West Estate

Signed for on behalf of
BSI Group Singapore Pte Ltd


.....
Senniah Appalasamy
BSI RSPO Lead Auditor

Appendix A: Sime Darby Plantation Time bound Plan

certification Status	Malaysia	Indonesia	Status during ASA03
Certified as of March 2014	34 Certification units	21 Certification units	Total Certified: 55
Undergoing Certification Process	-	4 Certification Unit	Certification on-going: 4
RSPO EB Review	-	-	-
Total	34 Certification units	25 Certification units	59 Certification units

Appendix B: Sime Darby Plantation Sdn Bhd – SOU 9 West Certification Unit RSPO Certificate Details

Sime Darby Plantation Sdn. Bhd.
 SOU 9 Management Unit (Ladang West)
 42960 Carey Island,
 Selangor, MALAYSIA

BSI RSPO Certificate No: SPO 543594

Date of Initial Certificate Issued: 19 May 2010

Date of Expiry: 18 May 2015

Applicable Standards: RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; RSPO P&C MY-NIWG 2010; and relevant element of Supply Chain requirements for CPO Mills; SCCS Standard Nov 2011 Module – Segregation.

West Palm Oil Mill and Supply Base		
Location	Carey Island, Selangor, Malaysia.	
Address	SOU 9 Management Unit (Ladang West) 42960 Carey Island, Selangor, MALAYSIA	
GPS	Longitude: 101o 20' 60" E Latitude: 2o 55' 0" N	
CPO Tonnage Total Production (Certified)	50,229	
PK Tonnage Total Production(Certified)	12,088	
Company Estate FFB Tonnage (Certified)	238,380	
Estate FFB Tonnage (Certified)	West Estate	166,866
	FFB from Adjacent East Certification Unit(Cert. # SPO 543543)	88,677

Appendix C: 4th Annual Surveillance Assessment Program

Date	Time	Subjects	Senniah	Nabila	Muhd Haris
Sunday 9/2/2014	Noon	Audit Team travelling to the site.	√	√	√
Monday 10/2/2014 West Palm Oil Mill (SOU 9)	08.00 – 09.00	Opening Meeting: (SOU 9) <ul style="list-style-type: none"> • Presentation by the Estate and mill managers • Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). 	√	√	√
	09.00 – 12.00	West Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management, Effluent Ponds, OSH, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection.	√	√	√
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	West Palm Oil Mill: Document Audit, SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, permits, mill inspection records, etc.	√	√	√
Tuesday 11/2/2014 (SOU 9)	08.00 – 12.00	West Estate Field visit, boundary inspection, fertiliser application, field spraying, harvesting, workers interview, buffer zone, HCV area, Office, workshop, worker housing, clinic, Landfill, Chemical store and mixing, etc.	√	-	√
	09.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	12.00 – 13.00	Lunch	√	√	√
	13.00 – 17.00	West Estate Document review (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification, review pay documents etc).	√	√	√
Wednesday 12/2/2014	08.00 – 09.00	Closing meeting	√	√	√

Appendix D: List of Stakeholders Contacted

<p>Internal Stakeholders</p> <p>West Certification Unit Management team and Staff Representatives from Sustainability Department On site compliance executives Mill Manager and Assistants Estate Manager and Assistants Facility Administrators Effluent Treatment Plant Supervisor and Operator Weighbridge Clerk Lab Supervisor and Assistant Driver Gender Committee Representatives Hospital / Medical Assistants Clinic Assistants Male and Female workers Workers Union Representatives Onsite NUPW secretary AMESU Representative</p>	<p>Local Communities</p> <p>Sungai Kurau Village Representative Shop owner</p> <hr/> <p>External Stakeholder</p> <p>NUPW Selangor secretary</p>
<p>Government Departments</p> <p>District Labour Office Department of Environment District Police Schools – SJK (T) Pulau Carey Barat School – SMK Pulau Carey</p>	<p>Contractors</p> <p>Housing contractor FFB Transport contractor</p>

Appendix E: West Palm Oil Mill Supply Chain Assessment (Module D: Segregation)

Requirements	Compliance
D.1. Documented procedures	
D.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Segregation (SG) supply chain requirements. a) Complete and up to date procedures covering the implementation of all the elements. b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	West palm oil mill have written documented procedures for the chain of custody with SG and MB model covering certified and non-certified FFB. The mill manager has the responsibility to ensure implementation. The SG model used because only certified FFB is processed at the moment. However, the palm oil mill also have the system in place to use Mass Balance model through either down grading the SG to MB or through purchasing non certified FFB in the future. At the moment during the assessment Segregation model was used.
D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	West palm oil mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
D.2. Purchasing and goods in	
D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
D.3. Record keeping	
D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
D.3.2 Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years and financial documents retained longer based on the local regulation requirement.
D.3.3 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. No PKO and Palm kernel meal at West mill. PK is sold to Sime Darby's subsidiary kernel crushing plant.
D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	System in place to indicate CPO/Segregated on the documents related to the supply chain. Weighbridge ticket number 132013 checked and verified dated 10/2/2014.
D.4. Sales and goods out	
D.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	1,060mt of certified palm oil sold through eTrace system. The mill produces Premium Quality and Special Quality CPO with FFA below 1.2% and get premium price. So the balance sold as conventional premium quality oil. GreenPalm are carried out as group rather than individual mill.
(a) The name and address of the buyer	Name and address of buyer written on the existing invoice. i.e. Sime Future Trading Sdn Bhd, Kuala Langat, Selangor.
(b) The date on which the invoice was issued	Date (10/2/2014) is written on all dispatch and relevant documents.
(c) A description of the product, including the applicable supply chain model (Segregated)	System in place to write product description and supply chain model is written.
(d) The quantity of the products delivered	Quantity in tonne. Weighbridge ticket number 008813, weight 21.41mt.
(e) Reference to related transport documentation	Weighbridge documents and D/O includes all the transport references. Weighbridge ticket number 008813 checked and verified. Transport details i.e. Vehicle number BCT 9028 and driver's name included.
D.5. Processing	
D.5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed	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.
D.5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	Processing and storage records can trace back to only certified segregated raw material (FFB) and finish product (CPO and PK).
D.5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:	There is no outsourcing activity directly handled by the mill. The kernel is sold to a subsidiary kernel crushing plant belong to Sime Darby Group. The kernel crushing plant have own supply chain certificate and it is independent from the mill.

<ul style="list-style-type: none"> The crush operator conforms to these requirements for segregation The crush is covered through a signed and enforceable agreement 	
D.6 Training	
D.6.1 The facility shall provide the training for all staff as required implementing the requirements of the Supply Chain Certification Systems.	Staffs in the weighbridge, inventory, storage and processing, document control have attended training. Training conducted on 7 October 2013 attended by executives and staff.
D.7. Claims	
D.7.1 The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communications and Claims.	No claims made because the CPO is delivered/sold to downstream refineries.

Actual Certified Palm Production - 01 January 2013 - 31 December 2013 (ASA3)

MILL	CAPACITY	CPO	PK
West Palm Oil Mill	50 mt/hr	41,834	9,343

Actual Sales of Certified Palm Products - 01 January 2013 - 31 December 2013 (ASA3)

MILL	Certified CPO Sales	Certified PK Sales	Remarks
West Palm Oil Mill	1,060	NIL	Majority of palm products are sold as normal palm products and as Premium Quality Oil with FFA below 1.2%.

Actual Certified FFB Received Monthly - 01 January 2013 – 31December 2013

Month	West	FFB from Adjacent East Certification Unit (Cert. # SPO 543543)	Total FFB/Month
January 2013	8,818	7,601	16,419
February 2013	9,058	6,991	16,049
March 2013	8,251	7,006	15,257
April 2013	8,310	7,071	15,381
May 2013	7,878	5,853	13,731
June 2013	7,621	5,903	13,524
July 2013	10,639	8,660	19,299
August 2013	9,742	7,977	17,719
September 2013	10,530	7,251	17,781
October 2013	10,816	8,426	19,242
November 2013	10,336	8,148	18,484
December 2013	9,358	8,115	17,473
Total	111,357	89,002	200,359