

**RSPO PRINCIPLE AND CRITERIA –
Recertification Assessment (RC_1)
Public Summary Report**

Sime Darby Plantation Berhad
Level 3A, Main Block, Plantation Tower No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 19) Pagoh Palm Oil Mill Location of Certification Unit: Lot 2159, Ladang Pagoh Mukim Jalan Bakri 84309 Muar, Johor, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Membership Approval Date	06/09/2004
Parent Company Name	Sime Darby Plantation Berhad		
Address	Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia		
Subsidiary (Certification Unit Name)	Strategic Operating Unit (SOU 19) – Pagoh Palm Oil Mill		
Address	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia		
Contact Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr. Ahmad Fauzi Jantan (Pagoh Palm Oil Mill Manager)		
Website	http://www.simedarbyplantation.com/	E-mail	kks.pagoh@simedarby.com
Telephone	+603 7848 4463 (Head Office) +607 9471131 (Mill)	Facsimile	+603 7848 4363 (Head Office) +607 9474053(Mill)

2. Certification Information			
Certificate Number	RSPO 600305	Date of First Certification	28/01/2014
		Certificate Start Date	27/01/2019
		Certificate Expiry Date	27/01/2024
Scope of Certification	Palm Oil and Palm Kernel Production from Pagoh Palm Oil Mill and supply base (Lanadron Estate, Pengkalan Bukit Estate, Welch Estate & Pagoh Estate)		
Applicable Standards	RSPO P&C MY-NIWG 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
Mill: MSPO 682037	MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills	BSI Services Malaysia Sdn Bhd	11/12/2022
Plantations: MSPO 685822	MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders	BSI Services Malaysia Sdn Bhd	11/12/2022

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Pagoh Palm Oil Mill	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor	2° 4' 40.62" N	102° 43' 7.3" E
Lanadron Estate	Panchor 84500 Muar, Johor	2° 10' 48.70" N	102° 44' 04" E
Pengkalan Bukit Estate	Mukim Jalan Bakri 84309 Muar, Johor	2° 07' 29" N	102° 44' 32" E
Welch Estate	Jalan Segamat-Jementah 85200 Segamat, Johor	2° 27' 22" N	102° 39' 12" E
Pagoh Estate	Mukim Jalan Bakri 84309 Muar, Johor	2° 4' 40.62" N	102° 43' 7.3" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Pagoh Estate	1988.02	9.10	328.81	2325.93	85
Lanadron Estate	1694.02	19.41	251.01	1964.44	86
Pengkalan Bukit Estate	2984.51	2.87	169.5	3156.88	95
Welch Estate	576.20	0.95	870.67	1447.82	40
Total	7242.75	32.33	1619.99	8895.07	81

- Hactarage (205.76 ha) for Lanadron Estate reduce due to land acquisition by Sime Darby Property

6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Pagoh Estate	691.41	651.15	347.15	298.31	-	1296.61	691.41
Lanadron Estate	309.66	401.25	742.19	163.92	77.0	1384.36	309.66
Pengkalan Bukit Estate	624.97	1038.14	1190.06	131.34	-	2359.54	624.97
Welch Estate	-	-	576.20	-	-	576.20	-
Total (ha)	1626.04	2090.54	2855.6	593.57	77	5616.71	1626.04

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7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Jan 18 – Dec 18)	Actual (Oct 17 – Sep 18)	Forecast (Jan 19 – Dec 19)
Pagoh Estate	37,000	37,053.33	37,700.00
Lanadron Estate	39,030	42,024.01	40,000.00
Pengkalan Bukit Estate	54,600	55,111.28	57,900.00
Welch Estate	9,000	14,100.71	11,650.00
Total	139,630	148,289.33	147,250.00

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated (Jan 18 – Dec 18)	Actual (Oct 17 – Sep 18)	Forecast (Jan 19 – Dec 19)
Tangkah	N/A	35,500.32	N/A
Kempas		371.75	
CEP Rengam		527.94	
Sua- Betong		643.67	
Pekan		40.86	
Muar River		656.43	
Sg.Senarut		341.90	
Sg. Gemas		453.73	
Total		38,536.60	

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated	Actual	Forecast
N/A			
Total			

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10. Certified Tonnage			
Mill Capacity: 45 MT/hr SCC Model: IP	Estimated (Jan 18 – Dec 18)	Actual (Oct 17 – Sep 18)	Forecast (Jan 19 – Dec 19)
	FFB	FFB	FFB
	272,586.00	186,825.93	147,250
	CPO (OER: 20.78 %)	CPO (OER: 20.61%)	CPO (OER : 21.50%)
	56,643.37*	38,506.24**	31,658.75
	PK (KER: 5.50%)	PK (KER: 5.10%)	PK (KER: 5.25%)
	14,088.66*	9,525.61**	7,730.63

*Extension of volume: CPO-27,627mt and PK-6,409mt
 **CPO: Jan-Sep18: 25,342.94 mt and PK: Jan-Sep18:6,300.89mt

11. Actual Sold Volume (CPO) Oct 17 – Sep 18					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	10,795.89	-	-	27,055.18	37,851.07

1. The Actual volume figure in table was from 2 period (Oct 17 – Dec 17 and Jan 18 – Sept 18)
2. Actual sold volume (RSPO Certified) for the period Oct 17 – Dec 17 was 3,900 mt while for the period Jan 18 – Sept 18 was 6,895.89 mt
3. Actual sold volume (Conventional) for the period Oct 17 – Dec 17 was 8,849.91 mt while for the period Jan 18 – Sept 18 was 18,205.27 mt

12. Actual Sold Volume (PK) Oct 17 – Sep 18					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	4,500	-	-	4,596.73	9,096.73

1. The Actual volume figure in table was from 2 period (Oct 17 – Dec 17 and Jan 18 – Sept 18)
2. Actual sold volume (RSPO Certified) for the period Oct 17 – Dec 17 was 1,400 mt while for the period Jan 18 – Sept 18 was 3,100 mt
3. Actual sold volume (Conventional) for the period Oct 17 – Dec 17 was 1,598.01 mt while for the period Jan 18 – Sept 18 was 2,998.72 mt

4. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO	N/A	N/A
IS-CSPKO		
IS-CSPKE		

Section 2: Assessment Process

Certification Body:

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

2.1 Assessment Methodology, Programme, Site Visits

The on-site re-certification assessment was conducted from 8/10/2018 – 12/10/2018. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on 04/01/2019.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criterias MYNI 2014 and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 05/09/2018 through BSI & RSPO website as per following link: https://www.rspo.org/certification/public-announcement?keywords=pagoh&country=&assessment_type=

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

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

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

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

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

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

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

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Pagoh Palm Oil Mill	√	√	√	√	√
Lanadron Estate	√	√	√	√	√
Pengkalan Bukit Estate	√	√	√	√	√
Welch Estate	√	√	√	√	√
Pagoh Estate	√	√	√	√	√

Tentative Date of Next Visit: October 7, 2019 - October 11, 2019

Total No. of Mandays: 16 mandays (including 1 day for mill – SC audit)

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2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohd Hafiz Mat Hussain	Team Leader	He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in ISO9001, ISO14001 and OHSAS 18001 auditing since May 2013 within Malaysia, Brunei, Indonesia and RSPO auditing within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. During this assessment, he assessed on the aspects of legal, mill best practices, SCC for CPO mill, estate best practices, safety and health, environmental and workers and stakeholders consultation.
Mohamad Fadzli Masran	Team Member	He graduated in Bachelor of Forestry Science at University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. He had accumulated auditing experience when he was the internal auditor for ISO9001 and ISO14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. During this assessment, he assessed on the aspects of environmental and estate best practise. He is fluent in Bahasa Malaysia and English languages.
Rahayu Zulkifli	Team Member	She holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor. During this assessment, she assessed on the aspects of legal and social element. Able to communicate in Bahasa Malaysia and English.
Valence Shem	Team Member	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental

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		& biodiversity, agriculture best practices and the supply chain element. Able to communicate in Bahasa Malaysia and English.
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Accompanying Persons:

No.	Name	Role
N/A		

2.3 Assessment Plan

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

Date	Time	Subjects	MH	MF	RZ	VS
Sunday, 7/10/2018	PM	Travel to Muar	√	√	√	-
Monday, 8/10/2018 Lanadron Estate	08:30-09:00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). Verification on previous audit findings	√	√	√	
	09:00-12:30	Lanadron Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√	-
	10:00-12:30	Meeting with stakeholders for Lanadron Estate (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√	-
	12:30-13:30	LUNCH				
	13:30-15:30	Lanadron Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	-
	16:30-17:00	Interim Closing Briefing	√	√	√	-
	Tuesday, 9/10/2018 Welch Estate	09:00-12:30	Welch Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
10:00-12:30		Meeting with stakeholders for Welch Estate (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√	-
12:30-13:30		LUNCH				
13:30-15:30		Welch Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	-
16:30-17:00		Interim Closing Briefing	√	√	√	-

Date	Time	Subjects	MH	MF	RZ	VS
Wednesday, 10/10/2018 Pagoh POM	09:00-12:30	Pagoh POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√	√	√	-
	10:00-12:30	Meeting with stakeholders (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√	-
	12:30-13:30	LUNCH				
	13:30-16:30	Pagoh POM: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√	-
	16:30-17:00	Interim Closing Briefing	√	√	√	-
Thursday, 11/10/2018 Pengkalan Bukit Estate	09:00-12:30	Pengkalan Bukit Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√	-
	10:00-12:30	Meeting with stakeholders for Pengkalan Bukit Estate (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√	-
	12:30-13:30	LUNCH				
	13:30-15:30	Pengkalan Bukit Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	-
	16:30-17:00	Interim Closing Briefing	√	√	√	-
Friday, 12/10/2018 Pagoh Estate	09:00-12:30	Pagoh Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√	-
	10:00-12:00	Meeting with stakeholders for Pagoh Estate (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√	-
	12:00-14:00	LUNCH/FRIDAY PRAYER				

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Date	Time	Subjects	MH	MF	RZ	VS
	14:00–15:30	Pagoh Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	-
	15:30-16:00	Verify any outstanding issues & Preparation for closing meeting	√	√	√	-
	16:00-17:00	Closing Meeting	√	√	√	-
Tuesday, 9/10/2018	09:00–12:30	RSPO Supply Chain for Pagoh POM General Chain of custody: Element 5.1 – 5.13	-	-	-	√
Pagoh POM	12:30–13:30	LUNCH				
	13:30-16:30	RSPO Supply Chain for Pagoh POM CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: <i>Identity Preserved</i>)	-	-	-	√
	16:30–17:00	Interim Closing Briefing	-	-	-	√

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- Sime Darby Plantation Berhad Time Bound Plan
- RSPO Supply Chain Certification Checklist June 2017
- RSPO P&C MY-NIWG 2014 Checklist

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills?	The time bound plan includes all SOUs in Malaysia and Indonesia. Malaysia - Effectively 34 SOUs: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down. Indonesia - Effectively 25 SOUs. For Liberia operations, a new mill is being set up and commissioned in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1 st quarter of 2019.	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	For Liberia operations, a new mill is being set up and commissioned in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1 st quarter of 2019.	Yes
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified. A new mill has been set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. *RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in completed. Initial audit was carried out in March 2018 but unable to be	Yes

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	<p>completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1st quarter of 2019.</p>	
<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>Sime Darby Plantation's time bound plan for certification is initially 3 years, starting 2008-2011. SDP has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment by end Dec 2011 in accordance to the initial timebound plan. As at Dec 2011, all Malaysian SOUs have been RSPO certified (with the exception of 2 new oil mills commissioned to replace the current oil mills after the initial timebound plan targets). The 2 new mills have been RSPO Certified in Jan and Feb 2014. For Indonesian operations, currently, 1 SOU in Indonesia (PT MAS) is pending for RSPO Certification due to social legacy issues. SDP's is actively working on its certification targets given the span across a large geographical location and over 200 estates and mills in operation.</p> <p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes and a new oil mill in Liberia has been commissioned in Feb 2016. SDP's time bound plan has been revised to take into consideration the social challenges encountered in Indonesia for the remaining SOU (PT MAS) yet to be certified. Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p> <p>For Indonesia operation, the reported Case No: DSF 007 between the parties PT Mistra Austral Sejahtera (a subsidiary of Sime Darby Plantation Sdn Bhd) and Kerunang/Entapang community. New status has been updated for dispute tracker for following case, http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes#007</p>	<p>Yes</p>
<p>Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised</p>	<p>No lapses.</p>	<p>Yes</p>
<p>Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised</p>	<p>No.</p>	<p>Yes</p>

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<p>Have there been any stakeholder comments?</p>	<p>Up to date, there is no comment. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p>	<p>Yes</p>																																																																			
<p>Un-Certified Units or Holdings</p>																																																																					
<p>No replacement after dates defined in NIS Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. </p>	<p>HCV assessment has been conducted for uncertified units i.e. PT Mas (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p>	<p>Yes</p>																																																																			
<p>Any new plantings since January 1st 2010 shall comply with the RSPO New Plantings Procedure.</p>	<p>A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1st quarter of 2019. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?</p>	<p>Yes</p>																																																																			
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker. The progress on the Liabilities shall be verified and reported.</p>	<p>Latest update based on RSPO Case Tracker (19 potential liabilities; 5 LUCA submitted, 1 LUCA is passed, 1 CN submitted, 1 CN approved) on LUCA submission status as per below table:</p> <p style="text-align: center;">SIME DARBY PLANTATION: LUCA SUBMISSION TIMELINE</p> <table border="1" data-bbox="715 1339 1297 1776"> <thead> <tr> <th>No.</th> <th>PT/ Company</th> <th>Report Submission to RSPO</th> <th>Current Status (14 Aug 2018)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>PT Lahan Tani Sakti</td> <td>Submitted on 31 May 2017</td> <td>LUCA approved by reviewer</td> </tr> <tr> <td>2.</td> <td>PT Bina Sains Cemerlang</td> <td>Submitted on 29 Sept 2017</td> <td>Shapefiles submitted to RSPO</td> </tr> <tr> <td>3.</td> <td>PT Swadaya Andika</td> <td>Submitted on 6 Oct 2017</td> <td>Shapefiles submitted to RSPO</td> </tr> <tr> <td>4.</td> <td>PT Langgeng Muara Makmur</td> <td>Submitted on 8 Dec 2017</td> <td>Shapefiles submitted to RSPO</td> </tr> <tr> <td>5.</td> <td>PT Laguna Mandiri</td> <td>Submitted on 20 Dec 2017</td> <td>Shapefiles submitted to RSPO</td> </tr> <tr> <td>6.</td> <td>PT Kridatama Lancar</td> <td>Submitted on 22 Sept 2017</td> <td rowspan="19">Shapefiles to be submitted to RSPO by 17 Aug 2018</td> </tr> <tr> <td>7.</td> <td>PT Paripurna Swakarsa</td> <td>Submitted on 29 Sept 2017</td> </tr> <tr> <td>8.</td> <td>PT Sime Indo Agro</td> <td>Submitted on 10 Nov 2017</td> </tr> <tr> <td>9.</td> <td>PT Bhumireksa Nusa Sejati</td> <td>Submitted on 12 Dec 2017</td> </tr> <tr> <td>10.</td> <td>PT Budidaya Agro Lestari</td> <td>Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017</td> </tr> <tr> <td>11.</td> <td>PT Teguh Sempurna</td> <td>Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017</td> </tr> <tr> <td>12.</td> <td>PT Bahari Gembira Ria</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>13.</td> <td>PT Guthrie Pecconina Indonesia</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>14.</td> <td>PT Sajang Heulang</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>15.</td> <td>PT Bersama Sejahtera Sakti</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>16.</td> <td>PT Tunggal Mitra Plantation</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>17.</td> <td>PT Ladangrumpun Suburabadi</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>18.</td> <td>PT Aneka Inti Persada</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>19.</td> <td>PT Mitra Austral Sejahtera</td> <td>Submitted on 29 Dec 2017</td> </tr> </tbody> </table> <p>Note: SDP's LUCA is still in queue for review process pending finalization of the contract between RSPO and the reviewer. Sime Darby Plantation has also submitted its RSPO Compensation Plan (CP) for evaluation by RSPO.</p>	No.	PT/ Company	Report Submission to RSPO	Current Status (14 Aug 2018)	1.	PT Lahan Tani Sakti	Submitted on 31 May 2017	LUCA approved by reviewer	2.	PT Bina Sains Cemerlang	Submitted on 29 Sept 2017	Shapefiles submitted to RSPO	3.	PT Swadaya Andika	Submitted on 6 Oct 2017	Shapefiles submitted to RSPO	4.	PT Langgeng Muara Makmur	Submitted on 8 Dec 2017	Shapefiles submitted to RSPO	5.	PT Laguna Mandiri	Submitted on 20 Dec 2017	Shapefiles submitted to RSPO	6.	PT Kridatama Lancar	Submitted on 22 Sept 2017	Shapefiles to be submitted to RSPO by 17 Aug 2018	7.	PT Paripurna Swakarsa	Submitted on 29 Sept 2017	8.	PT Sime Indo Agro	Submitted on 10 Nov 2017	9.	PT Bhumireksa Nusa Sejati	Submitted on 12 Dec 2017	10.	PT Budidaya Agro Lestari	Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017	11.	PT Teguh Sempurna	Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017	12.	PT Bahari Gembira Ria	Submitted on 29 Dec 2017	13.	PT Guthrie Pecconina Indonesia	Submitted on 29 Dec 2017	14.	PT Sajang Heulang	Submitted on 29 Dec 2017	15.	PT Bersama Sejahtera Sakti	Submitted on 29 Dec 2017	16.	PT Tunggal Mitra Plantation	Submitted on 29 Dec 2017	17.	PT Ladangrumpun Suburabadi	Submitted on 29 Dec 2017	18.	PT Aneka Inti Persada	Submitted on 29 Dec 2017	19.	PT Mitra Austral Sejahtera	Submitted on 29 Dec 2017	<p>Yes</p>
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<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.</p>	<p>No stakeholder comments or complaints received.</p>	<p>Yes</p>																																																																			
<p>Any Legal non-compliance is being addressed through measures consistent with the</p>	<p>None noted. No stakeholder comments or complaints received.</p>	<p>Yes</p>																																																																			

requirements of RSPO P&C criteria 2.1		
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	Yes	Yes

3.3 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	N/A	

3.4 Details of findings

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

During the Certification Assessment there were four (4) Major & five (5) Minor nonconformities raised. The Pagoh Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly during on-site verification on 04/01/2019.

Non-Conformity			
NCR Ref #	1691857-201809-M1	Clause & Category (Major/Minor)	Indicator 4.7.2 Major
Date Issued	12/10/2018	Due Date	09/01/2019
Closed (Yes/No)	Yes	Date of nonconformity closure	04/01/2019
Statement of Nonconformity	The HIRARC was not fully documented and implemented.		
Requirement Reference	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Occupational Safety & Health Manual, Chapter 6, HIRARC (version:1, issue no: 1, issue date: 20/8/08)		
Objective Evidence	<p>Lanadron Estate:</p> <ol style="list-style-type: none"> 1. Tractor under repair at workshop was not properly barricade. <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1. The HIRARC for activity at workshop, related to the accident happened to the worker (ID No: 11865) on 6/2/18 was not reviewed accordingly. 2. Activity for nursery and hazard for heat stress for replanting activity were not register in the HIRARC register. 3. One of the harvester was bring the harvesting pole with sickle during riding the bike without sickle cover. <p>Pagoh Estate:</p> <ol style="list-style-type: none"> 1. The HIRARC for weeding (manual) and harvesting activity was not review after the accidents happened on 1/10/18 (ID No: 103498) and 28/8/18 (ID No: 11589). 2. The workers were sit in the trailer with full of loose fruit. 		
Corrections	<p>Lanadron Estate:</p> <ol style="list-style-type: none"> 1) The work area was barricaded with red and white caution tape 2) Email sent to SD Industrial to comply with the safety requirement when operating in Lanadron Estate <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1) ESH committee reviewed the HIRARC for activity in workshop and replanting activity 2) Issuance of warning letter for the unsafe act <p>Pagoh Estate:</p> <ol style="list-style-type: none"> 1) ESH committee reviewed the HIRARC for harvesting and weeding activities. 		

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	2) Warning letter issued to the worker
Root Cause Analysis	<p>Lanadron 1)The repairing work was done by sister company, SDI. OU did not brief on SOP for maintenance of tractor at time of issuance of Permit To Work (PTW)</p> <p>Pengkalan Bkt Estate 1) Insufficient info on health effect from heat stress 2) HIRARC established not covered for heat stress at replanting activities 3) Lack of enforcement for harvesters</p> <p>Pagoh 4) HIRARC was not reviewed in accordance to SOP 5) Lack of enforcement</p>
Corrective Action	<p>Lanadron Estate: 1) Permit to Work will be issued to contractor prior work commencement. To brief on SOP for maintenance when issuing PTW</p> <p>Pengkalan Bukit Estate: 1) HIRARC Review Team will review the HIRARC after investigation of accident completed. It will be updated in the HIRARC summary list 2) Harvesting tools and safety cover checking during Muster briefing</p> <p>Pagoh Estate: 4) HIRARC Review Team will review the HIRARC after investigation of accident completed. It will be updated in the HIRARC summary list 5) To enforce warning letter issuance to workers</p> <p>Major NC close out verification: Lanadron Estate: 1. Email to SDI was sent on 10/10/2018 2. PTW was established accordingly. Last maintenance of tractor by SDI was done on 10/11/2018. The PTW was sighted.</p> <p>Pengkalan Bukit Estate: 1. Warning letter for the worker dated 12/10/2018 was sighted 2. HIRARC review meeting was done on 31/10/2018 3. HIRARC for Replanting and nursery was reviewed on 31/10/2018 4. PPE issuance (sickle cover) record was sighted. Last distribution for sickle cover was done on 30/11/2018 5. Interviewed with harvester, they know on the importance of the sickle cover.</p> <p>Pagoh Estate: 1. Warning letter for the worker dated 13/10/2018 was sighted 2. HIRARC was reviewed on 22/10/2018 by the management for harvesting and manuring. 3. The last OSH meeting was done on 30/10/2018</p>
Assessment Conclusion	Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on-site verification and supported with sufficient documented evidence. Continuous implementation will be further verified in the assessment.

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Non-Conformity			
NCR Ref #	1691857-201809-M2	Clause & Category (Major/Minor)	Indicator 2.1.1 Major
Date Issued	12/10/2018	Due Date	09/01/2019
Closed (Yes/No)	Yes	Date of nonconformity closure	04/01/2019
Statement of Nonconformity	a. Failure to comply with the requirements of Section 34(1) Employment Act 1955. b. Failure to comply with the requirements of Section 19 (3) Workers' Minimum Standards of Housing And Amenities Act 1990.		
Requirement Reference	Evidence of compliance with relevant legal requirements shall be available.		
Objective Evidence	<p>a. Female employee at the Pagoh Palm Oil Mill worked as follows:</p> <ul style="list-style-type: none"> - 9 Aug 2018 until 11PM -11 Aug 2018 until 11PM - 15 Aug 2018 until 11PM - 20 Aug 2018 until 10.31PM - 25 Aug 2018 until 11PM - 11 July 2018 until 11:01PM <p>There is no written exemption obtained under Section 34 (1) Employment Act 1955 for female employees to work between 10:00PM to 5:00AM.</p> <p>b. No registered medical practitioner has visited the clinic at Lanadron Estate from March 2018 until the date of this audit, in contravention of Section 19 (3) Workers' Minimum Standards of Housing And Amenities Act 1990.</p>		
Corrections	<p>Pagoh mill:</p> <ol style="list-style-type: none"> 1) Internal memo to limit 2nd shift until 9.30 pm for female workers. 2) Mill have requested approval from JTK Muar for female workers working after 10.00 pm. Form (for Female employees works at Night) was submitted 22/10/2018 <p>Lanadron Estate: Tendering and selection of VMO was made on 21st March 2018 and have been approved by Region Office on 9th October 2018.</p>		
Root Cause Analysis	<p>Pagoh Mill:</p> <p>No monitoring for the female workers work at night.</p> <p>Lanadron Estate:</p> <p>Previous VMO has resigned due to his health condition.</p>		
Corrective Action	<p>Pagoh Mill:</p> <p>Mill management will monitor and limiting the working hours until 9.30 pm.</p> <p>Lanadron Estate:</p> <p>Estate have appointed Dr Harwant Singh Randhawa (Klinik Pagoh) as new VMO.</p> <p>Major NC close out verification:</p> <p>Lanadron Estate:</p> <ol style="list-style-type: none"> 1. Letter of appointment as visiting medical officer (VMO) dated 28/9/2018 was sighted. 2. Sighted the VMO treatment log book and VMO Visit Logbook. Last visit on 18/12/2018 <p>Pagoh POM:</p>		

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	<p>1. Application for written exemption was submit to JTK Putrajaya 18/10/18, waiting approval from JTK Putrajaya.</p> <p>2. Current practice, no woman work at night. Interviewed with the weighbridge operator,no work at night.</p> <p>3. Verified the attendance record, no work after 10pm for Nov 18 and Dec 18.</p>
Assessment Conclusion	<p>Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on-site verification and supported with sufficient documented evidence. Continuous implementation will be further verified in the assessment.</p>

Non-Conformity			
NCR Ref #	1691857-201809-M3	Clause & Category (Major/Minor)	Indicator 6.5.2 Major
Date Issued	12/10/2018	Due Date	09/01/2019
Closed (Yes/No)	Yes	Date of nonconformity closure	04/01/2019
Statement of Nonconformity	<p>1. Breach of agreed terms of employment contracts signed with foreign workers.</p> <p>2. Salary deductions for payment of electricity were made without workers' respective approval.</p>		
Requirement Reference	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p>		
Objective Evidence	<p>1. Foreign workers are not receiving 5 kgs of rice and 5 kgs of cooking oil every 2 months as agreed under their employment contracts. Employment contracts sighted were dated:</p> <ul style="list-style-type: none"> a. 14 May 2018 (Pagoh Palm Oil Mill); b. 8 June 2018 (Lanadron Estate); c. 8 June 2017 (Welch Estate). d. 16 October 2016 (Pengkalan Bukit Estate) e. 17 September 2015 (Pagoh Estate). <p>2. Salary deductions for payment of electricity were made without workers' authority. The affected workers are those recruited after 22 November 2016 at Pengkalan Bukit Estate.</p> <p>3. Salary deductions for payment of electricity from workers at Pagoh Estate have been made without written approval from the workers.</p>		
Corrections	<p>Communicate with region office on the revision of distribution of rice and cooking oil (temporarily) Workers were briefed on the revision of rice and cooking oil distribution to the workers during Muster Briefing. Pengkalan Bukit & Pagoh Estate Estate has gotten the consent from the said workers.</p>		
Root Cause Analysis	<p>All: The distribution of rice and cooking every two months was revised by Upstream Malaysia Office where the 5kg cooking oil to be substituted with 5 kg of rice instead Pengkalan Bukit & Pagoh Estate: No monitoring to obtain consent letter from newly recruit workers</p>		
Corrective Action	<p>1) Revision in employment contract to be communicated to workers or workers representative through Management Meeting.</p> <p>2) The in-charge person will get written consent hereafter for any new recruitment.</p> <p>Major NC close out verification:</p>		

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	<p>Lanadron Estate, Pagoh Estate and Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1. The consent record from workers was sighted regarding distribution of rice (10kg) 2. Inter Office Mail from Head, Plantation Upstream Malaysia dated 3/1/2019 related to the unique benefit for workers in Upstream Malaysia was sighted <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1. The briefing was done by the management for the deduction for electricity on 12/10/2018. The consent Letter from workers was sighted. <p>Pagoh Estate:</p> <ol style="list-style-type: none"> 1. The briefing was done by the management for the deduction for electricity on 15/10/2018. The consent Letter from workers was sighted.
Assessment Conclusion	<p>Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on-site verification and supported with sufficient documented evidence. Continuous implementation will be further verified in the assessment.</p>

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Non-Conformity			
NCR Ref #	1691857-201809-M4	Clause & Category (Major/Minor)	Indicator 4.6.5 Major
Date Issued	12/10/2018	Due Date	09/01/2019
Closed (Yes/No)	Yes	Date of nonconformity closure	04/01/2019
Statement of Nonconformity	The appropriate safety and application equipment was not adequately worn.		
Requirement Reference	Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Operational Control Procedure: Personal Protective Equipment – SD/SDP/PSQM (ESH)/201-OS16 issued on 26/2/2015 (safety google - Personal Protective Equipment for sprayers).		
Objective Evidence	During site visit and interview with sprayers in Lanadron Estate and Pagoh Estate found that the sprayers were not wear safety goggle. Lanadron Estate:- 1. ID No: 113371 2. ID No: 114893 3. ID No: 114888 4. ID No: 110284 Pagoh Estate:- 1. ID No: 112714 2. ID No: 135662 3. ID No: 135667 4. ID No: 135658		
Corrections	Pagoh and Lanadron Estate: Training on PPE usage was done to all sprayers. All sprayers are ensured to have receive proper PPE.		
Root Cause Analysis	The safety goggle will be misty and disrupt the sprayers work		
Corrective Action	Pagoh & Lanadron Estate: The goggle will be replaced with safety glasses that do not easily fog. Major NC close out verification: Lanadron Estate and Pagoh Estate: 1. Site visit to spraying area (P14A) at Lanadron Estate found that all the sprayers wear safety goggles during spraying activity. Interviewed with them, they aware on the importance of Safety Goggle. 2. PPE issuance record was sighted (last issuance on 12/10/2018). All the sprayers were received the PPE (goggle) after the training conducted.(Lanadron Estate) 3. PPE issuance record was sighted (last issuance on 12/11/2018) (Pagoh Estate). 4. Training for PPE was conducted on 10/10/2018 by Assistant Manager (Lanadron Estate) 5. Training for PPE was conducted on 10/11/2018 by Assistant Manager (Pagoh Estate)		
Assessment Conclusion	Corrective action is found to be effective, thus the major NC was closed on 04/01/19 based on-site verification and supported with sufficient documented evidence. Continuous implementation will be further verified in the assessment.		

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Non-Conformity			
NCR Ref #	1691857-201809-N1	Clause & Category (Major/Minor)	Indicator 4.8.2 Minor
Date Issued	12/10/2018	Due Date	Next annual surveillance assessment
Closed (Yes/No)	No	Date of nonconformity closure	N/A
Statement of Nonconformity	The training records was not properly maintained.		
Requirement Reference	Records of training for each employee shall be maintained.		
Objective Evidence	Pengkalan Bukit: The training record for harvesting activity, scheduled waste handling, workshop activity were not available during onsite audit.		
Corrections	To make available the training record with attendance, pictorial evidence		
Root Cause Analysis	Improper file keeping for training records		
Corrective Action	Assistant Manager , the PIC for sustainable certification to updates on training conducted in estate		
Assessment Conclusion	The CAP was accepted, however the effectiveness of the corrective action will be verified during next assessment.		

Non-Conformity			
NCR Ref #	1691857-201809-N2	Clause & Category (Major/Minor)	Indicator 2.2.2 Minor
Date Issued	12/10/2018	Due Date	Next annual surveillance assessment
Closed (Yes/No)	No	Date of nonconformity closure	N/A
Statement of Nonconformity	The legal boundaries at Pagoh Estate was not properly maintained.		
Requirement Reference	Legal boundaries shall be clearly demarcated and visibly maintained.		
Objective Evidence	Pagoh Estate The boundary P94B block 7 with PLKN Nasuha was not clearly demarcated		
Corrections	Estate has communicated with Land Management Department (LMD) (Internal) for assistance.		
Root Cause Analysis	Pegging/markings is not properly done at boundary		
Corrective Action	Representative from LMD will be engaging with Pagoh Estate for boundary marking on 23 /10/2018.		
Assessment Conclusion	The CAP was accepted, however the effectiveness of the corrective action will be verified during next assessment.		

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Non-Conformity			
NCR Ref #	1691857-201809-N3	Clause & Category (Major/Minor)	Indicator 4.1.2 Minor
Date Issued	12/10/2018	Due Date	Next annual surveillance assessment
Closed (Yes/No)	No	Date of nonconformity closure	N/A
Statement of Nonconformity	<p>a. No mechanism to check consistent implementation of a contractual obligation with a contractor was demonstrated.</p> <p>b. No mechanism to check consistent implementation of SOP on Water Quality Monitoring has been demonstrated.</p> <p>c. Workers' verbal complaints on electrical meter reading have not been recorded in accordance with "Handling Social Issues" SOP dated 01 Nov 2008.</p>		
Requirement Reference	A mechanism to check consistent implementation of procedures shall be in place.		
Objective Evidence	<p>a. Clause 9 of the contract dated 1 March 2018 entered into between Lanardon Estate and SM Angkut for backhoe rental states that "None of the parties hereto may assign its rights and obligations in whole or in part without the prior written consent of the other parties hereto". SM Angkut assigned a third party to supply the backhoe and driver. No written consent from Lanadron Estate was obtained for this assignment.</p> <p>b. The Sustainable Plantation Management System Appendix 7 Standard Operating Procedure for Water Quality Monitoring issued on 1 June 2016 requires monitoring to be done on a monthly basis. There is no evidence of water quality sampling analysis being done at Pengkalan Bukit Estate in 2018.</p> <p>c. No mechanism to check consistent implementation of SOP on Handling Social Issues have been demonstrated at Pagoh Estate.</p>		
Corrections	<p>Lanadron estate: SM Angkut had requested to appoint driver and rented backhoe. Estate management had approved the dedicated driver.</p> <p>Pengkalan Bukit estate: The sampling of treated water was sent to R&D on 17th October 2018 for analysis.</p> <p>Pagoh estate: All complaint to be made through complaint form and documented.</p>		
Root Cause Analysis	<p>Lanadron Estate: Appointment of third party driver by SM Angkut due to shortage of driver and not informing estate management</p> <p>Pengkalan Bukit Estate: No monitoring on the frequency of water sampled for analysis</p> <p>Pagoh Estate: The complaint was not channel to dedicated person in charge</p>		
Corrective Action	<p>Lanadron Estate: Appointment of third party to be briefed during kick off meeting</p> <p>Pengkalan Bukit Estate: Dedicated person (Medical Assistant) will ensure sampling according to the Appendix 7 of SPMS.</p>		

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	Pagoh Estate: All complaint recorded in complaint form
Assessment Conclusion	The CAP was accepted, however the effectiveness of the corrective action will be verified during next assessment.

Non-Conformity			
NCR Ref #	1691857-201809-N4	Clause & Category (Major/Minor)	Indicator 4.1.3 Minor
Date Issued	12/10/2018	Due Date	Next annual surveillance assessment
Closed (Yes/No)	No	Date of nonconformity closure	N/A
Statement of Nonconformity	No action has been taken based on records of monitoring.		
Requirement Reference	Records of monitoring and any actions taken shall be maintained and available, as appropriate.		
Objective Evidence	Recurring issues of stray dogs and poultry rearing have been raised in weekly linesite inspection reports of Pengakalan Bukit Estate (Pagoh Division and Main Division) from 11 January 2018 until 4 October 2018 (for Main Division) and 6 October 2018 (for Pagoh Division). However, there is no evidence of any appropriate actions being taken.		
Corrections	Estate management will liaise with Majlis Perbandaran Daerah Muar to resolve the issue. Briefing during muster on no rearing poultry at residential area will be carried out.		
Root Cause Analysis	1) There is no mechanism to check and develop and action plan against issues raised in the linesite inspection report. 2) No enforcement been taken on "Rearing Poultry" at resident		
Corrective Action	The implementation of action plan to be discussed in management meeting. Warning letter to be issued to workers if any disobey of instruction regarding rearing poultry at residential area		
Assessment Conclusion	The CAP was accepted, however the effectiveness of the corrective action will be verified during next assessment.		

Non-Conformity			
NCR Ref #	1691857-201809-N5	Clause & Category (Major/Minor)	Indicator 6.5.4 Minor
Date Issued	12/10/2018	Due Date	Next annual surveillance assessment
Closed (Yes/No)	No	Date of nonconformity closure	N/A
Statement of Nonconformity	Company's monitoring of workers' access to affordable food has not been demonstrated.		
Requirement Reference	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.		
Objective Evidence	No price list exhibited at the food canteen near Pagoh Estate linesite.		

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Corrections	The price list displayed
Root Cause Analysis	The price list was removed for maintenance work (repainting)
Corrective Action	To ensure that the price list is being updated and displayed at all times.
Assessment Conclusion	The CAP was accepted, however the effectiveness of the corrective action will be verified during next assessment.

Opportunity for Improvements	
OFI #	Description
Nil	

Positive Findings	
PF #	Description
PF 1	N/A

3.4.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity			
NCR Ref #	1536431-201710-M1	Clause & Category (Major / Minor)	4.6.6 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	04/12/17
Statement of Nonconformity:	Pesticide containers were not properly disposed of and used for other purposes		
Requirement Reference:	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).		
Objective Evidence:	Observed at Pengkalan Bukit Estate; i)Used chemical container was found at the back of workers linesite no. B107 ii)Used chemical container was at linesite no. C105 and used as supporting bed structure.		
Corrective Actions:	<p>Root cause: Poor awareness of workers despite estate having control mechanism of SW management.</p> <p>Correction: 1. To clear the SW items inside workers' houses. 2.Store the collected SW in the SW store complete with labelling.</p> <p>Corrective Action: 1. Warning letter to be issued to the workers 2. Refresher and awareness training on SW to the workers.</p> <p>Major NC close out verification:</p>		

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	<p>i) Site verification at house # C105 and B107. No empty pesticides container observed at the line site.</p> <p>ii) Interview with randomly selected workers found that they aware on the instruction given by the management</p> <p>iii) Document verification - schedule waste training records dated 9/11/17, letter to respective workers on prohibition of empty chemical container re-use.</p> <p>Corrective action taken has been effectively implemented, thus the major NC was closed on 4/12/17. Continuous implementation will be further verified in the next assessment.</p>
Assessment Conclusion:	<p>Verification during recertification audit: During Recertification Audit, the operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.</p> <p>Therefore, NCR No 1536431-201710-M1 raised in the previous surveillance audit was effectively closed.</p>

Non-Conformity			
NCR Ref #	1536431-201710-M2	Clause & Category (Major / Minor)	D.4.2 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	04/12/17
Statement of Nonconformity:	CB has not been informed immediately on the projected overproduction of certified tonnage.		
Requirement Reference:	RSPO SCC Standard Nov 2014, D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage		
Objective Evidence:	Overproduction of certified tonnage recorded for the period of October 2016 – June 2017; 122,013 mt which exceeded the projected certified tonnage of 119,618 mt		
Corrective Actions:	<p>Root cause: Misinterpretation of the standard hence wrong format of monitoring. No issue previously hence wrong monitoring format was not noticed.</p> <p>Correction: 1.Update SCCS monitoring table 2.Request for extension of volume</p> <p>Corrective Action: Revised monitoring template</p> <p>Major NC close out verification: i) Extension of volume approved on 31/10/17 and extended until January 2018. ii) SCCS monitoring - updated checklist as at November 2017. iii) Interviewed the person in charge during on site closure verification. A new revised monitoring table is being used and able to trigger if there is any over production occurred in the future</p>		

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	Corrective action taken has been effectively implemented, thus the major NC is closed on 4/12/17. Continuous implementation will be further verified in the next assessment
Assessment Conclusion:	<p>Verification during recertification audit:</p> <p>There was a projected overproduction of certified tonnage i.e. a total of 26,510 mt of CSPO and 5,273 mt of CSPK. The certification unit has informed the CB and the necessary volume extension was made in the PalmTrace thereafter.</p> <p>Therefore, NCR No 1536431-201710-M2 raised in the previous surveillance audit was effectively closed.</p>

Non-Conformity			
NCR Ref #	1536431-201710-M3	Clause & Category (Major / Minor)	6.5.3 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	04/12/17
Statement of Nonconformity:	Adequate housing, water supplies, medical, educational and welfare amenities to national standards was not effectively demonstrated.		
Requirement Reference:	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.		
Objective Evidence:	<p>Evidence of Nonconformity</p> <p>Pengkalan Bukit Estate:</p> <p>i) In Division C, there were chemical containers found used as the bed structure supports at house no C-105 and in Division B, 1 chemical container placed at the house backyard at house no B-107. Apart from that, it was observed that some workers used the fertilizer bags as the window's shade and act as mosquito net at house no C-105 in Division C.</p> <p>ii) It was observed that House C-105, Division C are having the water tank to support the water source during water shortage. It was sighted that the water tank at was left open and having the larvae although it was mentioned to be used as the toilet usage.</p> <p>Pagoh Estate:</p> <p>i) As per HR guideline on ratio for worker per room stated in 'Pemberian Peralatan Penuaian/Keselamatan Mulai 01.06.10-Kemudahan Asas di dalam rumah', the ratio for 1 room is 2 workers, however, when visiting at house no 83 occupied by Indian workers, there were 1 house occupied with 8 workers (2 rooms) and both 2 rooms occupied with 3 workers and 1 worker is having no room where he sleep at living room, near the kitchen utensils.</p>		
Corrective Actions:	<p>Root cause:</p> <ol style="list-style-type: none"> 1. Linesite inspection was never done inside the workers' houses 2. Poor awareness of workers on SW items and prohibition to reuse and bring back back to house <p>Correction:</p> <ol style="list-style-type: none"> 1.To clear the SW items inside workers' houses, store and label in SW store. 		

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	<p>2.To clear larvae in tanks, cover tanks (Gotong Royong)</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. Warning letter to workers bringing SW items home 2. Refresher training and awareness on SW to workers 3. Meeting with union/ workers reps (if necessary) to conduct collective inspection/ spot checks at a specified intervals. <p>Major NC close out verification:</p> <p>Pengkalan Bukit Estate</p> <ol style="list-style-type: none"> i) Site verification at house # C105 and B107 . No empty pesticides container observed at the line site. No more fertilizer bags used as window shade. No open tank fill with water observed on site. As as prevention, fogging programme has been scheduled in December 2017 ii) Interview with workers at the respective house found that they aware on the empty chemical container disposal and recycling programme. iii) Document verification - schedule waste training records dated 9/11/17, letter to respective workers on prohibition of empty chemical container reuse and house/line site inspection. <p>Pagoh Estate</p> <ol style="list-style-type: none"> i) Site verification at house# 83 , 5 and 6. Maximum 4 person per dwelling at respective house. Refer to house census updated December 2017. <p>Corrective action taken has been effectively implemented, thus the major NC is closed on 4/12/17. Continuous implementation will be further verified in the next assessment</p>
Assessment Conclusion:	<p>Verification during recertification audit:</p> <p>During this Re-certification Audit, field visits were made to the linesites at Lanadron Estate, Pagoh Estate/Mill, Pengakalan Bukit Estate, and Welch Estate. It was verified during this audit that no chemical containers were used as bed structure, of placed in the backyard at all the linesites visited. None of the water tanks used to store water contained any mosquito larvae. Each worker’s house at the linesite has three rooms, and it was verified that maximum occupant is 6 workers; with 2 workers to each room.</p> <p>Therefore, NCR No 1536431-201710-M3 raised in the previous surveillance audit was effectively closed.</p>

Non-Conformity			
NCR Ref #	1536431-201710-N1	Clause & Category (Major / Minor)	Indicator 4.7.5 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	08/10/2018
Statement of Nonconformity:	The first aid equipment was not effectively inspected and monitored.		
Requirement Reference:	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid		

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	should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed
Objective Evidence:	<p>Pagoh POM First aid box content was insufficient (Ramp, Workshop and Laboratory). Safety pin was not available in the Ramp. Eye lotion was not available in the workshop.</p> <p>Pengkalan Bukit Estate First aid box was insufficient. Only 1 first aid box available at the workshop which has insufficient content.</p> <p>Pagoh Estate First aid box content at the workshop and chemical store eq. Antiseptic cream did not have expiry date.</p>
Corrective Actions:	<ol style="list-style-type: none"> 1. Refill the First Aid boxes as per the list 2. First Aid Kit monitoring records 3. First Aid Kit Monitoring Records (monthly inspection by HA)
Assessment Conclusion:	<p>Verification during recertification audit: During Recertification Audit, noted that:</p> <ol style="list-style-type: none"> 1. Training for First Aid is conducted once in two years. The training was conducted on 24-25/7/2018 at Merlimau Training Centre. 2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. <p>Therefore, NCR No 1536431-201710-N1 raised in the previous surveillance audit was closed on 08/10/2018.</p>

Opportunity for Improvement	
OFI#	Description
OFI 1	Nil

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1536431-201710-N1	Minor	4.7.5	06/10/2017	Closed out on 08/10/2018
1691857-201809-M1	Major	4.7.2	12/10/2018	Closed out on 04/01/2019
1691857-201809-M2	Major	2.1.1	12/10/2018	Closed out on 04/01/2019
1691857-201809-M3	Major	6.5.2	12/10/2018	Closed out on 04/01/2019
1691857-201809-M4	Major	4.6.5	12/10/2018	Closed out on 04/01/2019
1691857-201809-N1	Minor	4.8.2	12/10/2018	"Open"
1691857-201809-N2	Minor	2.2.2	12/10/2018	"Open"
1691857-201809-N3	Minor	4.1.2	12/10/2018	"Open"
1691857-201809-N4	Minor	4.1.3	12/10/2018	"Open"
1691857-201809-N5	Minor	6.5.4	12/10/2018	"Open"

3.5. Stakeholders Consultation

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

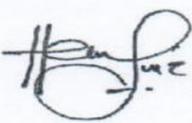
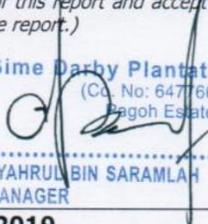
Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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

List of Stakeholders Contacted	
<p>Internal Stakeholders</p> <p>Gender Committee Mill Operators Sprayer Harvester</p>	<p>Union/Contractors/Local Communities</p> <p>Contractor Representative from Kg Hujung Tambak</p>
<p>Government Departments</p> <p>Police, Muar School Representative</p>	<p>NGO</p> <p>No complaint by NGO for Pagoh CU. Stakeholder Consultation Invitation was submit on 06/10/2018</p>

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IS #	Description
1.	<p>Feedbacks: Villager representative from Kg Hujung Tambak near Lanadron Estate invites estate management to join local communities in their mosque activities so they can know each other better.</p> <p>Management Responses: Suggestion by the village representative was well-received and will be carried out.</p> <p>Audit Team Findings: No further issue</p>

Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Pagoh Palm Oil Mill has complied with the RSPO P&C MYNI 2014, RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Pagoh Palm Oil Mill is approved and continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
<p>Name: Mohd Hafiz Mat Hussain</p>	<p>Name: Syahrul Bin Saramlah</p>
<p>Company Name: BSI Services Malaysia Sdn Bhd</p>	<p>Company Name: Sime Darby Plantation Berhad - Pagoh Estate</p>
<p>Title: Lead Auditor</p>	<p>Title: Manager</p>
<p>Signature:</p> 	<p>Signature:</p> <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p>  <p style="text-align: center;">Sime Darby Plantation Berhad (Co. No: 647766-V) Pagoh Estate</p> <p style="text-align: center;">..... SYAHRUL BIN SARAMLAH MANAGER</p>
<p>Date: 14/01/2019</p>	<p>Date: 16/01/2019</p>

Appendix : Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Commitment to Transparency		
Criterion 1.1:	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	

<p>1.1.1</p>	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -</p>	<p>It was verified during the audit that information provided to stakeholders on environmental, social and legal covering issues relevant to RSPO Criteria issues are adequate. These include:</p> <ul style="list-style-type: none"> - The Mill’s response to the Department of Environment’s (DOE) Notice under Sections 31 & 37 Environmental Quality Act 1974 dated 30 Aug 2018 (ASJ AS(B) 31/152/000/090 on the implementation of the iREMOTE system. The Mill responded on 24 September 2018 informing that the Mill has registered the iREMOTE with the DOE and has updated details on location, address, etc. The Mill also informed that it has applied for approval from Sime Darby HQ for the new iREMOTE system and expects approval to be obtained within one month of the date of the letter. - Welch Estate’s monthly statements to the Malaysian Palm Oil Board (MPOB) on total FFB output, age and hectarage profiles of the estate. The statements sighted were for the months of May (submitted on 4 June 2018), June (submitted on 4 July 2018), and July (submitted on 3 Aug 2018). - Pagoh Palm Oil Mill also responded on 15 August 2018 to the MPOB on the workers details for the Mill for the period of June 2018. <p>Publicly available documents such as land title, OSH plan, HGV documents, negotiation procedure, complaint records, RSPO public summary reports, EIA, Management Plans & Continuous Improvement Plans and company policies are available. The updated information is provided by the Mill and Estate management of each operating unit responsible in providing & updating the information to relevant stakeholders.</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	The requests and responses are all filed and maintained. Stakeholders wrote in formal letters whenever there are any requests for information or assistant needed from the Estates and Mill. Among those sighted were letters from the DOE dated 30 August 2018 on the registration of iREMOTE and the Estate's response on 24 September 2018.	Complied
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

Criterion / Indicator	Assessment Findings	Compliance	
<p>1.2.1</p>	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>Sime Darby has continued to make available to the public, management documents except where it is prevented due to commercial confidentiality, or where the disclosure would result in negative environmental or social outcomes. These documents can be found on the company’s website http://www.simedarbyplantation.com/. They include Sustainability Reports, sustainability policies, Human Rights Charter, practices and key initiatives which include Lean Six Sigma and Continuous Improvement, Safety and Health, Environment, Biodiversity Conservation, Environmental Conservation, etc.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. Among the documents that were made available for viewing were land titles, occupational health and safety plans, EIA reports, SIA reports, details of complaints and grievances, negotiation procedures, continuous improvement plans, and human rights policy.</p> <p>In addition to the website, the Company’s policies are also being displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	<p>Complied</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>1.3.1</p> <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>The SOU 19 Pagoh is bound by the Sime Darby Plantations Sdn Bhd's Code of Business Conduct (COBC). It contains, among others, the following aspects of business conduct:</p> <ul style="list-style-type: none"> - Equal opportunity and non-discrimination - Criminal activities - Harassment and violence - Avoiding conflicts of interests - Guarding against bribery and corruption - Anti money laundering and anti-terrorism financing - How to report a violation <p>Trainings on the COBC for Lanardon Estate were conducted for workers and staff on 21, 22 and 24 September 2018. Training on COBC was also held at Lanardon Estate on 14 September 2018 for five newly arrived workers from Indonesia, and on 20 Sept 2018 for five newly arrived workers from India.</p> <p>For Welch Estate, the training on COBC and Whistleblowing was conducted on 7 March 2018 for field workers during muster. These included field workers and a driver.</p> <p>For the Mill POM, COBC trainings were conducted for 9 newly recruited workers on 20 September 2018, as well as on 26 September 2018 to 57 mill employees.</p> <p>For Pengkalan Bukit Estate, COBC trainings were conducted on 3 September 2018 and it was attended by 145 workers.</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

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<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU19 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU19 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p>Pagoh POM</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Inclined steriliser (JH PMT 20182, valid until 25/6/19), Electric chain hoist (JH PMA 12649 valid until 26/3/19), Boiler (JH PMD 1426 valid until 25/6/19). 6 machineries were exempted from certificate of fitness based on P.U(A) 261/2017 (PMT 20170, PMT 20171, PMT 20175, PMT 20183, PMT 23439, PMT 23440) 2. MPOB license: 565809104000 (validity until 31/10/2019) 3. DOE License: 002366 (validity until 30/6/2019) 4. Energy commission license: 006462/2018 dated 22/7/2018 (validity 1 year) 5. CePSWaM cert no: CePSWaM/181907 valid until 11/9/2018 6. CePPOME cert no: CePPOME/184065 valid until 18/4/2019 7. AGT cert no: NW-HQ-AGT-R-0318-P valid until 18/4/2019 8. Engine driver: J66/99 and JH/13/EIS/01/1 Grade 1 9. Steam Engineer: 067/2010, Grade 1 <p>Lanadron Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: MK PMT 1881 (valid till 27/2/2019). 2. MPOB license: 522273002000 (validity until 31/7/2019) 3. Diesel permit: J034484 (validity period 5/7/18 – 4/7/19) 4. Diesel permit: J034483 (validity period 5/7/18 – 4/7/19) <p>Welch Estate:</p>	<p>Major nonconformance</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: JH PMT 22626 (valid till 22/8/19). DOSH inspection was done on 5/10/18, however the certificate is in progress. 2. MPOB license: 522499002000 (validity until 31/7/2019) 3. Diesel permit: J031379 (validity period 1/8/18 – 31/7/19) <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: MK PMT 1884 (valid till 24/4/19). 2. MPOB license: 518941002000 (validity until 28/2/2019) 3. Diesel permit: J034492 (validity period 9/7/18 – 8/7/19) 4. Diesel permit: J034493 (validity period 9/7/18 – 8/7/19) <p>Pagoh Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: MK PMT 722 (valid till 11/12/19). 2. MPOB license: 508589902000 (validity until 28/2/2019) 3. MPOB license: 597369011000 (validity until 30/4/2019)- nursery 4. Diesel permit: J034502 (validity period 15/7/18 – 14/7/19) 	

		<p>SOU19 had documented the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment.</p> <p>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Lanadron Estate – Latest review was done on 3/10/2018. Welch Estate – Latest review was done on 16/5/2018. Pagoh POM – Latest review was done on 10/7/2018. Pengkalan Bukit Estate – Latest review was done on 14/2/2018. Pagoh Estate – Latest review was done on 18/9/2018.</p> <p>There is a failure to comply with the requirements of the following legal requirements:</p> <p>a. Section 34(1) Employment Act 1955 It was discovered during the audit that a female employee at the Pagoh Palm Oil Mill worked after 10.00PM without the written exemption obtained under Section 34 (1) Employment Act 1955 for female employees to work between 10:00PM to 5:00AM. Based on punch cards sighted, there is evidence that a female employee at the Pagoh Palm Oil Mill worked as follows:</p> <p>- 9 Aug 2018 until 11PM</p>	
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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - 11 Aug 2018 until 11PM - 15 Aug 2018 until 11PM - 20 Aug 2018 until 10.31PM - 25 Aug 2018 until 11PM - 11 July 2018 until 11:01PM <p>b. Section 19 (3) Workers’ Minimum Standards of Housing and Amenities Act 1990.</p> <p>It was found that no registered medical practitioner has visited the clinic at Lanadron Estate from March 2018 until the date of this audit.</p> <p>Therefore, a Major Non-Compliance was raised.</p>	

<p>2.1.2</p>	<p>A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p>	<p>SOU19 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU19 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p>Pagoh Mill</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Inclined sterilser (JH PMT 20182, valid until 25/6/19), Electric chain hoist (JH PMA 12649 valid until 26/3/19), Boiler (JH PMD 1426 valid until 25/6/19). 6 machineries were exempted from certificate of fitness based on P.U(A) 261/2017 (PMT 20170, PMT 20171, PMT 20175, PMT 20183, PMT 23439, PMT 23440) 2. MPOB license: 565809104000 (validity until 31/10/2019) 3. DOE License: 002366 (validity until 30/6/2019) 4. Energy commission license: 006462/2018 dated 22/7/2018 (validity 1 year) 5. CePSWaM cert no: CePSWaM/181907 valid until 11/9/2018 6. CePPOME cert no: CePPOME/184065 valid until 18/4/2019 7. AGT cert no: NW-HQ-AGT-R-0318-P valid until 18/4/2019 8. Engine driver: J66/99 and JH/13/EIS/01/1 Grade 1 9. Steam Engineer: 067/2010, Grade 1 <p>Lanadron Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: MK PMT 1881 (valid till 27/2/2019). 2. MPOB license: 522273002000 (validity until 31/7/2019) 3. Diesel permit: J034484 (validity period 5/7/18 – 4/7/19) 4. Diesel permit: J034483 (validity period 5/7/18 – 4/7/19) <p>Welch Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: JH PMT 22626 (valid till 	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>22/8/19). DOSH inspection was done on 5/10/18, however the certificate is in progress.</p> <ol style="list-style-type: none"> 2. MPOB license: 522499002000 (validity until 31/7/2019) 3. Diesel permit: J031379 (validity period 1/8/18 – 31/7/19) <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: MK PMT 1884 (valid till 24/4/19). 2. MPOB license: 518941002000 (validity until 28/2/2019) 3. Diesel permit: J034492 (validity period 9/7/18 – 8/7/19) 4. Diesel permit: J034493 (validity period 9/7/18 – 8/7/19) <p>Pagoh Estate:</p> <ol style="list-style-type: none"> 1. Certificate of Fitness for Air Receiver: MK PMT 722 (valid till 11/12/19). 2. MPOB license: 508589902000 (validity until 28/2/2019) 3. MPOB license: 597369011000 (validity until 30/4/2019)- nursery 4. Diesel permit: J034502 (validity period 15/7/18 – 14/7/19) 	

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.</p> <p>Lanadron Estate – Latest review was done on 3/10/2018. Welch Estate – Latest review was done on 16/5/2018 Pagoh POM – Latest review was done on 10/7/2018. Pengkalan Bukit Estate – Latest review was done on 14/2/2018 Pagoh Estate – Latest review was done on 18/9/2018.</p>	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	<p>Tracking system to identify changes in the relevant regulations is available through the head office, website information and is communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operation. Tracking system on any changes in the law had been well implemented.</p>	Complied
<p>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			

<p>2.2.1</p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -</p>	<p>Pagoh Palm Oil Mill and Estate operation is on freehold and leasehold land. Land titles and copy of land titles are available during the audit.</p> <p>Mill land ownership is under Pagoh Estate, within the plot title # 93881, Lot 2159.</p> <p>Lanadron Estate hold 13 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ol style="list-style-type: none"> 1. Land Title: HS(D) 3825, Lot No: PTD7517 2. Land Title: HS(D) 3834, Lot No: PTD7518 3. Land Title: HS(D) 3841, Lot No: PTD7259 4. Land Title: HS9d) 3813, Lot No: PTD11994 <p>There was 205.76 Ha (Lanadron Estate) that was leased from Sime Darby Pagoh Development Sdn Bhd. The tenancy agreement between Sime Darby Development Sdn Bhd and Sime Darby Plantation Berhad dated 1/11/2017 was sighted.</p> <p>Welch Estate hold 6 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ol style="list-style-type: none"> 1. Land Title: 121096, Lot No: Lot 2175 2. Land Title: 82893, Lot No: Lot 439 3. Land Title: 82895, Lot No: Lot 440 4. Land Title: 92574, Lot No: Lot 971 5. Land Title: 84599, Lot No: Lot 2426 6. Land Title: 43812, Lot No: Lot 5068 <p>Pengkalan Bukit Estate hold 29 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ol style="list-style-type: none"> 1. Land Title: 82108, Lot No: Lot 3164 2. Land Title: 82106, Lot No: Lot 3166 3. Land Title: 82111, Lot No: Lot 3174 	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>4. Land Title: 486793, Lot No: Lot 6356</p> <p>Pagoh Estate hold 30 land titles. Quit rent were paid accordingly. Sighted the land title as follow:</p> <ol style="list-style-type: none"> 1. Land Title: 93881, Lot No: Lot 2159 2. Land Title: 120476, Lot No: Lot 1936 3. Land Title: 81853, Lot No: Lot 696 	
<p>2.2.2</p> <p>Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -</p>	<p>Legal boundary at Lanadron Estate was sighted during site visit. The management was peg the boundary accordingly between Lanadron estate and smallholder (102° 44' 25.1", 2° 11' 33.9" N), between Welch Estate and Kg Bukit Keledang (102° 65.293' E, 2° 46.090' N).</p> <p>At Pagoh Estate, the boundary P94B block 7 with PLKN Nasuha was not clearly demarcated.</p> <p>Thus, minor NC was raised.</p>	<p>Minor nonconformity</p>
<p>2.2.3</p> <p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -</p>	<p>Based on documentation review and as confirmed by local community stakeholders during interviews conducted during this audit, there is no evidence of any land dispute involving SOU 19 Pagoh as of the date of this recertification audit.</p> <p>In the event of any land dispute, SOU 19 Pagoh is guided by the Sustainable Plantation Management System, Appendix 3, Flowchart & Procedures on Handling Land Disputes Version 1, Year 2008 Issue 1 dated on 01.11.08.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	Based on documentation review and as confirmed by local community stakeholders during interviews conducted during this audit, there is no evidence of any land dispute involving SOU 19 Pagoh as of the date of this recertification audit. In the event of any land dispute, SOU 19 Pagoh is guided by the Sustainable Plantation Management System, Appendix 3, Flowchart & Procedures on Handling Land Disputes Version 1, Year 2008 Issue 1 dated on 01.11.08.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	Based on documentation review and as confirmed by local community stakeholders during interviews conducted during this audit, there is no evidence of any land dispute involving SOU 19 Pagoh as of the date of this recertification audit. In the event of any land dispute, SOU 19 Pagoh is guided by the Sustainable Plantation Management System, Appendix 3, Flowchart & Procedures on Handling Land Disputes Version 1, Year 2008 Issue 1 dated on 01.11.08.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Based on documentation review and as confirmed by local community stakeholders during interviews conducted during this audit, there is no evidence of any land dispute involving SOU 19 Pagoh as of the date of this recertification audit. In the event of any land dispute, SOU 19 Pagoh is guided by the Sustainable Plantation Management System, Appendix 3, Flowchart & Procedures on Handling Land Disputes Version 1, Year 2008 Issue 1 dated on 01.11.08.	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			

Criterion / Indicator	Assessment Findings	Compliance
2.3.1	<p>Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	Complied
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	Complied
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>-Minor compliance</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Based on documentation review and as confirmed by local community stakeholders during the audit, there is no evidence of any land dispute involving SOU 19 Pagoh as of the date of this recertification audit. The estate lands are legally owned and leased by the company and are not encumbered by any legal, customary or used rights.	Complied
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1:			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, OPEX, CAPEX etc. Flemington Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. No CAPEX allocation for mill for Financial Year 18/19. Estates: New vehicle/machinery i.e tractors and Mechanical Buffalo, upgrading workers and executive housing and security equipment.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>3.1.2</p> <p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance -</p>	<p>SOU19 estates have long range replanting program. Replanting is planned for tall palm and older than 25 years old as well as Ganoderma infected palms.</p> <p>Replanting programme for the next financial year as follow:</p> <p>Lanadron Estate 2019: 123.92 ha for field 1995N2 and 1996N 2020: 113.00 ha for field 2000N</p> <p>Welch Estate For FY 2018/19 onwards, all replanting will be Oil Palm to Rubber.</p> <p>Pengkalan Bukit Estate 2019: 244.66 ha for field 1995A, 1998A, 1998B, 2001C, 2002D, 2003A, 2003B</p> <p>Pagoh Estate 2019: 142.08 ha for field 1992A, 1993, 1993A 2020: 90.07 ha for field 1995</p> <p>The replanting programme changes is subjected yearly review by the committee.</p>	<p>Complied</p>
<p>Principle 4: Use of appropriate best practices by growers and millers</p>		
<p>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</p>		

Criterion / Indicator	Assessment Findings	Compliance	
4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills are documented</p> <p>- Major compliance -</p>	<p>SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.</p> <p>Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc. Noted updated procedure under SOP for water analysis and RSPO SCCS procedure:</p> <ul style="list-style-type: none"> i) SPMS, Appendix 7: SOP for water quality monitoring, issue: 2 dated 1/6/16. SOP for sampling guideline ii) Water and Wastewater Sampling Guideline, issue: 1 dated 1/6/16. - iii) RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15, version: 2, issue: 2 dated October 2016. 	<p>Complied</p>

<p>4.1.2</p>	<p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Plantation Advisory Department, Performance Monitoring Unit, Quality Management Unit (PSQM) inspect and report to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements.</p> <p>However:-</p> <p>a. No mechanism to check consistent implementation of a contractual obligation with a contractor was demonstrated.</p> <p>Clause 9 of the contract dated 1 March 2018 entered into between Lanardon Estate and SM Angkut for backhoe rental states that "None of the parties hereto may assign its rights and obligations in whole or in part without the prior written consent of the other parties hereto". SM Angkut assigned a third party to supply the backhoe and driver. No written consent from Lanadron Estate was obtained for this assignment.</p> <p>b. No mechanism to check consistent implementation of SOP on Water Quality Monitoring has been demonstrated.</p> <p>The Sustainable Plantation Management System Appendix 7 Standard Operating Procedure for Water Quality Monitoring issued on 1 June 2016 requires monitoring to be done on a monthly basis. There is no evidence of water quality sampling analysis being done at Pengkalan Bukit Estate in 2018.</p> <p>c. Workers' verbal complaints on electrical meter reading have not been recorded in accordance with "Handling Social Issues" SOP dated 01 Nov 2008.</p> <p>No mechanism to check consistent implementation of SOP on Handling Social Issues have been demonstrated at Pagoh Estate.</p>	<p>Minor nonconformance</p>
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Criterion / Indicator	Assessment Findings	Compliance
	Thus, minor NC was raised.	

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<p>4.1.3</p>	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>Sime Darby has established a system to monitor the mill and estate operation. The Structured Oil Recovery Assessment (SORA) (for Mill) / Structured Crop Recovery Assessment (SCRA) (for estates) and Planning and Monitoring Unit visited the operating units quarterly. Their reports covers on all aspect of operation. In addition, visit by agronomist was made yearly. The report focusing on rainfall, yield [performing and under-performing], palm nutrition status, field observation agronomic matters and fertilizer recommendation has been included in the report. All the reports of monitoring were available at estate and mill office for references.</p> <p>Pagoh POM Structured Oil Recovery Assessment (SORA) latest visit to Pagoh POM was conducted on 13-16/8/2018. The report covering on process control/safety, process losses, product quality, housekeeping/upkeep/environment and security. No major issue issued from the visit.</p> <p>Sighted the Mill Advisor visit report dated 4-6/9/2018. Refer report no SOU19/PM/01/2018. The report covers on Plant and Machineries, Upkeep and Cleanliness, OER and KER, crop processed, operational cost, CPO quality, compliancy and food factory standard. All issue raised during the visit has been addressed by the management.</p> <p>Lanadron Estate Visit from Planning and Monitoring Units (PMU) reports were made available during the visit. The visit was conducted in quarterly basis. Visit from for FY 2018/19 Performance Monitoring Units was conducted in March, July and September 2018. The report covered on Oil Palm mature and immature upkeep, fertiliser application and estate cost of operation. No major issue was raised during the audit.</p>	<p>Minor nonconformance</p>
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		<p>Structured Crop Recovery Assessment (SCRA) latest visit on the estate was on 15/8/2018. The report was available at the estate for review. The report covers on crop recovery and crop quality.</p> <p>The latest visit by Plantation advisor was conducted on 17 -18/5/2018. The report covers on Manpower, Crop recovery, Fertiliser application, Pest and disease, Water management and Immature Plantings. No major issue raised during the visit.</p> <p>Pengkalan Bukit Estate</p> <p>Visit from Planning and Monitoring Units (PMU) reports were made available during the visit. The visit was conducted in quarterly basis. Visit from for FY 2018/19 Performance Monitoring Units was conducted in March, June and September 2018. The report covered on Oil Palm mature and immature upkeep, fertiliser application and estate cost of operation. No major issue was raised during the audit.</p> <p>The latest visit by Plantation advisor was conducted on 14 -16/4/2018. The report covers on Manpower, Crop recovery, Fertiliser application, Pest and disease, Water management and Immature Plantings. No major issue raised during the visit.</p> <p>Pagoh Estate</p> <p>Structured Crop Recovery Assessment (SCRA) latest visit on the estate was on 15/8/2018. The report was available at the estate for review. The report covers on crop recovery and crop quality.</p> <p>For the estates, annual visit by Agronomist reports were made available. Sample of reports were observed at all estate visited.</p> <p>Housing inspection records at Pengakalan Bukit Estate shows that since January 2018 until the date of the audit, recurrent issues at Main Division and Pagoh Division have been consistently raised. These are</p>	
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Criterion / Indicator		Assessment Findings	Compliance
		<p>issues pertaining to stray dogs and poultry rearing which have been raised in weekly linesite inspection reports from 11 January 2018 until 4 October 2018 (for Main Division) and 6 October 2018 (for Pagoh Division). However, there is no evidence of any monitoring and appropriate having being taken.</p> <p>Therefore a Minor Non-Compliance was raised.</p>	
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>No 3rd party crop received at Pagoh POM. Occasionally there are certified FFB received by the mill from Sime Darby Group estates. This is verified through RSPO certificate validity by the management through the weighbridge receiving system.</p>	Complied
<p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			
4.2.1	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.2.2	<p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizer application program is based on the recommendation by Agronomist and documented in Agronomic and Fertilizer Recommendation Report. Records off application are maintained and available for review. Observed the recommendation and implementation record for FY 2018:</p> <p>Lanadron Estate Observed application records as per agronomist recommendation: Month program: Aug/Sept18 Field: 2010A Ha program: 108.46 ha Type: AC Rate/palm: 1.75 kg/palm Month applied: 27 - 30/8/2018 Ha applied: 108.46</p> <p>Welch Estate Observed application records as per agronomist recommendation: Month program: Aug/Sept18 Field: P02A1 Ha program: 87.83 ha Type: AC Rate/palm: 2.00 kg/palm Month applied: 29/8 – 3/9/2018 Ha applied: 87.83 ha</p>	<p>Complied</p>

<p>4.2.3</p>	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p>	<p>Plant Nutrition and Protection Unit (PNU) prepare the annual fertilizer recommendation base leaf analysis result. Leaf analysis show the nutrient level was used as the guidance for the recommendation.</p> <p>As per company SOP, the soil sampling analysis carried at 5 years interval.</p> <p>The leaf analysis and soil analysis report was made available for review. Noted the analysis report for estate visited as follows:</p> <p>Lanadron Estate</p> <p>Last soil sampling analysis was conducted on 20/2/2018. Refer report no S22/2018 dated 09/4/2018. Leaf sampling was conducted in January 2018. The Foliar nutrient status enclosed with 2019 Agronomic and Fertilizer Recommendation report dated 28/8/2018.</p> <p>Welch Estate</p> <p>Latest soil sampling and leaf sampling was conducted by Sime Darby Research Sdn. Bhd. on 13/9/2018. The analysis report has yet to be received by the estate. Sighted the Foliar Sampling Team Daily Log Sheet from 13 – 25/9/2018.</p> <p>Pengkalan Bukit Estate</p> <p>Latest leaf sampling was carried out in Feb 2018. The Foliar nutrient status enclosed with 2019 Agronomic and Fertilizer Recommendation report dated 27/8/2018.</p> <p>Pagoh Estate</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		Latest leaf sampling was carried out in Nov 2016 for the fertilizer recommendation for FY 2018 as per 2018 Agronomic and Fertilizer Recommendation report dated 19/10/2017. Leaf sampling was conducted on 30/8/2018 as per report no. S67/2018.	
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	<p>Nutrient recycling strategy is in place and includes use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), Fiber, Shell and palm residues after replanting. EFB applied at selected fields at the estates. Verified sampled EFB application program as both visited estates. Sample of application record checked:</p> <p>Sighted EFB disposal for field application as follows:</p> <ul style="list-style-type: none"> i. May 2018 – 3802.42 MT ii. Jun 2018 – 2329.79 MT <p>Sighted records for fiber and shell usage for boiler Fuel:</p> <ul style="list-style-type: none"> i. May 2018 – Fiber – 10242.03 MT Shell – 4389.44 MT ii. Jun 2018 – Fiber – 8508.29 MT Shell – 3646.41 MT 	Complied
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.1</p> <p>Maps of any fragile soils shall be available. - Major compliance -</p>	<p>Maps of any soil categories available at all visited operating units. Soil map prepared by R&D-RSGA Precision Agriculture Unit (SHMNA).</p> <p>Lanadron Estate The soil map prepared by R&D-RSGA Precision Agriculture Unit (SHMNA) dated 15 June 2015. Majority soil series identified in the estate were Briah 36.1%, Acid Sulphate 20.48% and Sogomana 12.82%. No fragile soils identified estate.</p> <p>Welch Estate The soil map prepared by R&D-RSGA Precision Agriculture Unit (SHMNA) in January 2012. Majority soil series identified in the estate were Serdang/Bungor 24.4%, Munchong 36.9%, and Alluvium 21.2%. No fragile soils identified estate.</p> <p>Pengkalan Bukit Estate The soil map prepared by R&D-RSGA Precision Agriculture Unit (SHMNA) on 11/11/2015 for Main, Pagoh and Paya Redan Division. Main soil series identified in the estate were Rengam 21.88%, Prang, 12.85%, Munchong 30.29% and Alluvium 11.22%.</p> <p>Pagoh Estate The soil map prepared by R&D-RSGA Precision Agriculture Unit (SHMNA) in 1/11/ 2012. Majority soil series identified in the estate are Lanchang 35.91%, Alluvium 13.24% and Rengam 34.41%.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance												
<p>4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -</p>	<p>The company has established SOP for planting on slopes, documented in Agricultural Reference Manual ver. 1 Section 4 issued on 1/7/2018.</p> <table border="1" data-bbox="1021 491 1778 727"> <thead> <tr> <th>Slopes (degree)</th> <th>Terrace Width (meters)</th> </tr> </thead> <tbody> <tr> <td><2</td> <td>Straight Planting</td> </tr> <tr> <td>2 – 6</td> <td>Straight Planting. Water conservation terrace at 32m interval</td> </tr> <tr> <td>6 -12</td> <td>5</td> </tr> <tr> <td>12 – 18</td> <td>4.3</td> </tr> <tr> <td>18 - 25</td> <td>3.6</td> </tr> </tbody> </table> <p>Areas with greater than 25 degree slopes should not be planted but be left out for biodiversity purpose.</p> <p>Sighted the terrace construction at P18A for slope 6 – 25 degree at Pagoh Division, Pengkalan Bukit Estate.</p>	Slopes (degree)	Terrace Width (meters)	<2	Straight Planting	2 – 6	Straight Planting. Water conservation terrace at 32m interval	6 -12	5	12 – 18	4.3	18 - 25	3.6	<p>Complied</p>
Slopes (degree)	Terrace Width (meters)													
<2	Straight Planting													
2 – 6	Straight Planting. Water conservation terrace at 32m interval													
6 -12	5													
12 – 18	4.3													
18 - 25	3.6													

Criterion / Indicator	Assessment Findings	Compliance
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	<p>Estate visited has established road maintenance programme to ensure smooth operation in the estate. The maintenance programme include road grading, resurfacing, road side pruning and etc.</p> <p>Lanadron Estate Estate has established road maintenance program for FY 2018/19 and the document was available for review. The programme include road grading, resurfacing and road side pruning. Sighted during site visit the completed work for road site pruning along the main road ad Nordanal Division.</p> <p>Welch Estate Estate has established road maintenance program for FY Jul – Dec 2018 and the document was available for review. The programme include road grading, resurfacing, upkeep culvert and road side pruning. Sighted the road repair monitoring records for each repaired done. Noted the completed repair records for P02C (completed in 28/7/18) and P05 (completed in Sept 2018).</p> <p>Pagoh Estate Sighted the road maintenance programme for FY 2018/19. Sighted the road site pruning progress along the main road.</p>	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	No fragile soil identified in the estate visited.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	No fragile soil identified in the estate visited.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	No fragile soil identified in the estate visited.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

<p>4.4.1</p>	<p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>SOU 19 has established water management plan and documented in the Environmental Management Plan SOU Pagoh 2018. The monitoring was conducted on quarterly basis. The plan covers on monitoring quality of main water, contingency plan during water shortage, and monitoring usage of treated water, reuse/recycle of waste water and protection of watercourse/wetland. The plan also include the mitigation plan and person responsible.</p> <p>Pagoh POM</p> <p>The water management plan has been established and reviewed annually. The plan covers on water pollution monitoring and Emergency Water Shortage. The latest review was conducted on 12/7/2018. Sighted the implementation of the water management plan:</p> <ul style="list-style-type: none"> a. Monitoring of effluent discharge was conducted monthly. Sighted the effluent analysis report as follows: <ul style="list-style-type: none"> i. April 2018 – Date sampled taken 3/4/2018. Refer report no EP212/2018. Sighted the pH was at 9.6, exceed the parameters limit 6.0-9.0. ii. May 2018 – Date sampled taken 5/5/2018. Refer report no EP231/2018. Sighted the pH was at 9.4, exceed the parameters limit 6.0-9.0. iii. June 2018 – Date sampled taken 4/6/2018. Refer report no EP268/2018. Sighted the pH was at 9.2, exceed the parameters limit 6.0-9.0. <p>Mill has established the Corrective Action Plan to reduce the pH in waste water discharge on 25/4/2018. The monitoring of the action plan was continued till August 2018. PH reading for month of July and August 2018 was conform to parameter limit at pH 8.0 and 9.0 respectively. Refer report no. EP308/2018 and EP377/2018.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>Lanardon Estate</p> <p>The water management plan has been reviewed on 21/9/2018. Sighted the implementation of the water management plan as follows:</p> <ul style="list-style-type: none"> i. Monitoring of water quality – the estate has conducted river water sampling to monitor the pollution from the estate operation. Sighted the sampled of river water for pesticides water analysis report as follows: <ul style="list-style-type: none"> a. March 2018 – report no. PL 238/2018. Result non-detected. b. May 2018 – report no. PL 463/2018. Result – non-detected. <p>Welch Estate</p> <p>The water management plan has been reviewed on 2/7/2018. Sighted the implementation of the water management plan as follows:</p> <ul style="list-style-type: none"> i. Monitoring of water quality – the estate has conducted pesticides water sampling to monitor the pollution from the estate operation. Sighted the sampled for pesticides water analysis report as follows: <ul style="list-style-type: none"> a. August 2018 – report no. PL 629/2018. Result non-detected. 	

Criterion / Indicator		Assessment Findings	Compliance																													
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	<p>Documented as a Guidelines on River Reserve Management (Management of River Reserve in Sime Darby Plantation; dated April 2014). Buffer zones established as following:</p> <table border="1"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Lanardon Estate There are no spraying activity along the river buffer zone with Sungai Muar. The vegetation along the river buffer zone are well preserved.</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	Complied																	
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4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	<p>In POM, effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report). Noted the following 2nd quarter report in the Pagoh POM:-</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Upstream</th> <th>Downstream</th> <th>Report No.</th> </tr> </thead> <tbody> <tr> <td rowspan="2">May</td> <td>BOD</td> <td>< 1</td> <td>20</td> <td rowspan="2">IE 605/2018</td> </tr> <tr> <td>S. Solid</td> <td>17</td> <td>20</td> </tr> <tr> <td rowspan="2">June</td> <td>BOD</td> <td>< 1</td> <td>13</td> <td rowspan="2">IE 723/2018</td> </tr> <tr> <td>S. Solid</td> <td>8</td> <td>36</td> </tr> <tr> <td rowspan="2">July</td> <td>BOD</td> <td>2</td> <td>9</td> <td rowspan="2">IE 833/2018</td> </tr> <tr> <td>S. Solid</td> <td>12</td> <td>8</td> </tr> </tbody> </table> <p>All the parameters have conform to parameters limit for watercourse discharge.</p>	Month	Parameter	Upstream	Downstream	Report No.	May	BOD	< 1	20	IE 605/2018	S. Solid	17	20	June	BOD	< 1	13	IE 723/2018	S. Solid	8	36	July	BOD	2	9	IE 833/2018	S. Solid	12	8	Complied
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Criterion / Indicator	Assessment Findings	Compliance
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance - The mill water source for processing is from the owned water reservoir. In POM, the water usage monitoring for FFB/tonne. Sighted the records for the month of: a. Jan 2018 - 1.14 m3/ FFB (mt) b. Feb 2018 - 1.24 m3/ FFB (mt) c. Mar 2018 - 1.30 m3/ FFB (mt) d. Jul 2018 – 1.17 m3/FFB (mt) e. Aug 2018 – 1.23 m3/FFB (mt) f. Sep 2018 – 1.14 m3/FFB (mt)	Complied
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		

<p>4.5.1</p>	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -</p>	<p>IPM is documented in Agriculture Reference Manual. The estates continue to implement biological control for the oil palm pest in the plantation such as leaf eating pest and rat. IPM techniques applied at the estates include monitoring of pest numbers and the use of triggers for initiation of control measures. Although there have been no outbreaks of leaf eating pests, beneficial plants are being established along roadsides to attract natural predators. The estates are continue to plant beneficial plants such as Turnera subulata.</p> <p>Lanadron Estate Barn owl census conducted at 6 months interval:</p> <ul style="list-style-type: none"> i. Aug 2018: Occupancy rate: 68%. The barn owl box ratio at 1:11.33 ha ii. Feb 2018: Occupancy rate: 67%. The barn owl box ratio at 1:10.57 ha <p>Sighted the planting of beneficial plant along the road at P2018A and P01N.</p> <p>Welch Estate IP management was implemented accordingly. Sighted the implementation as follows: Barn owl census conducted at 6 months interval. Current Barn Owl Box ratio at 1: 12 ha. Latest census was conducted in August 2018 recorded 89.80% occupancy rate. The estate has completed the 1st campaign of rat baiting for FY 2018 with most of the field recorded reduce of chemical baiting (Warfarin). Most of the field recorded 2 rounds of baiting with acceptance rate at 40.01 % to 17.91%.</p> <p>Pagoh Estate The estate has completed the 1st campaign of rat baiting for FY 2018 using Warfarin (1st generation). Sighted the implementation records as follows:</p> <ul style="list-style-type: none"> i. Field 2009A: 4 rounds with acceptance rate at 19.8% - 19.9% 	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> ii. Field 2015: 4 rounds with acceptance rate at 19.9% - 14.3% Sighted the planting of beneficial plant such as Cassia Cobanensis, Tunera Subulata, and Antigonan Leptopus in the estate visited. 	
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training has been provided by the plantation executives, asst. manager and chemical supplier with knowledge of the pest management to the field supervisor, mandore and workers. Interview with the management team confirm their understanding of the benefit of planting beneficial plant to control pest and Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on barn owl census. Training records for IPM implementation sighted in the estates visited. Welch Estate <ul style="list-style-type: none"> i. Genoderma census and prevention training dated 5/1/2018 ii. Rat baiting method training dated 9/7/2018 Pengkalan Bukit Estate <ul style="list-style-type: none"> i. Trunk injection for bagworm treatment training dated 20/2/2018 Pagoh Estate <ul style="list-style-type: none"> i. . Rat baiting method training dated 25/9/2018 	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment			

Criterion / Indicator	Assessment Findings	Compliance																												
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are: Immature planting (sample) - General weeds : Glyphosate - Pennisetum polystachion : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate Mature planting - Grass weed and Asystasia : glyphosate & 2,4-D amine The selection is also evaluated by the agronomist during his visit to the estate	Complied																												
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate. Summary sampled of Ai/Ha from estate visited as per below: <table border="1" data-bbox="1019 981 1729 1212"> <thead> <tr> <th>Month</th> <th>Welch</th> <th>P. Bukit</th> <th>Pagoh</th> </tr> </thead> <tbody> <tr> <td>Jan 18</td> <td>0.91</td> <td>0.178</td> <td>0.063</td> </tr> <tr> <td>Feb 18</td> <td>0.65</td> <td>0.146</td> <td>0.081</td> </tr> <tr> <td>Mar 18</td> <td>0.73</td> <td>0.247</td> <td>0.067</td> </tr> <tr> <td>Apr 18</td> <td>0.78</td> <td>1.127</td> <td>0.065</td> </tr> <tr> <td>May 18</td> <td>1.06</td> <td>1.163</td> <td>0.440</td> </tr> <tr> <td>Jun 18</td> <td>0.92</td> <td>0.225</td> <td>0.368</td> </tr> </tbody> </table>	Month	Welch	P. Bukit	Pagoh	Jan 18	0.91	0.178	0.063	Feb 18	0.65	0.146	0.081	Mar 18	0.73	0.247	0.067	Apr 18	0.78	1.127	0.065	May 18	1.06	1.163	0.440	Jun 18	0.92	0.225	0.368	Complied
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Criterion / Indicator	Assessment Findings	Compliance
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Complied

<p>4.6.5</p>	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -</p>	<p>Pesticides operators for all estates visited has been provided with proper Personal Protective Equipment. Observed during site visit, the PPE provided to the operators such as google, half face respirator, nitril hand glove, rubber boot and apron.</p> <p>Additional, the operators has been given training regarding the usage safety and health issue and proper way for chemical application by the plantation executives, manager, and asst. manager and chemical supplier with knowledge on chemical handling and applications. All chemical applicator attend monthly medical check-up done by the Medical Assistant. Observed the implementation during site visit and workers interview in following estate:</p> <p>Welch Estate Pesticides operators has been provided with training. The latest training for pesticides operators as follows: i. Spraying technique and chemical calibration training dated 4/10/2018 ii. Chemical handling training dated 4/9/2018 iii. Chemical – Garlon Mix usage training dated 6/9/2018 iv. Chemical calibration and safety training dated 27/8/2018.</p> <p>Lanadron Estate Pesticides operators has been provided with training. The latest training for pesticides operators as follows: i. Spraying technique for sprayer dated 25/9/2018 ii. Trunk injection training dated 13/9/2017 Pesticides operators was not provided with proper PPE. Sighted during site visit, the sprayers has not wear safety goggle during spraying as per instructed in Operational Control Procedure: Personal Protective Equipment – SD/SDP/PSQM (ESH)/201-OS16 issued on 26/2/2015. The monitoring of PPE issued to the operators was not maintained.</p> <p>Pagoh Estate</p>	<p>Major nonconformance</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<p>Pesticides has provided with continuous training. Interview with workers shows the understanding of pesticides application. Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. Sprayers routine and safety training dated 27/8/2018 and 11/10/2018 ii. Chemical mixing and safety training dated 23/4/2018 iii. Manuring method and safety training dated 6/1/2018 <p>Pesticides operators was not provided with proper PPE. Sighted during site visit, the sprayers has not wear safety goggle during spraying as per instructed in Operational Control Procedure: Personal Protective Equipment – SD/SDP/PSQM (ESH)/201-OS16 issued on 26/2/2015. Major NCR was raised.</p>	
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation</p>	Complied
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5. For weeding activities, knapsack spray pump and low volume CDA spray are used for selective and circle spraying</p>	Complied
4.6.8	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>No aerial spray at SOU19</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	No associated smallholders at SOU19. Employees demonstrate knowledge and skills on pesticide handling. MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster for the easy understanding of the agrochemical handlers.	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Disposal method of all identified waste was already included in the pollution prevention plan and waste management plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within mill and estates. Interviewed the workers in workshop, line site and store and they aware of the proper waste handling method.	Complied

Criterion / Indicator		Assessment Findings				Compliance																																										
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for sprayers which conducted by Pantai Hospital Ayer Keroh (HQ/OHD/17/00164) for Pagoh Estate, Lanadron Estate and Pengkalan Bukit Estate, Klinik Segamat (HQ/08/DOC/00/545) for Welch Estate.</p> <table border="1"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>113366</td> <td rowspan="3">18/5/18</td> <td>Fit to work</td> <td rowspan="3">Lanadron Estate</td> </tr> <tr> <td>125969 (repatriation)</td> <td>Fit to work</td> </tr> <tr> <td>115804</td> <td>Fit to work</td> </tr> <tr> <td>139653</td> <td rowspan="4">27/4/18</td> <td>Fit to work</td> <td rowspan="4">Welch Estate</td> </tr> <tr> <td>78780</td> <td>Fit to work</td> </tr> <tr> <td>119934</td> <td>Fit to work</td> </tr> <tr> <td>83556 (mandore)</td> <td>Fit to work</td> </tr> <tr> <td>115196 (resign)</td> <td rowspan="5">26/9/17</td> <td>Fit to work</td> <td rowspan="5">Pengkalan Bukit Estate</td> </tr> <tr> <td>58156</td> <td>Fit to work</td> </tr> <tr> <td>128508</td> <td>Fit to work</td> </tr> <tr> <td>122755</td> <td>Fit to work</td> </tr> <tr> <td>123606 (repatriation)</td> <td>Unfit</td> </tr> <tr> <td>123577</td> <td rowspan="3">3/1/18</td> <td>Fit to work</td> <td rowspan="3">Pagoh Estate</td> </tr> <tr> <td>135662</td> <td>Fit to work</td> </tr> <tr> <td>115422</td> <td>Fit to work</td> </tr> </tbody> </table>				ID No	Date of Medical check up	Result	Estate	113366	18/5/18	Fit to work	Lanadron Estate	125969 (repatriation)	Fit to work	115804	Fit to work	139653	27/4/18	Fit to work	Welch Estate	78780	Fit to work	119934	Fit to work	83556 (mandore)	Fit to work	115196 (resign)	26/9/17	Fit to work	Pengkalan Bukit Estate	58156	Fit to work	128508	Fit to work	122755	Fit to work	123606 (repatriation)	Unfit	123577	3/1/18	Fit to work	Pagoh Estate	135662	Fit to work	115422	Fit to work	Complied
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4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Based on interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding.	Complied
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

<p>4.7.1</p>	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>SOU19 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English.</p> <p><u>Chemical Health Risk Assessment (CHRA)</u> Pagoh POM - CHRA conducted on 10 – 30/4/2018 by registered assessor JKPP HIE 127/171-2(160). Based on the CHRA, a total of 5 findings/recommendations reported.</p> <p>Lanadron Estate - CHRA (PAC-CH-150301) conducted on 9/3/15 by registered assessor JKPP/IH 127/171-2(308). Based on the CHRA, a total of 6 findings/recommendations reported. Additional CHRA was done on 1/6 – 8/10/2017 for the new chemical used at estate by Global Safe-T Sdn Bhd (JKPP HIE 127/171-2(160)).</p> <p>Welch Estate - CHRA (PAC-CH-150405) conducted on 7/4/15 by registered assessor JKPP/IH 127/171-2(308). Based on the CHRA, a total of 6 findings/recommendations reported. Additional CHRA was done on 1/6 – 8/10/2017 for the new chemical used at estate by Global Safe-T Sdn Bhd (JKPP HIE 127/171-2(160)).</p> <p>Pengkalan Bukit Estate - CHRA (PAC-CH-150302) conducted on 10/3/15 by registered assessor JKPP/IH 127/171-2(308). Based on the CHRA, a total of 5 findings/recommendations reported. Additional CHRA was done on 1/6 – 8/10/2017 for the new chemical used at estate by Global Safe-T Sdn Bhd (JKPP HIE 127/171-2(160)).</p> <p>Pagoh Estate - CHRA (PAC-CH-150401) conducted on 14/4/15 by registered assessor JKPP/IH 127/171-2(308). Based on the CHRA, a total of 7 findings/recommendations reported.</p> <p><u>Health Surveillance Program</u></p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>Health surveillance was done on 10/1/18 (lab operator) and 7/7/18 (workshop) to those workers who expose to n-hexane n manganese. The test was done by Pantai Hospital Ayer Keroh (HQ/14/DOC/00383). All the workers found fit to work (ID No:86325, 127779, 86324, 86323, 86327)</p> <p><u>Annual Audiometric Testing</u> Pagoh POM – Annual Audiometric testing was conducted on 24/7/2018 by Pantai Hospital, Ayer Keroh (HQ/OHD/17/00164). Total of 20 workers were sent for this test. Results from testing: 3 workers need to refer ENT and 2 workers found hearing impairment. The JKPP 7 was submit to DOSH on 25/8/2018 for those workers found with hearing impairment.</p> <p><u>LEV inspection and testing</u> Pagoh POM - LEV inspection and testing was conducted on 14/9/2018 by registered assessor, JKPP HIE 127/171-3/2(27). From the report, the monitoring was successfully conducted and the effectiveness of the LEV systems were satisfactory with some actions needed as per recommended in the report.</p> <p><u>LEV Monthly Inspection</u> Visual monitoring was done on monthly basis. The last inspection for all fume hoods was done on 4/9/2018 by lab assistant.</p>	

<p>4.7.2</p>	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p>	<p>SOU19 had identified and reviewed significant hazards and risks and determined appropriate risk control measures.</p> <p>The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Appropriate control measure has been determined and revised in the HIRARC register.</p> <p>Pagoh POM - HIRARC was reviewed on 7/9/2018 and approved by the Manager. The review was done by the safety officer, however no changes to the HIRARC. For Press station, HIRARC was reviewed on 17/6/2018 after the accident happened. The review was done by OSH committee. The HIRARC for Mill activities was identified and risk assessed with respect to weighbridge, ramp, sterilization, threshing station, pressing station, clarification station, nut cracking station, kernel storage, boiler station, laboratory, office.</p> <p>At the estate, among the HIRARC carried out covered activities like chemical mixing and spraying, manuring, chemical storage, harvesting and FFB collection and vehicle maintenance.</p> <p>Lanadron Estate - HIRARC was reviewed on 1/6/2018 and approved by the Manager. Revision was done for harvesting activity after incident (thorn prick).</p> <p>Welch Estate - HIRARC was reviewed on 17/8/2018 and approved by the Manager. Revision was done for harvesting activity after accident (cutting of FFB and fronds on 13/8/18).</p> <p>Pengkalan Bukit Estate - HIRARC was reviewed on 22/4/18 and approved by the Manager. Revision was done for harvesting activity and travelling.</p>	<p>Major nonconformance</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>However, the HIRARC was not fully documented and implemented.</p> <p>Pengkalan Bukit Estate:</p> <ol style="list-style-type: none"> 1. The HIRARC for activity at workshop related to the accident happened to the worker (ID No: 11865) on 6/2/18 was not reviewed accordingly. 2. No activity for nursery and hazard for heat stress for replanting activity 3. Harvester was bring the harvesting pole with sickle during riding the bike without sickle cover. <p>Pagoh Estate:</p> <ol style="list-style-type: none"> 1. The HIRARC for weeding (manual) and harvesting activity was not review after the accidents happened on 1/10/18 (ID No: 103498) and 28/8/18 (11589). 2. The workers were sit in the trailer with full of loose fruit. <p>Thus, major NC was raised.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p>	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p> <p>Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p> <p>Suitable PPE has been provided to the workers based on the information in the MSDS and CHRA assessor’s recommendation.</p> <p>List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective activities.</p> <ul style="list-style-type: none"> i. Boiler/Engine operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff. ii. Field workers (sprayer, manure & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. <p>During the site visit, it was noted that the PPE will be replaced by the workers when damaged or lost. The PPE was implemented effectively at all site visited.</p> <p>The chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. CSDS was placed at the chemical stores and is available. The person in charge understands the information written in CSDS.</p>	<p>Complied</p>

<p>4.7.4</p>	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>SOU19 OSH policy is well briefed to all workers. Interview with workers reveal that they understand the policy and the importance of safety at work.</p> <p><u>Lanadron Estate</u> OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 27/7/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Estate Manager Appointment letters for OSH committee members was sighted. OSH/EHS meeting: 27/7/2018, 27/4/2018, 29/1/2018 and 27/10/2017.</p> <p><u>Welch Estate</u> OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 17/8/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Estate Manager Appointment letters for OSH committee members was sighted. OSH/EHS meeting: 17/8/2018, 11/5/2018, 13/2/2018 and 17/11/2017.</p> <p><u>Pagoh POM</u></p>	<p>Complied</p>
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		<p>OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 7/9/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Mill Manager Appointment letters for OSH committee members dated 10/07/2018 was sighted. OSH/EHS meeting: 7/9/18, 11/6/2018, 12/3/2018 and 14/12/17.</p> <p><u>Pengkalan Bukit Estate</u> OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 10/8/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Estate Manager Appointment letters for OSH committee members was sighted. OSH/EHS meeting: 10/8/2018, 29/5/2018, 8/2/2018 and 16/11/2017.</p> <p><u>Pagoh Estate</u> OSH/ESH meeting conducted on quarterly basis and last meeting conducted on 19/7/2018.</p>	
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Criterion / Indicator	Assessment Findings	Compliance
	<p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Estate Manager Appointment letters for OSH committee members were sighted. OSH/EHS meeting: 19/7/2018, 19/4/2018, 19/1/2018 and 16/11/2017.</p>	

<p>4.7.5</p>	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <ol style="list-style-type: none"> Pagoh POM - Fire evacuation drill was last conducted on 12/4/18 and chemical spill drill was last conducted on 16/8/18 to test the state of readiness during emergency situation. Fire drill was last conducted on 9/8/2018 (Lanadron Estate), 4/5/2018 (Welch Estate), 24/8/18 (Pengkalan Bukit Estate), 2/8/18 (Pagoh Estate) to test the state of readiness during emergency situation. <p>Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <ol style="list-style-type: none"> Training for First Aid is conducted once in two years. Last training was conducted on 24-25/7/2018 at Merlimau Training Centre. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date. Emergency eye wash facility available at chemical store and laboratory. Both are in good working condition. <p>Quarterly review on accident cases carried out during OSH quarterly meeting.</p> <p>Pagoh POM No accident above 4 days MC reported for 2018. JKKP 8 was sent to DOSH on 11/1/2018.</p> <p>DOSH visits (26/3/2018) been recorded in the DOSH log book and comments highlighted by DOSH was noted. There was no major issues raised by DOSH officer.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Lanadron Estate</u> 01 accident reported for 2018. Eg: Accident on 30/4/18 while riding the motorcycle to office at 630am. The JKKP 6 was sent to DOSH on 7/5/2018. JKKP 8 was sent to DOSH on 11/01/18.</p> <p><u>Welch Estate</u> 08 accident reported for 2018. Eg: Accident on 13/8/18 at field P2000 during harvesting activity. MC for 1 day. JKKP 8 was sent to DOSH on 9/01/18.</p> <p><u>Pengkalan Bukit Estate</u> 01 accident (> 4 days MC) reported for 2018. Eg: Accident on 6/2/18 at workshop. MC for 29 days. JKKP 6 was sent to DOSH on 12/2/18. JKKP 8 was sent to DOSH on 2/01/18.</p> <p><u>Pagoh Estate</u> 14 accident reported for 2018. Eg: Accident on 1/10/18 at harvesting area. MC for 6 days. JKKP 6 was sent to DOSH on 8/10/18. JKKP 8 was sent to DOSH on 14/01/18.</p>	

Criterion / Indicator		Assessment Findings	Compliance																																	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p> <p>Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for July 18 and Aug 18.</p> <p>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance.</p> <table border="1"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOC SO</td> <td>July 18, Aug 18</td> <td>Lanadron Estate (ID No: 14186, 123449, 13167)</td> </tr> <tr> <td>Insurance (BG181531)</td> <td>13/6/18 - 12/12/19</td> <td>Lanadron Estate (ID No: 145449, 145452, 145451)</td> </tr> <tr> <td>SOC SO</td> <td>July 18, Aug 18</td> <td>Welch Estate (ID No: 83556, 114948, 12447)</td> </tr> <tr> <td>Insurance (MW252792)</td> <td>14/9/18 – 13/9/19</td> <td>Welch Estate (ID No: 117199, 117202, 117190)</td> </tr> <tr> <td>SOC SO</td> <td>July 18, Aug 18</td> <td>Pagoh POM (ID No: 86577, 137209, 86593, 89314)</td> </tr> <tr> <td>Insurance (FW222253)</td> <td>22/2/18 – 21/2/19</td> <td>Pagoh POM (ID No: 142789, 142786, 142787)</td> </tr> <tr> <td>SOC SO</td> <td>July 18, Aug 18</td> <td>PBE (ID No: 118861, 48208, 46610,</td> </tr> <tr> <td>Insurance (FW221422)</td> <td>8/2/18 – 7/2/19</td> <td>PBE (ID No: 144436, 144427)</td> </tr> <tr> <td>SOC SO</td> <td>July 18, Aug 18</td> <td>PE (ID No: 11589, 11523, 11524)</td> </tr> <tr> <td>Insurance (MW212387)</td> <td>17/2/18 – 16/2/19</td> <td>PE (ID No: 131254, 131259, 131258)</td> </tr> </tbody> </table>	Insurance	Period	Remark	SOC SO	July 18, Aug 18	Lanadron Estate (ID No: 14186, 123449, 13167)	Insurance (BG181531)	13/6/18 - 12/12/19	Lanadron Estate (ID No: 145449, 145452, 145451)	SOC SO	July 18, Aug 18	Welch Estate (ID No: 83556, 114948, 12447)	Insurance (MW252792)	14/9/18 – 13/9/19	Welch Estate (ID No: 117199, 117202, 117190)	SOC SO	July 18, Aug 18	Pagoh POM (ID No: 86577, 137209, 86593, 89314)	Insurance (FW222253)	22/2/18 – 21/2/19	Pagoh POM (ID No: 142789, 142786, 142787)	SOC SO	July 18, Aug 18	PBE (ID No: 118861, 48208, 46610,	Insurance (FW221422)	8/2/18 – 7/2/19	PBE (ID No: 144436, 144427)	SOC SO	July 18, Aug 18	PE (ID No: 11589, 11523, 11524)	Insurance (MW212387)	17/2/18 – 16/2/19	PE (ID No: 131254, 131259, 131258)	Complied
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Criterion / Indicator		Assessment Findings	Compliance												
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Accident records are found to be updated. All records on Lost Time Accident (LTA) metrics are maintained. Samples of accident statistic as shown below :</p> <table border="1"> <thead> <tr> <th>Year to-date</th> <th>LE</th> <th>WE</th> <th>PPOM</th> <th>PBE</th> <th>PE</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>14 (LTA 35)</td> <td>4 (LTA 62)</td> <td>2 (LTA 76)</td> <td>20 (LTA 79)</td> <td>18 (LTA 155)</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days (MC)</p>	Year to-date	LE	WE	PPOM	PBE	PE	2017	14 (LTA 35)	4 (LTA 62)	2 (LTA 76)	20 (LTA 79)	18 (LTA 155)	Complied
Year to-date	LE	WE	PPOM	PBE	PE										
2017	14 (LTA 35)	4 (LTA 62)	2 (LTA 76)	20 (LTA 79)	18 (LTA 155)										
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>															
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	Pagoh POM and supply base has established an annual training program that covers all aspects of the RSPO Principles and Criteria. The training need and program was made available for verification at all visited sites.	Complied												

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<p>4.8.2</p>	<p>Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&C requirement.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>25/9/18</td> <td>Spraying technique</td> <td>Lanadron Estate</td> </tr> <tr> <td>23/4/18</td> <td>Manuring</td> <td>Estate</td> </tr> <tr> <td>1/1/18</td> <td>Replanting</td> <td></td> </tr> <tr> <td>8/10/18</td> <td>Safety briefing to contractor</td> <td>Welch Estate</td> </tr> <tr> <td>4/10/18</td> <td>Spraying</td> <td></td> </tr> <tr> <td>2/8/18</td> <td>Grading</td> <td></td> </tr> <tr> <td>5/9/18</td> <td>Landfill management</td> <td></td> </tr> <tr> <td>9/8/18</td> <td>Harvesting</td> <td></td> </tr> <tr> <td>27/8/18</td> <td>Pruning</td> <td></td> </tr> <tr> <td>3/1/18</td> <td>LOTO & PTW</td> <td>Pagoh POM</td> </tr> <tr> <td>1/8/18</td> <td>PPE for operation</td> <td></td> </tr> <tr> <td>13/9/18</td> <td>First aid</td> <td></td> </tr> <tr> <td>19/9/18</td> <td>OSH Policy</td> <td></td> </tr> <tr> <td>23/8/17</td> <td>Working at height</td> <td></td> </tr> <tr> <td>29/9/17</td> <td>Sterilizer operation</td> <td></td> </tr> <tr> <td>11/5/2018</td> <td>Manuring</td> <td>Pengkalan Bukit Estate</td> </tr> <tr> <td>18/1/18</td> <td>Backhoe loader operation training</td> <td></td> </tr> <tr> <td>27/8/18</td> <td>Chemical spillage</td> <td></td> </tr> <tr> <td>20/2/18</td> <td>IPM (Bagworm)</td> <td></td> </tr> <tr> <td>3/10/18</td> <td>HCV Training</td> <td>Pagoh Estate</td> </tr> <tr> <td>28/9/18</td> <td>Manuring</td> <td></td> </tr> <tr> <td>25/9/18</td> <td>Rat bait</td> <td></td> </tr> <tr> <td>21/9/18</td> <td>Policy briefing</td> <td></td> </tr> <tr> <td>27/8/19</td> <td>Spraying</td> <td></td> </tr> <tr> <td>13/9/18</td> <td>First aider and snake bite training</td> <td></td> </tr> <tr> <td>12/9/18</td> <td>Planting seedling and safety training</td> <td></td> </tr> </tbody> </table>	Date	Training	Remark	25/9/18	Spraying technique	Lanadron Estate	23/4/18	Manuring	Estate	1/1/18	Replanting		8/10/18	Safety briefing to contractor	Welch Estate	4/10/18	Spraying		2/8/18	Grading		5/9/18	Landfill management		9/8/18	Harvesting		27/8/18	Pruning		3/1/18	LOTO & PTW	Pagoh POM	1/8/18	PPE for operation		13/9/18	First aid		19/9/18	OSH Policy		23/8/17	Working at height		29/9/17	Sterilizer operation		11/5/2018	Manuring	Pengkalan Bukit Estate	18/1/18	Backhoe loader operation training		27/8/18	Chemical spillage		20/2/18	IPM (Bagworm)		3/10/18	HCV Training	Pagoh Estate	28/9/18	Manuring		25/9/18	Rat bait		21/9/18	Policy briefing		27/8/19	Spraying		13/9/18	First aider and snake bite training		12/9/18	Planting seedling and safety training		<p>Minor nonconformance</p>
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Criterion / Indicator		Assessment Findings		Compliance
		18/8/18	Tractor driver	
		<p>However the training record at Pengkalan Bukit Estate for harvesting activity, scheduled waste handling, workshop activity were not available during onsite audit.</p> <p>Thus, minor nc was raised.</p>		
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>				
<p>Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>				

Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Based on the Standard Operation Manual; subsection 5.4; Planning and Appendix 5.4.1b: Environmental aspect/impacts evaluation procedure, POM and Estates carried out the annual review of environmental impacts documented in Registration of Environmental Aspects and Impacts. The assessment covers all main and support operation at mill and estate.</p> <p>Pagoh POM a. Reception Area b. Sterilizer Bay c. EFB Ramp d. Workshop e. Schedule Waste Store f. Press station and etc. Latest review was conducted on 11/7/2018 where update was done for diesel storage and filling activity. Refer activity serial no. EIE/2018/LS/01</p> <p>Estates a. Workshop b. Oil Palm Nursery c. Schedule Waste Store d. Replanting e. FFB transportation</p> <p>Pengkalan Bukit Estate has reviewed the Environmental Aspect Identification and Environmental Impact Evaluation on 6/9/2018. No changes on the existing environmental aspect. Pagoh Estate conducted Environmental Aspect Identification and Environmental Impact Evaluation review annually. Latest review conducted on 9/7/2018. Changes are made to scores on oil spillage and fuel consumption. Refer no. EIE/2018/07-02.</p>	<p>Complied</p>

<p>5.1.2</p>	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>SOU 19 has established Environmental Management the document was available in the estates/mill for review. The management plan established base on operation with significant impact to the environment. The management plan was reviewed annually. The management plan stated the environmental issue, mitigation actions, monitoring plan and person responsible for monitoring implementation. Operating units has appointed assistant manager as person responsible for Environmental/Quality Management Systems as per appointment letter signed by the estate/mill manager.</p> <p>Pagoh POM Pagoh POM has established the Environmental Management Plan and was review annually by the Environmental Performance Monitoring Committee. Sighted the minutes of EPMC meeting no 05/2018 dated 27/8/2018 and 07/2018 dated 26/7/2018. The management plan stated the issue of concern, mitigating measures, person responsible and monitoring period.</p> <p>Pengkalan Bukit Estate The Environmental Management plan was reviewed annually. Latest review was conducted on 18/7/2018. Sighted the implementation of the plan as follows: i. Sighted the records for weekly linesite inspection for electricity saving issue for the month of Jun, July and August 2018. Noted that no illegal wiring was found in the linesite during the weekly inspection.</p> <p>Pagoh Estate Environmental Management Plan was reviewed on 11/7/2018. Sighted the implementation of the management plan as follows: i. Sighted during site visit the landfill was managed accordingly to plan. No Scheduled waste were observed disposed in the landfill.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>The monitoring records of the Environment Improvement Plan / Pollution Prevention Plan / Continuous Improvement Plan are available. The plan was reviewed annually.</p> <p>Complied</p>
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.</p>		
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>HCV Re-Assessment for Strategic Operating Unit (SOU) 19 Pagoh has been conducted on 24 -27 November 2015 by Plantation Sustainability Quality Management (PSQM) Department, Sime Darby Plantation Sdn. Bhd. Final Report (Version 2.0). Total HCV area identified for SOU 19 Pagoh Estate falls under:</p> <ol style="list-style-type: none"> 1. Water Catchment area – category HCV 4 (Welch Estate, Pagoh Estate, Pengkalan Bukit Estate) 2. River Reserve (Muar River)– category HCV 4 (Lanadron Estate) <p>Complied</p>
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>No RTE was identified within the planted or surrounding village area based on the HCV assessment report dated February 2015.</p> <p>Signage that no hunting, no fishing, no swimming and water polluting activities were verified on-site at the estates visited (i.e.Pagoh Estate, Pengkalan Bukit Estate, Welch Estate, Lanadron estate) found to have been satisfactorily maintained.</p> <p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	No RTE species at Pengkalan Bukit Estate, Pagoh Estate, Lanadron Estate and Welch Estate. However, the signage no hunting, no fishing was installed in the estate to educate the workforce.	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. - Minor compliance -	<p>Action Plan Biodiversity FY18/19 for Lanadron Estate was sighted. The scope includes the monitoring of HCV and conservation areas for Muar river. The last monitoring was done on 6/8/2018.</p> <p>Action Plan Biodiversity 2018 for Welch Estate was sighted. The scope includes the slope marking, muster briefing and awareness training for workers, warning signage. The last monitoring was done on 6/8/2018. The training related to HCV was done on 13/12/2017 for sprayers.</p> <p>At Pengkalan Bukit Estate, monitoring of HCV & Conservation Areas action plan for 2018 was established. The last monitoring was done on 18/8/2018.</p> <p>At Pagoh Estate, monitoring of HCV & conservation areas action plan for 2018 was established. The last monitoring was done on 21/9/2018.</p>	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There are no HCV set-asides for local communities identified in all the estates.	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			

Criterion / Indicator	Assessment Findings	Compliance
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Mill and estates visited has identified all waste products and source of pollution and documented in Environmental Management Plan under section Waste Management. The waste identified has been categorized as follows:</p> <ul style="list-style-type: none"> i. Domestic waste ii. Industrial waste: Scrap metal, POME iii. Schedule Waste: SW 305, SW 306 iv. Recycleable Waste: Empty pesticides containers
		Complied

<p>5.3.2</p>	<p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Sighted the sampled scheduled waste disposal records for mill and estates visited:</p> <p>Pagoh POM In POM, schedule waste dispose through licensed contractor: Kualiti Alam Sdn Bhd. Latest consignment note dated Consignment note for schedule waste :</p> <p>i. 7/6/2018 for SW 324; C/N no: 090908-009 : 0.180 MT ii. 7/6/2018 for SW 409; C/N no: 090908-006 : 0.532 MT Scheduled waste inventory was recorded daily according to the date waste generated. Sighted the record of SW inventory for the month of July, Aug and Sept 2018. The data reported to DOE through E-SWISS.</p> <p>Lanardon Estate Chemical containers has been triple rinse and puncture was categorized under recycle waste and disposed through recycle waste contractors SS Setia Teknology Enterprise. Sighted the disposal of empty pesticides container dated 10/8/2018. Refer invoice no. 1132.</p> <p>Pagoh Estate Chemical containers has been triple rinse and puncture was categorized under recycle waste and disposed through recycle waste contractors SS Setia Teknology Enterprise. Sighted the disposal of empty pesticides container dated 3/7/2018. Refer invoice no. 0476.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>Other schedule waste dispose through licensed contractor: Kualiti Alam Sdn Bhd. Latest consignment note dated Consignment note for schedule waste :</p> <ul style="list-style-type: none"> i. 5/9/2018 for SW 305; C/N no: 2018090515XZMW53 ii. 5/9/2018 for SW 410; C/N no: 2018090513C41RJP <p>Inventory was done and reported to DOE through E-SWISS Pengkalan Bukit Estate</p> <p>Chemical containers has been triple rinse and puncture was categorized under recycle waste and disposed through recycle waste contractors SS Setia Teknology Enterprise. Sighted the disposal of empty pesticides containers. Refer invoice no. 0471 dated 29/6/2018 and 1183 dated 10/10/2018.</p>	

<p>5.3.3</p>	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>SOU19 has established Waste Management Plan and documented in Environmental Management Plan/Environmental Improvement Plan/Pollution Prevention Plan. The plan was reviewed annually. The plan has identified the waste category, location generated, mitigation plan, person responsible and monitoring period. Sighted the implementation of the management plan at mill and estate visited as follows:</p> <p>Pagoh POM Sighted the implementation of waste management plan as follows: i. EFB was disposed by application to the estate. Sighted the records of EFB transportation to the estate as follows: a. May 18 – 3802.42 MT b. Jun 18 – 2329.79 MT c. Jul 2018 – 2607.35 MT</p> <p>ii. Fiber and shell was used as boiler fuel. Sighted the records as follows: a. Fiber – May 18 – 10242.03 MT Jun 18 – 8508.29 Mt b. Shell – May 18 – 4389.44 MT Jun 18 – 3646.41 MT</p> <p>Lanadron Estate Sighted the implementation as follows: i. Domestic waste collection was carried out 3 times a week. Sighted the records for domestic waste collection for the month of August, September and October 2018.</p> <p>Welch Estate Sighted the implementation as follows:</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	i. During site visit the waste water from the premix area was pump back to be used for chemical premix. ii. Landfill management training was conducted on 5/9/2018.	
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.		

<p>5.4.1</p>	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of grid supply (TNB) for electricity, palm fibre and shells were also used to generate electricity through steam turbine and boiler. The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel. Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available.</p> <p>Sighted the sample diesel usage monitoring records as follows: a. Apr 18 - 0.51 L/ CPO(mt) b. May 18 – 0.65 L/ CPO(mt) c. Jun 18 - 0.61 L/ CPO(mt) d. Jul 18 – 0.65 L/ CPO(mt) e. Aug 2018 – 0.67 L/ CPO(mt) f. Sep 2018 – 0.44 L/ CPO(mt)</p> <p>Sighted the implementation of the energy management plan as follows: i. Installation of energy saving bulb. Refer D/O no 4502212062 dated 29/8/2018.</p> <p>At the estates, diesel consumption per metric ton FFB was also monitored on a monthly basis. It was verified that energy usage are being monitored at the operating units for better control and comparison of trends.</p> <p>Welch Estate a. Apr 18 – 0.93 L/FFB MT</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>b. May 18 – 1.09 L/FFB MT c. Jun 18 – 1.30 L/FFB MT</p> <p>Sighted the implementation of the energy management plan as follows: i. Estate has implemented the Preventive Maintenance for vehicle. Sighted the sampled of PMV records no as follows: a. Jun 2018 – PHM 2114031 b. Jul 2018 – PHM 2114033 - PHM 2114036 c. Aug 2018 – PHM 2114040</p> <p>Pengkalan Bukit Estate: g. Apr 18 - 1.72 liter/FFB MT h. May 18 - 1.78 liter/FFB MT i. Jun 18 - 1.95 liter/FFB MT</p> <p>Pagoh estate Estate: a. Apr 18 – 2.74 liter/FFB MT b. May 18 – 2.70 liter/FFB MT c. Jun 18 - 2.57 liter/FFB MT</p> <p>Sighted the implementation of the energy management plan as follows: i. Estate has implemented the Preventive Maintenance for vehicle. Sighted the sampled of PMV records no. as follows: a. Jun 2018 – PHM 2153565 - PHM 2153566 b. Jul 2018 – PHM 2153570 - PHM 2153572 c. Aug 2018 – PHM 2153574 - PHM 2153575</p>	

Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.5:			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as (felling & chipping, cambering/land forming and path construction).	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No use of fire for land preparation during replanting	Complied
Criterion 5.6:			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			

<p>5.6.1</p>	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p>	<p>Various monitoring has been conducted including the effluent analysis, stack monitoring and river water monitoring.</p> <p>In POM, effluent Analysis conducted by Sime Darby Research and submitted to DOE every 3 months through OER (Online Environmental Report). Noted the following 2nd quarter report in the Pagoh POM:-</p> <table border="1" data-bbox="1032 555 1843 903"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Upstream</th> <th>Downstream</th> <th>Report No.</th> </tr> </thead> <tbody> <tr> <td rowspan="2">May</td> <td>BOD</td> <td>< 1</td> <td>20</td> <td rowspan="2">IE 605/2018</td> </tr> <tr> <td>S. Solid</td> <td>17</td> <td>20</td> </tr> <tr> <td rowspan="2">June</td> <td>BOD</td> <td>< 1</td> <td>13</td> <td rowspan="2">IE 723/2018</td> </tr> <tr> <td>S. Solid</td> <td>8</td> <td>36</td> </tr> <tr> <td rowspan="2">July</td> <td>BOD</td> <td>2</td> <td>9</td> <td rowspan="2">IE 833/2018</td> </tr> <tr> <td>S. Solid</td> <td>12</td> <td>8</td> </tr> </tbody> </table> <p>All the parameters have conform to parameters limit for watercourse discharge.</p> <p>For continuous emission reporting system, it always online and send to HQ of Department of Environment in Putrajaya. Measurement of dust particulate concentration of Stack 1- Boiler PAC Testing and Cosulting Sdn Bhd. Following is the monitoring report sighted:</p> <p>a. Ref no: PAC_AE_170406 dated 11/4/2017;</p> <p>The monitoring result indicated at 0.21 gm/Nm³, lower than the permissible limit of 0.4 gm/Nm³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.</p> <p>b. Ref no: PAC_AE_171010 dated 31/10/2017;</p>	Month	Parameter	Upstream	Downstream	Report No.	May	BOD	< 1	20	IE 605/2018	S. Solid	17	20	June	BOD	< 1	13	IE 723/2018	S. Solid	8	36	July	BOD	2	9	IE 833/2018	S. Solid	12	8	<p>Complied</p>
Month	Parameter	Upstream	Downstream	Report No.																												
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Criterion / Indicator		Assessment Findings	Compliance
		<p>The monitoring result indicated at 0.02 gm/Nm³, lower than the permissible limit of 0.4 gm/Nm³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.</p> <p>Ref no: PAC_AE_180410 dated 17/4/2018;</p> <p>The monitoring result indicated at 0.17 gm/Nm³, lower than the permissible limit of 0.4 gm/Nm³ stipulated under the Environmental Quality (Clean Air) Regulations, 1978.</p>	
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance</p>	<p>For the estate, GHG emissions identified including CO_x, SO_x and NO_x from various sources including fossil fuel, chemical, peat oxidation, sinks, crop sequestration, fertilizer consumptions and sequestration in conservation area.</p> <p>For mill, GHG emission identified from POME, fuel consumption and grid electricity utilization. 5 years plan for GHG reduction (phase I, 20 mills (Malaysia) was sighted.</p> <p>Programme such as feed in tariff (FIT), flaring, CNG, CaP, Co-gen was included in the plan.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>5.6.3</p> <p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points.</p> <p>The water samples were sent to Sime Darby R&D Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Quarterly reporting to DOE was also done and record documented.</p> <p>Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 3.0.1 is used and the management opted for full version was applied.</p> <p>These GHG calculations were done as per certification unit basics including 4 estate and mill. Summary emissions:</p> <p>a. Emission/ mt CPO= 1.22 tCO2 e/mt CPO</p> <p>b. Emission/ mt PK= 1.22 tCO2 e/mt PK</p>	<p>Complied</p>
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</p>		
<p>Criterion 6.1:</p> <p>Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -</p>	<p>A Social Impact Re-Assessment for SOU 19 Pagoh was carried out between 5th to 8th May 2015 covering Pagoh Estate, Lanadron Estate, Pengkalan Bukit Estate and Welch Estate. It was carried out by the Social & Environment Project Unit of PSQM Department. Records of meetings dated 5th, 6th and 7th May 2015, which were held with the relevant stakeholders, namely estate management & staff, field workers, government agencies, neighbouring villagers were sighted.</p> <p>For the Pagoh POM the SIA was done on 29, 30 and 31 May 2013. Among the issues identified included education, health and safety, living condition, infrastructure and amenities, working conditions, etc. Records of meetings with the stakeholder such as local community representatives, workers, staff, contractors and suppliers were also sighted and verified during the audit.</p>	<p>Complied</p>
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -</p>	<p>There is evidence that the Social Impact Re-Assessment at SOU 19 Pagoh was carried out with the participation of affected parties. Based on the attendance lists sighted during this audit, those stakeholders who attended included estate management, contractors/suppliers, staff, workers, auxiliary police, supervisors, mandores, representative from nearby villages namely Kpg Bukit Keledang and Kpg Kenangan.</p> <p>The Pagoh Palm Oil Mill conducted its Social Impact Assessment on 29 and 30 May 2013. Based on the attendance list sighted, the assessment was done with the Mill's stakeholders namely contractors, suppliers, representatives of the gender committee and NUPW, as well as workers.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>6.1.3</p> <p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>Plans for avoidance or mitigation of negative impacts and promotions of positive ones was drawn up in a document by Lanardon Estate entitled Social Managemet Plan Lanadron Estate dated 21 September 2018. The inputs were obtained from feedback recorded in stakeholder meetings, gender committee meetings, union meetings and complaints book.</p> <p>For Welch Estate, the SIA Action Plan dated 3 January 2018 was prepared upon getting feedback from stakeholder meeting dated 28 August 2017. This stakeholder meeting was attended by representatives from nearby school, contractors and suppliers, village representatives, health care assistant, NUPW representative, police, BOMBA. Among the issues discussed were:</p> <ul style="list-style-type: none"> - Immediate reporting of thefts to the nearest police station - Request for repair of road and placement of road signs - Safety of schoolchildren. <p>For Pagoh Palm Oil Mill, the Action Plan review was done annually with the last one carried out on 25 August 2018, known as Action Plan Social Assessment for FY 2018/2019. Among the issues raised included dusty environment, housing conditions, maintenance of road between Kpg Baru and Pagoh Estate (Gentian Division), etc. The Action Plan is tabulated and has separate columns identifying issues and strategies, action plan, action by and time frame for implementation. Issues in the Action Plan are based on feedback obtained during stakeholder consultation meeting held on 30 August 2018 attended by management, contractors, suppliers, and AMESU representative.</p> <p>All these matters were incorporated in the unit's respective SIA Action Plan. The Action Plans also identify the person-in-charge, target date for completion and completion status. Improvement of housing condition, working condition, safety and security were marked "in progress" and "on-going".</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plans are renewed and updated at least once a year. For Lanardon Estate and Welch Estate, the Social Management Plan was last reviewed on 21 Sept 2018 and 3 January 2018 respectively. Pagoh Palm Oil Mill's Action Plan was dated 25 August 2018. The Action Plan was revised following feedbacks received from affected parties as evidenced from minutes of meetings with stakeholders, gender committee meetings, and union meetings.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	There is no smallholder schemes at SOU19 Pagoh Certification Unit. Therefore, this Indicator is not applicable to this audit.	Not applicable
Criterion 6.2:			
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Consultation and communications procedures for SOU 19 Pagoh has been documented in the Company's Standard Operating Manual dated 1 April 2008 entitled "Procedure for External Communications". For social issues, documented procedure is available in the Sustainable Plantation Management System on Handling Social Issues, Appendix 5, Version 1, and Issue No.1, dated 1 November 2008. Both these documents are available and sighted during the audit.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	Management official responsible for these issues have been duly appointed by the respective Estate and Mill. They are as follows: For Lanardon Estate: Assistant Manager For Ladang Welch: Assistant Manager For Pagoh Palm Oil Mill: Quality & Assurance Officer For Pengkalan Bukit Estate: Senior Assistant Manager	Complied

<p>6.2.3</p>	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -</p>	<p>Both the Pagoh Palm Oil Mill and Estates have generated stakeholder their own stakeholder list. These include contractors, vendors, suppliers, local community heads, transporters, relevant government agencies such as the Department of Environment, Labour Office, nearby clinics and hospitals, schools, canteen operators, etc. Lanardon and Welch Estates had their stakeholder lists updated in September 2018, and the Mill updated its list on 11 July 2018. For the Mill, its stakeholders also included also its palm kernel and crude palm oil buyers.</p> <p>It was also verified that efforts were made to ensure understanding of affected parties and records of actions are maintained. For example, at Pengkalan Bukit Estate, a letter was received from Pemuda Kawasan Jengka Beringin on 4 April 2018 requesting to use the estate field for a football match. The estate replied on 13 April 2018 granting its request subject to compliance with conditions that the estate management imposed such as to be alert on the entry and egress of heavy vehicles and that the Estate would not be liable for any injuries that may be sustained during the match.</p> <p>At Welch Estate, a letter was received from JKR Tangkak District Engineer dated 3 October 2017. This letter relates to one of the issues raised during Welch Estate stakeholder meetings on road repair works and the safety to road users. Welch Estate communicated these matters to the JKR office. Following this, several meetings were held on 9 Oct 2017, 25 October 2017 and 14 November 2017 with the road contractor and JKR to ensure their understanding. Minutes of these meetings were duly sighted and verified during the audit.</p> <p>At Pengkalan Bukit Estate, Kelab Berbasikal Muar wrote on 3 Aug 2018 to seek permission to use estate road for its cycling event. The Estate responded on 13 August 2018 to grant its permission allowing access to Pagoh Division on the strict condition that only designated routes are used during the cycling event.</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.3:			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	The system used by the SOU 19 Pagoh in resolving disputes and grievances exists in the procedure called "Tatacara Perundingan Dalam Menangani Rungutan Dan Aduan", and "Tatacara Perundingan Dalam Menangani Masalah Sosial". The Mill and Estates within SOU 19 Pagoh each has its own Internal Complaint Book and External Communication Book. The Internal Complaint Book is used for employees to lodge complaint pertaining to their houses. The external book was reviewed and found no complaints against the CU.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	When ensuring anonymity of complainants and whistleblowers, the Sime Darby Code of Business Conduct provides an avenue to direct the grievances to a Hotline number, toll-free numbers, email, fax, or letters to the Whistleblowing Unit at HQ.	Complied
Criterion 6.4:			
Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	SOP to identify legal and customary rights as well as people entitled to compensation has been established- titled "Handling Land Disputes" SOP dated 01 Nov 2008. There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholder	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	According to the Procedure Handling Land Disputes dated 1 Nov 2008, clause 6, in the event that the estate is required to provide compensation to affected local communities or stakeholders for loss of land rights, the Land Management Department shall determine the calculation and distribution of compensation to the affected parties.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	As of the date of this Surveillance Audit, no negotiation and payment of compensation has been carried out to any party and therefore this Indicator is not applicable.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	<p>Documentation of pay throughout SOU 19 Pagoh is in the form of monthly pay slips given out to all employees. Conditions of pay on the other hand, are contained in the employees' respective employment contracts/letter of employment. Samples of these documents were made available, reviewed and verified during the audit. Each pay slip includes the name of employee, month of pay, income (basic, overtime, reimbursement, allowances), deductions (statutory such as EPF, SOCSO, EIS), net salary, number of days worked, annual leave and medical leave taken, etc. Interview with workers reveal that they understand the contents of the pay slips and would seek explanation whenever they needed clarifications.</p> <p>Based on the payslips sighted, there is evidence that the workers are paid in accordance with the provisions of the Minimum Wages Order 2016. There is also evidence that workers receive paid annual and medical leave, and overtime pay. The sighted payslips which were verified during the audit were as follows:</p> <table border="1" data-bbox="1019 911 1836 1367"> <thead> <tr> <th>Estate/Mill Name</th> <th>Worker No</th> <th>Month/Year</th> </tr> </thead> <tbody> <tr> <td>Lanadron</td> <td>105029</td> <td>Nov 2017. March 2018, Aug 2018</td> </tr> <tr> <td>Lanadron</td> <td>108542</td> <td>Nov 2017. March 2018, Aug 2018</td> </tr> <tr> <td>Welch</td> <td>134178</td> <td>Oct 2017. Dec 2017, July 2018</td> </tr> <tr> <td>Welch</td> <td>117190</td> <td>Oct 2017. Dec 2017, July 2018</td> </tr> <tr> <td>Pagoh Mill</td> <td>125573</td> <td>Oct 2017, Dec 2017, March 2018</td> </tr> <tr> <td>Pagoh Mill</td> <td>130971</td> <td>Oct 2017, Dec 2017, March 2018</td> </tr> <tr> <td>Pagoh</td> <td>122269</td> <td>Nov 2017, March 2018, Sept 2018</td> </tr> </tbody> </table>	Estate/Mill Name	Worker No	Month/Year	Lanadron	105029	Nov 2017. March 2018, Aug 2018	Lanadron	108542	Nov 2017. March 2018, Aug 2018	Welch	134178	Oct 2017. Dec 2017, July 2018	Welch	117190	Oct 2017. Dec 2017, July 2018	Pagoh Mill	125573	Oct 2017, Dec 2017, March 2018	Pagoh Mill	130971	Oct 2017, Dec 2017, March 2018	Pagoh	122269	Nov 2017, March 2018, Sept 2018	Complied
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Criterion / Indicator		Assessment Findings			Compliance
		Pagoh	63909	Nov 2017, March 2018, Sept 2018	

<p>6.5.2</p>	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -</p>	<p>Contracts and conditions of employment are contained in employment contracts signed between the Mill and respective estates on one hand, and their workers on the other. The employment contracts sampled were prepared in Bahasa Indonesia/English for Indonesian workers, and Hindi/English and Nepali/English for the Indian and Nepali workers. Verbal briefings on the contents of the agreement were also given to the workers, as confirmed by them and the estate management.</p> <p>Among others, the contract defines the period of employment, wage rate, work benefits, overtime, annual leave, public holidays, contract termination, etc. The contract termination clause however, only gives the employer the right to terminate. The employees' rights to terminate is not explicitly stated and could only be inferred. Details on monthly salary and deductions for every worker and staff are reflected in their pay slips which are issued to the workers during pay day.</p> <p>For the local workers, there is evidence that the payment of statutory contributions such as EPF, SOCSO and Employment Insurance Scheme are being made in accordance with the relevant legal provisions.</p> <p>However, the following non-compliances were found:</p> <p>1. Workers employment contracts specify that they will be provided with 5kgs of rice and 5kgs of cooking oil every 2 months. Employment contracts sighted were as follows:</p> <ul style="list-style-type: none"> a. Pagoh Palm Oil Mill: contract dated 14 May 2018 b. Lanadron Estate: contract dated 8 June 2018 c. Welch Estate: contract dated 8 June 2017 d. Pengkalan Bukit Estate: contract dated 16 October 2016 e. Pagoh Estate: contract dated 17 September 2015 <p>However, the 5kgs of cooking oil has been unilaterally replaced by the company with 5 kgs of rice every 2 months instead. There is no evidence</p>	<p>Major nonconformance</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>that this variation to the terms of the contract have been mutually agreed between the company and the workers.</p> <p>2. Salary deductions for payment of electricity were made without workers' authority. The affected workers are those recruited after 22 November 2016 at Pengkalan Bukit Estate.</p> <p>3. Salary deductions for payment of electricity from workers at Pagoh Estate have been made without written request from the workers.</p> <p>Therefore, a Major Non-Compliance was raised.</p>	

<p>6.5.3</p>	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –</p>	<p>Field visits to the line sites reveal that generally, the Estates and Mills provide adequate housing to their employees. Each house has three rooms and accommodate between 1 to 6 workers per house. The houses are provided rent-free. Each block of 2 houses are provided with fire extinguishers.</p> <p>Among the facilities provided include surau, Hindu temple, playing field, KEMAS kindergarten, canteen/grocery shop and a clinic which is managed by a Medical Assistant and a support staff. Treated water is provided at Lanadron Estate and Pengkalan Bukit Estate for free. At Welch Estate, Pagoh Mill and Pagoh Estate, water supply comes from Syarikat Air Johor. Electricity is supplied to all estate and mill housing by Tenaga Nasional Berhad where workers are required to pay for the electricity consumed.</p> <p>A Visiting Medical Officer (VMO) comes for regular visits once a fortnight to assist with linesite inspections, dispensing medical advice and treating patients. VMO visits at Welch Estate were carried out on 3 Oct 2018, 19 Sept 2018, 5 Sept 2018, 15 Aug 2018 1 Aug 2018. At Pengkalan Bukit Estate, VMO visits were carried out on 26 Sept 2018, 14 Sept 2019, 30 Aug 2018, 16 Aug 2018, 19 July 2018. However at Lanardon Estate, no VMO has visited the estate’s clinic since 24 February 2018 until the date of this audit. A non-compliance has been raised (refer to Indicator 2.1.1 above).</p> <p>Based on records available, linesite inspections are carried out on a weekly basis in accordance with the requirements of the Workers’ Minimum Standard of Housing and Amenities Act 1990. At Lanadron Division, linesite inspections were carried out on 2 Oct 2018, 27 Sept 2018, 5 Sept 2018, 1 Sept 2018. The Pagoh Palm Oil Mill linesite inspection were carried out on 4 Oct 2018, 27 Sept 2018, 21 Sept 2018, 13 Sept 2018. Linesite inspection at Pengkalan Bukit Estate were carried out on at the Main Division on 4 Oct 2018, 26 Sept 2018, 21 Sept 2018,</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<p>and at Pagoh Division on 6 Oct 2018, 27 Sept 2018, 20 Sept 2018. Linesite inspection at Pagoh estate carried out by the Medical Assistant on 28 Sep 2018, 21 Sept 2018, 14 Sept 2018, 7 Sept 2018.</p> <p>Any request for repair works are being acted upon promptly. For example, a complaint dated 10 Oct 2018 on electrical fault, repaired on same day. Complaint on 18 April 2018 electrical fault work done on 19 April 2018.</p>	
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>There are canteens cum shop selling cooked food and grocery items near the estate and mill linesites. One shop visited was a shop at Welch Estate which sells breakfast as well as grocery items such sugar, rice, salt, in small quantities to the workers. Another canteen visited was a canteen at Pagoh Estate which sells cooked meals for breakfast and lunch. However, it was observed that no price list was displayed at the Pagoh Estate canteen. As such, the Company's monitoring of workers' access to affordable food has not been demonstrated.</p> <p>Therefore, a Minor Non-Compliance was raised.</p>	Minor nonconformance
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			

Criterion / Indicator	Assessment Findings	Compliance
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p> <p>Recognition of freedom of association is available in the Sime Darby Plantation Social Policy dated January 2015. The policy states that the company respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. This Social Policy is applicable throughout all operating units and is printed and translated in Bahasa Malaysia and were seen being displayed on all the office notice boards and at AP posts.</p> <p>NUPW membership is open to all workers including foreign workers. This is evidenced from the monthly membership fees of RM11 deducted from the salaries of worker No 87037 (Malaysian worker from Pagoh Palm Oil Mill) and worker No 63909 (foreign worker from Ladang Pagoh).</p> <p>NUPW representatives are also free to attend meetings as is evidenced from the approval given by Pengkalan Estate Manager for the Estate NUPW representative to attend an NUPW meeting at 3.00PM on 18 April 2018. This was also confirmed by the NUPW representatives of Welch and Lanadron Estates.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<p>The CU maintained to document its meetings with NUPW representatives. All related documents are kept in the meeting book and Union File and sighted during the audit.</p> <p>For example, at Welch Estate, the NUPW Meeting with management was held on 27 September 2018 attended by management and NUPW representatives. Among the issues raised were "Volunteer smartphone patrol" phone application, company not employing sufficient local workers, delay in paying NUPW fees to NUPW Segamat Branch, and presence of stray dogs at linesite. The Pagoh Palm Oil Mill management had its meeting with the NUPW committee on 8 August 2018. Among the issues discussed included wages against high cost of living, low overtime, street light not functioning and request for water storage tank to overcome water shortages.</p>	Complied
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	<p>The policy on non-employment of children is contained in the Sime Darby Social Policy dated January 2015. There was no evidence that the estates and the mill employ anyone below the age of 18 years. This was verified by examining the master lists of each operating unit where details of the workers' IC numbers and dates of birth are available. Interviews with workers and staff, as well as observations made during field visits confirm that only those above 18 are employed.</p>	Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			

Criterion / Indicator		Assessment Findings	Compliance
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	The equal opportunities policy is contained within the Sime Darby Social Policy dated January 2015, which states that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. The Social Policy was displayed on notice boards in both Bahasa Malaysia and English.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Apart from the Social Policy which states that all employees shall be treated equally, there is also no evidence that there has been any form of discrimination against any employee, or group of employees. As confirmed by the workers during interviews and field observation, payment of wages/salaries, provision of housing and access to benefits and amenities is fair based on observation, review of pay checks, contracts of employment, and interviews of staff, local and foreign workers. Foreign workers are also accorded the same living standards and accommodations as local workers.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Based on interviews with the estates and mill management and documentation review (interview assessment and medical report), recruitment selection, hiring and promotion are based on suitable job vacancies, experience, qualification/skill and medical fitness appropriate for the job. Candidates submit their application forms followed by interview assessment and medical check-up. Annual appraisal forms are used to determine the employee's skills and capabilities.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			

Criterion / Indicator	Assessment Findings	Compliance
6.9.1	<p>Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -</p> <p>The policy to prevent sexual and other forms of violence is contained in the Sime Darby Social Policy dated January 2015. In addition, awareness on sexual and other forms of harassments are also briefed during muster and Gender Committee meetings held at each Mill and Estates. The Gender Committee Meetings are being held regularly where topics discussed include sexual harassment and violence. Members to lodge complaints if members encounter such incidence. Interviews with female employees confirmed their understanding of what constitutes sexual harassment.</p> <p>Yayasan Sime Darby also collaborated with Women’s Aid Organization to address sexual harassment and domestic violence in estates. This talk was held on 23 and 24 April 2018 in Merlimau, Melaka and there is evidence that the Secretary of the Pagoh Palm Oil Mill Gender Committee attended this training.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>6.9.2</p>	<p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p> <p>The policy to protect reproductive rights of women is contained in the Sime Darby Plantation Gender Policy. In addition, Gender Committees have been established at the Mill and Estate levels to help disseminate awareness on issues relating to reproductive rights. In addition, awareness on reproductive rights are also briefed during muster and Gender Committee meetings held at each Mill and Estates.</p> <p>Records of Gender Committee Meetings were sighted at Welch Estate on 21 Sept 2018 attended by 13 members where the Chairperson spoke about gender policy and reproductive rights of women. At the Pagoh Palm Oil Mill, the Gender Committee met on 18 July 2018 and 18 September 2018. The Gender Committee at Pengkalan Bukit had their meeting on 5 October 2018 attended by 27 pax.</p> <p>On 18 May 2018, a talk was held at Pengkalan Bukit Estate to share women’s and child protection and domestic abuse issues as highlighted during the WAO briefing from 23-24 April 2018 at the Merlimau training centre. A similar sharing session was held at Pagoh Estate on 9 August 2018.</p> <p>At Pagoh Estate, Gender Committee meetings were held on 6 Dec 2017, 8 March 2018 and 15 May 2018. These meetings talked about how to channel confidential complaints, and planned activities.</p> <p>Pagoh Palm Oil Mill conducted a training on Gender and Child Protection Policy on 3 October 2018 attended by 55 pax.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	A grievance mechanism which respects anonymity and protects complainants is in place at the CU as per the Sime Darby Gender Committee Handbook 1st Edition 2014. Based on interviews conducted, female employees are aware of the avenue and mechanism for lodging an anonymous complaint.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	As of the date of this Audit, the Pagoh Palm Oil Mill only receives FFB from its own supply base and has not commenced sourcing FFB from external parties. However, details of FFB prices based on MPOB pricing are available.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	As of the date of this Audit, the Pagoh Palm Oil Mill only receives FFB from its own supply base and has not commenced sourcing FFB from external parties. Therefore, this indicator is not applicable.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Interviews conducted with contractors and suppliers, namely Soon Trading Company, How Chin Hua, MMC Engineering & Industrial Supply, Ah Bee Kluang Auto. Tah Lee Tyre & Battery and Yew Soon Yan Contractor, all confirmed that they understand the contractual obligations they enter into and that the terms are fair, legal and transparent. For those supplying on an ad hoc basis, for example How Chin Hua who does repair works, they understand their obligations under each job order.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Interviews conducted with the contractors as detailed under Indicator 6.10.3 confirmed that payments are made in a timely manner; namely within 2 – 3 weeks of issuance of invoices.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	SOU 19 Pagoh contribute to local development via its Corporate Social Responsibility programmes. Among contributions provided include non-cash contribution towards the general maintenance of the KEMAS kindergarten e.g. grass cutting and upkeep of kindergarten building. Additionally, Pengkalan Bukit Estate also allowed Muar Cycling Club who requested on 3 August 2018 to use Pengkalan Bukit Estate (Pagoh Division) as part of its cycling route during a cycling jamboree. Pengkalan Bukit Estate responded favourably on 13 August 2018 by granting its permission. Lanadron Estate also responded favourably to the written request on 22 April 2018 by SJK Tamil Ladang Lanadron for donation towards the school’s annual sports meet held on 6 May 2018.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	Since there is no scheme smallholders within SOU 19 Pagoh, this indicator is not applicable.	Not applicable

Criterion / Indicator	Assessment Findings	Compliance
Criterion 6.12: No forms of forced or trafficked labour are used.		

Criterion / Indicator	Assessment Findings	Compliance
<p>6.12.1</p> <p>There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -</p>	<p>Based on interview with workers, field observations, review of the employment contracts, records of wages, overtime payments, there is no evidence of any form of forced or trafficked labour within SOU 19 Pagoh.</p> <p>In addition, Sime Darby Plantation Sdn Bhd also adopts the Social and Humanity Management Policy dated January 2015 which included the commitment to safeguarding operations from employing forced labour.</p> <p>Foreign workers are given the option to either keep their own passports or to handover the passports to Mill/Estates for safekeeping. Those who hand over their passports to the Mill/Estate for safekeeping have signed respective consent letters which were sighted during the audit. Those who voluntarily chose to hand over their passports could access their passports should they need them to travel. During the audit, consent documents to surrender the workers' passports were sighted for the following workers:</p> <p>Pengakalan Bukit Estate:</p> <ul style="list-style-type: none"> a. Worker No 108677 signed on 10 July 2018 b. Worker No 108684 signed 10 July 2018 c. Worker No 90010 signed on 3 Oct 2018 <p>At Welch Estate, the workers collectively signed their agreement for passport retention on 31 May 2018.</p> <p>However, there were also several forms which were not properly filled up as this was raised as an Observation: The documents did not have the workers' names, and the form was not properly marked to indicate whether the worker agreed or did not agree to surrender their passports to the estate for safekeeping. These belong to workers No 106732, 113914, 119066, 137295.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	As verified through employment contracts, and interviews with foreign workers, there is no evidence that contract substitution has occurred at the Mill and estates. They were aware of the types of work they would be doing before they arrived in Malaysia. The actual job undertaken was the same as what they were informed of while they were still in their home country.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	The SOU 19 Pagoh adopts the Social Policy dated January 2015 which states that "All employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work and representation race, caste, nationality...". There is also a procedure entitled "Sourcing Process for Foreign Workers".	Complied
Criterion 6.13:			
Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The policy to respect human rights was documented in the Sime Darby Plantation's Social and Humanity Management Policy. This Policy states among others, that it will develop its businesses with a sense of humanity, ensuring that they are socially beneficial and do not infringe basic human rights. This policy was communicated to the workers during Policy trainings.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	SOU 19 Pagoh is located in Peninsular Malaysia and therefore this indicator is not applicable.	Not applicable
Principle 7: Responsible development of new plantings			
Pagoh Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment. The immature areas are replanted area.			
Principle 8: Commitment to continual improvement in key areas of activity			

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			
<p>8.1.1</p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Continuous improvement plan was established at Pagoh POM and supply bases as follow:</p> <ol style="list-style-type: none"> 1. To reduce registration medical cost 2. To reduce painting cost 3. To repair existing shelter and other maintenance works using scrap irons, used woods and used zink. 4. To optimize utilization of estate grader for road maintenance work. 5. Reduce electricity consumption 6. Reduce consumption of raw water treatment chemical 7. Increase OER % 8. Reduce water consumption 9. To improve safety road condition 	<p>Complied</p>

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Appendix B: Approved Time Bound Plan

SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	Sg. Dingin	Karangan, Kedah	12 Aug '10	11-Aug-20	RSPO 550179	N.A
2	Chersonese	Kuala Kurau, Perak	5 Oct '11	4-Oct-21	CU-RSPO-815148, RSPO 590800	N.A
3	Elphil	Sg Siput, Perak	18 Jun '11	17-Jun-21	RSPO 550180	N.A
4	Flemington	Teluk Intan, Perak	5 Oct '11	4-Oct-21	CU-RSPO-819144, RSPO 590802	N.A
5	Seri Intan	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-811218, RSPO 0015	N.A
5	Selaba	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-819142, RSPO 0016	N.A
5a	Sg Samak		3 Mar '11	NA	NA	Mill was closed down.
6	Tennamaram	Bestari Jaya, Selangor	3 Mar '11	2-Mar-21	CU-RSPO-819143, RSPO 0014	N.A
7	Bkt Kerayong	Kapar, Selangor	15 Apr '11	14-Apr-21	RSPO 550181	N.A
8	East	Carey Island, Selangor	19 May '10	18-May-20	RSPO 543543	N.A
9	West	Carey Island, Selangor	19 May '10	18-May-20	RSPO 543594	N.A
9a	Sepang	Sepang, Selangor	19 May '10	NA	NA	Mill was closed down.
10	Bukit Puteri	Raub, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-815147, 18502206 001, 824 502 14020, MUTU – RSPO/091	N.A
11	Kerdau	Temerloh, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-819155, 18502207 001, 824 502 14019, MUTU-RSPO/094	N.A
12	Jabor	Kuantan, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-819156, RSPO 928288, 824 502 16049, MUTU-RSPO/092	N.A
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29-Dec-21	CU-RSPO-855480	N.A
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18-May-20	RSPO 541905	

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15	Sua Betong	Port Dickson, Negeri Sembilan	18/2/2014	17-Feb-19	SGS-RSPOPM-MY14/01364, 824 502 16032	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO-819165, certification date: 30 Dec 2011.
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '11	6-Jul-21	CU-RSPO-819157, RSPO 928188, 824 502 16051, MUTU-RSPO/093	N.A
17	Kempas	Jasin, Melaka	19 May '10	18-May-20	RSPO 005	N.A
18	Diamond Jubilee	Jasin, Melaka	5 Oct '11	4-Oct-21	CU-RSPO-819146, RSPO 591224	N.A
19	Pagoh	Muar, Johor	28/1/2014	27-Jan-19	RSPO 600305	Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill with Certificate No: SPO 549297, certification date: 7 Jan 2011.
19a	Yong Peng	Yong Peng, Johor	20 Oct '10	19-Oct-15	RSPO 550182	Mill was closed down.
20	Chaah	Chaah, Johor	18 Nov '10	17-Nov-20	RSPO 548299	N.A
21	Gunung Mas	Kluang, Johor	19 May '10	18-May-20	RSPO 901888	N.A
22	Bukit Benut	Kluang, Johor	5 Oct '11	4-Oct-21	CU-RSPO-819147, RSPO 591229	N.A
23	Ulu Remis	Layang-layang, Johor	11 Apr '11	10-Apr-21	SGS-RSPO/PM-00722, 824 502 16042, BV-RSPO-20170705-01	N.A
24	Hadapan	Layang-layang, Johor	29 Mar '11	28-Mar-21	SGS-RSPO/PM-00715, 824 502 16040, BV-RSPO-20170623-01	N.A
25	Segaliud	Sandakan, Sabah	20 May '10	19-May-15	RSPO 547123	Mill was closed down.
26	Sandakan Bay	Sandakan, Sabah	1 Oct '08	30-Sep-18	RSPO 537872	N.A
27	Melalap	Tenom, Sabah	21 Jan '11	20-Jan-21	RSPO 547124	N.A
28	Binuang	Kunak, Sabah	16 Jan '09	12-Jul-20	RSPO 001	N.A
29	Giram	Kunak Sabah	16 Jan '09	12-Jul-20	RSPO 002	
30	Merotai	Tawau, Sabah	16 Jan '09	12-Jul-20	RSPO 004	
30a	Jeleta Bumi	Kunak, Sabah	24/5/2010	NA	NA	Mill was closed down.
30b	Mostyn	Kunak Sabah	16 Jan '09	NA	NA	Mill was closed down.
31	Lavang	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819166, MUTU-RSPO/053	N.A
32	Rajawali	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819167, RSPO 0020	N.A
33	Derawan	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819169, RSPO 0019	N.A

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34	Pekaka	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO- 815150, MUTU- RSPO/054	N.A
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Legends

Certification Withdrawal

NA - NOT APPLICABLE

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

SDP- RSPO Certification Status for Indonesia Operations

NO	Name of PT	Name of Mill	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	PT LAHAN TANI SAKTI	ALUR DUMAI	Bagan Sinembah/Tanh Putih, Pujud, Rokan Hilir, Riau	16-Jan-12	15-Jan-22	SGS-RSPO/PC17-00005	N.A
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6-Jul-11	6-Jul-16	MUTU-RSPO/006b	Mill closed down
3	PT SAJANG HEULANG	MUSTIKA	Sebamban, Indonesia	3-Jul-13	3-Jul-18	MUTU-RSPO/027	N.A
4	PT LADANGRUMPUN SUBURUBADI	ANGSANA	Sebamban, Indonesia	9-Nov-16	8-Nov-21	MUTU-RSPO/006a	N.A
5	PT LANGGENG MUARAMAKMUR	BEBUNGA	Pamakan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur	16-Mar-12	3-Aug-22	MUTU-RSPO/014	N.A
6	PT KRIDATAMA LANCAR	SUKAMANDANG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	2-Sep-16	1-Sep-21	MUTU-RSPO/003	N.A
7	PT BAHARI GEMBIRA RIA	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9-Jul-12	28-Nov-22	MUTU-RSPO/019	N.A
8	PT TUNGGAL MITRA PLANTATIONS	MANGGALA	Riau, Indonesia	25-Nov-10	24-Nov-20	MUTU-RSPO/002	N.A
9	PT PARIPURNA SWAKARSA	PONDOK LABU	Pamakan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16-Mar-12	19-Jul-22	MUTU-RSPO/016	N.A
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	21-Oct-16	20-Oct-21	MUTU-RSPO/005	N.A
11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16-Mar-12	19-Nov-22	MUTU-RSPO/017	N.A
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30-Dec-11	30-Dec-16	MUTU-RSPO/009	N.A
13		BETUNG		1-April-14	1-April-19	MUTU-RSPO/035	

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14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23-Nov-10	22-Nov-20	MUTU- RSPO/001	N.A
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16-Mar-12	15-Mar-17	MUTU- RSPO/015	Cert. discontinued – supply bases extended to Rantau POM
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11-Sep-12	28-Nov-22	MUTU- RSPO/020	N.A
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9-Sep-16	8-Sep-21	MUTU- RSPO/004	N.A
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg. Guntung, Indragiri Iilir, Riau	01-Dec-16	30-Nov-21	MUTU- RSPO/008	N.A
19		MANDAH		1 April 2014	1 April 2019	MUTU- RSPO/036	
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	8-Dec-16	7-Dec-21	MUTU- RSPO/007	N.A
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10-Jul-12	28-Dec-22	MUTU- RSPO/018	N.A
22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18-Jul-16	17-Jul-21	MUTU- RSPO/088	N.A
23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3-May-13	3-May-18	MUTU- RSPO/026	N.A
24	PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3-Jul-14	2-Jul-19	MUTU- RSPO/044	N.A
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab.Sanggau, Kalimantan Barat	NA	NA	NA	N.A

Legends

Pending Certification by RSPO EB	Mill down	closed
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NA - NOT APPLICABLE

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2017 for Pagoh POM and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in 2017 for Pagoh POM and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.22
PK	1.22

Extraction	%
OER	19.69
KER	5.09

Production	t/yr
FFB Process	148873.22
CPO Produced	36660.28
PKO Produced	9469.42

Land Use	Ha
OP Planted Area	25954.48
OP Planted on peat	272.0538
Conservation (forested)	0
Conservation (non-forested)	0
Total	26,133.8533

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	67861.53	0.46	11933.03	0.4	0	0	79794.56	0.86
CO ₂ Emission from fertilizer	7459.51	0.05	1277.28	0.05	0	0	8736.79	0.1
NO ₂ Emmision	6339.7	0.04	998.9	0.04	0	0	7338.6	0.08
Fuel Consumption	794.78	0.01	128.67	0	0	0	923.45	0.01
Peat Oxidation	2572.84	0.02	1098.4	0.02	0	0	3671.24	0.04
Sink								
Crop Sequestration	-62225.57	-0.42	-11241.11	-0.38	0	0	-73466.7	-0.8
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	22802.79	0.15	4195.17	0.12	0	0	26997.96	0.27

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**Note: Includes both estates*

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	28553.48	0.15
Fuel Consumption	66.65	0
Grid Electricity Utilisation	776.42	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	29396.55	0.16

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	11586.33
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

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

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

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

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Pagoh Palm Oil Mill takes legal ownership and physically handles its RSPO certified oil palm products i.e. CPO and PK. Nonetheless, the trading and contract are managed by a department in Sime Darby called Global Trade Marketing which is based at HQ, KL.	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Pagoh POM is not a trading company. Therefore, this requirement is not applicable.	N/A
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	The parent company (Sime Darby Plantation Sdn Bhd) is the member of RSPO. Pagoh POM is registered in RSPO PalmTrace with ID No. RSPO_PO1000001031.	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	Processing aids are not used in the milling process.	N/A
5.2 Supply chain model			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	The FFB suppliers are of RSPO certified estates which consists of Pagoh certification unit and other certified Sime Darby group estates. Declassification of the CPO or PK was done in accordance to the correct order i.e. IP to SG or conventional.	Yes

5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Pagoh POM is IP certified and sales of the products were of IP, SG or conventional only.	Yes
5.3. Documented Procedures			
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	<p>Procedure for supply chain has been established entitled "Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability" [appendix 15 of the Sustainable Plantation Management System (SPMS)], version 2, dated Feb 2018.</p> <p>Among the subjects covered in the procedure are</p> <ul style="list-style-type: none"> • Responsibilities • control of documents & records • delivery of FFB from the estate • receiving FFB at the mill • process monitoring • CPO and PK dispatch • Non-conforming products and/or documents • Product claims • Outsourced contractor • Training • Reclassification of mill's supply chain model • Production volume • Conversion factors • Internal audit • Complaints • Management review 	Yes
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>Among the records included in the procedures are:</p> <ul style="list-style-type: none"> • Weighbridge tickets • Dispatch of CPO/PK – weighbridge ticket, delivery order, shipping document • Daily production report • Record and balance 	Yes

	<ul style="list-style-type: none"> • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization’s procedures for the implementation of this standard. 	<ul style="list-style-type: none"> • All the records were found to be up-to-date. <p>Addressed in the SOP for Sustainable Supply Chain and Traceability, clause 4.0. The assigned persons are the Head of Operating Unit where in this case the Mill Manager. The Mill Manager has also delegated the responsibilities to his subordinates to assist the implementation of the SOP (ref.: letter dated 10/7/2018 to QA). Based on interview, the person in-charge was able to demonstrate the implementation of their procedures in accordance to the standard requirements.</p>	Yes
5.3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	<p>SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered internal audit. Based on the procedure, the internal audit shall be conducted in accordance to Internal Audit Procedure (SD/SDP/PSQM/IAP) [rev. 1, dated 1/5/2015].</p>	Yes
	<p>ii) effectively implements and maintains the standard requirements within its organization</p>	<p>The internal audit for supply chain was conducted on 18-20/9/2018 by GSQM team. The audit was conducted in combination with RSPO P&C and MSPO. As a result of the audit, there were 2 NCR raised related to SC i.e. under clause D.5.1 and 5.4.1. The NCR based on verification of corrective action evidence, the NCRs have been satisfactorily closed out.</p>	Yes
5.4. Purchasing and goods in			
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; 	<p>When FFB delivered to the mill from the estates, the transporters presented Delivery Order (DO) to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g. of information available in the DO is as follows:</p> <ul style="list-style-type: none"> • Consignment note no. • Estate’s names 	Yes

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	<ul style="list-style-type: none"> • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<ul style="list-style-type: none"> • Date & time of delivery • Field No. • No. of bunches • Vehicle no. • Seal no. <p>E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> • Weighbridge ticket no. • Name of estates • Field No. • Name of driver • Vehicle no. • Date & time in/out • Total bunches • Seal no. • Net weight 	
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>The information was available in various documents such as delivery order (estate’s weighbridge tickets), consignment note and mill weighbridge tickets.</p> <p>Sampled: FFB delivery from Muar River Estate (cert. no.: MUTU-RSPO/093, SOU Kok Foh) on 4/4/2018, CN no.: 4793, estate’s DN no.: 10027 and mill weighbridge ticket no.: 120112.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> • The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>Not applicable. The mill is not required to make announcement for its receipt of FFB.</p>	<p>Yes</p>

	<ul style="list-style-type: none"> A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. 	The mill has a list of certified FFB suppliers which has the information about certificate number and validity period [ref.: clause 7.2 of SOP for Sustainable Supply Chain and Traceability]. As at to-date, the supplying estates were of the SDPB's own estates such as Tangkah, Kempas, CEP Renggam, Sua-Betong, Muar River, Sg. Senarut and Sg Gemas.	Yes
	<ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. 	NA – the mill does not purchase FFB from any trader.	Yes
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Addressed in the SOP clause 10.0 Non-conforming Products and/or Documents. Based on the procedure, where there is contamination of RSPO certified material during receiving, processing, storage and dispatch, the mill shall downgrade the materials in such order: IP to MB to conventional.	Yes
5.5. Outsourcing activities			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	Outsourced activity is only limited to CPO transportation. There is no outsource for processing activities. Ref.: Contract Agreement between Sime Darby Plantation Bhd and Teo Tuan Kwee Sdn Bhd (CPO transporter), validity: 1/5/2016 to 30/9/2019. Requirement to adhere to RSPO Supply Chain Standard is stated in clause 3 Sustainability and Traceability of Product, which then refers to Annexure 5 of the contract.	Yes

5.5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: a. The site has legal ownership of all input material to be included in outsourced processes;	Not applicable. No outsourced activity for processing.	N/A
	b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.	Not applicable. No outsourced activity for processing.	N/A
	c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.	Not applicable. No outsourced activity for processing.	N/A
	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	Not applicable. No outsourced activity for processing.	N/A
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourced activity for processing.	N/A
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourced activity for processing.	N/A
5.6. Sales and goods out			
5.6.1	The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form. <ul style="list-style-type: none"> The name and address of the buyer; 	Pagoh POM ensured the required information is available in document form. Sampled contract: P/CPNR/ 1808/C PO0181, quantity 300 mt of CSPO	Yes

	<ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number 	<ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller; KKS Pagoh, PO Box 101, 84300 Bukit Pasir, Muar, Johor • The loading or shipment/ delivery date; e.g. 5/9/2018 • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); e.g. Crude Palm Oil (CPO) RSPO IP • The quantity of the products delivered; e.g. 41.54 mt • Any related transport documentation; e.g. Despatch note no. • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO XXXXXX • A unique identification number • Available in a few forms e.g. DN no., seal no., etc. 	
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>Information is complete and available in various documents such as sales contract, mill weighbridge ticket, delivery note, transporter collection order.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>Since the last assessment, there were a total of 71 shipping announcement of CSPK and CSPO made.</p>	<p>Yes</p>
<p>5.7. Registration of transactions</p>			

5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries and; take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	<p>The registration of PalmTrace is carried out by the Sime Darby's Global Trade Marketing Department, HQ. All transaction will be registered in the PalmTrace.</p>	Yes
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	<p>Based on the announcement summary, all the registrations were found to be in order.</p>	Yes
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. 	<p>Not applicable. Products are not sold beyond refinery.</p>	N/A
	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	<p>Based on the MB accounting, the removal of volumes was done correctly when the products were sold as conventional.</p>	Yes
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	<p>Based on the announcement summary, all the confirmations were found to be in order.</p>	Yes
5.8. Training			

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5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	Training plan for 2018/2019 were available which training for RSPO Supply Chain has been included.	Yes
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	Refresher training for RSPO SCC was last conducted on 27/3/2018 by PSQM and attended by 3 personnel from QA, clerical and weighbridge operator. Record was available for verification.	Yes
5.9. Record Keeping			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible.	Yes
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	As spelt out in its supply chain procedure, Clause 5.4, records are to be maintained minimum of two years.	Yes
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Not applicable. The product of the facility is containing 100% palm oil.	N/A
5.10. Conversion factors			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its derivatives. This is relevant for derivatives of Palm	Conversion factor of CPO and PK production is depending on the actual OER and KER. Last year's average were 20.71% (OER) & 5.48% (KER).	Yes

	Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.		
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.	Yes
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	No claims were made regarding the use of or support of or support of RSPO certified oil palm products.	N/A
General corporate communications			
4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	NA	N/A
4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page.	NA	N/A
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	NA	N/A

4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member’s own products.	NA	N/A
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	NA	N/A
Business to business communications			
5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	NA	N/A
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	NA	N/A
5.3	Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options: a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.	NA	N/A

5.4	<p>A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification.</p> <p>For example, a retailer or food service company may require a breakdown of all palm based ingredients within an end product and the certified status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim.</p>	NA	N/A
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary.	NA	N/A
6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	NA	N/A
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	NA	N/A
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	NA	N/A
6.5	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	NA	N/A
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	NA	N/A

6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	NA	N/A
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rsपो.org .	NA	N/A
MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES			
Auditor Hint:			
This specific rules shall be audited concurrently with the relevant Module A and Module B (including Module F & G) under the Supply Chain Modular Requirements			
Certified oil palm content (IP)			
	For IP, 95% or above of the oil palm content must be RSPO IP-certified.	NA	N/A
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	NA	N/A
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for	NA	N/A

	<p>moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified oil palm products must be covered by the purchase of RSPO Credits of equivalent volume.</p>		
Labelling and trademark (IP)			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> a. RSPO trademark which includes the tag 'CERTIFIED' or b. RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack. 	NA	N/A
Messaging (IP)			
	<p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org • By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: www.rspo.org • RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. www.rspo.org • Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. www.rspo.org • The entire supply chain is monitored by independent, RSPO-accredited auditors. www.rspo.org • RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. www.rspo.org 	NA	N/A

	<ul style="list-style-type: none"> References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records. 		
MODULE B – MASS BALANCE SPECIFIC RULES Auditor Hint: This specific rules shall be audited concurrently with the relevant Module C (including Module F & G) under the Supply Chain Modular Requirements			
Minimum Mass Balance content (MB)			
	95% or above of the oil palm content must be RSPO MB-certified.	NA	
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.	NA	N/A
Labelling and trademark (MB)			
	Members are allowed to use the RSPO label in one of the following ways: <ul style="list-style-type: none"> Surrounded by the text: 'Certified sustainable palm oil'. The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim. The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the 	NA	N/A

	<p>trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch).</p> <ul style="list-style-type: none"> • In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications & Claims document. 		
Messaging (MB)			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> • [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain. • The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. • In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed. 	NA	N/A
	<p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <p>Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</p>	NA	N/A
MODULE C – PARTIAL PRODUCT CLAIMS			
	<p>To increase awareness among consumers of the availability of sustainable oil palm products and to help accelerate the uptake, it is permissible to make a claim on product when the percentage of the oil palm content is less than 95% certified, but only when the following conditions have been met:</p>	NA	N/A

	<ul style="list-style-type: none"> • The member making the claim is the end product manufacturer, is an RSPO member and is certified against the RSPO SCCS or is an RSPO retailer member authorized to use the trademark by the RSPO. • At least 50% of the oil palm content has been supplied through an RSPO certified supply chain as IP, SG or MB. • The remainder of the oil palm content that is not RSPO-certified is covered by the purchase of RSPO Credits to an equivalent volume. • The product-specific claim is limited to only the following phrase: 'This product contributes to the production of certified sustainable palm oil'. • The use of the RSPO label with this claim is mandatory and must include the tag '50% MIXED'. No other percentage is allowable within this claim. 		
MODULE D – COMBINED SUPPLY CHAIN MODELS SPECIFIC RULES			
	<p>Where a mixture of inputs supplied through different RSPO supply chain models are present in a product, the following applies:</p> <p>75% IP + 20% SG => 95% SG claim is made 65% SG + 30% MB => 95% MB claim is made 55% MB + 40% B&C => 95% partial product claim can be made 45% SG + 55% B&C < 50% B&C claim can be made</p>	NA	N/A
	<p>Where one supply chain model accounts for 95% of the oil palm content, the claim for this specific model may be made:</p> <p>95% IP + 5% MB => 95% IP IP claim can be made 95% SG + 5% MB => 95% SG SG claim can be made 95% MB + 5% C => 95% MB MB claim can be made</p>	NA	N/A
5.12. Complaints			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Addressed in Section 18 of the supply chain SOP. Should there be any complaints from stakeholders pertaining supply chain issues, it will be handled through Procedure for External	Yes

		Communication in PQMS SOM Sub-Section 5.5 Appendix 5.5.3.2. There has been no complaint from any third party with regards to supply chain so far.	
5.13. Management Review			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	Management review at the mill level was last conducted on 30/8/2018. It was chaired by En Ahmad Fauzi Hj Jantan (MM) and attended by 12 mill staff which include AMs, Head of AP, office clerk, lab supervisor, quality supervisor and mill supervisor. Apart from that, a management review meeting at the SOU level has also been conducted on 21/9/2018. It was chaired by Pagoh Estate Manager (En Syahrul B Saramlah) and attended by 17 staff from both estates and mill.	Yes
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	Verification of the minutes of meetings showed that all of the required agenda have been adequately discussed.	Yes
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	Discussion about the improvement of the effectiveness of the management system and its processes, and any resource needs were found to be included in the meeting minute.	Yes

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

D.1 Definition			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.	Pagoh Palm Oil Mill only accepts certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	Yes
D.2 Explanation			
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.	
D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).	The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO Palmtrace or book and claim).	

		The registrations were made by Sime Darby's Global Trade & Marketing based at KL HQ.	
D.3 Documented procedures			
D.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	<p>Latest written documented procedures for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB is under SOP for Sustainable Supply Chain and Traceability" [appendix 15 of the Sustainable Plantation Management System (SPMS)], version 2, dated Feb 2018.</p> <p>This was developed based on the RSPO SCCS July 2017. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Pagoh Palm Oil Mill.</p>	
	b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.	
D.3.2	The site shall have documented procedures for receiving and processing certified FFBS.	Pagoh Palm Oil mill has documented procedures (as mentioned in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified FFBS.	
D.4 Purchasing and goods in			

D.4.1	The site shall verify and document the tonnage and sources of certified FFBs received.	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB. Records verified by internal and external audit.</p> <p>The accompanying documents of incoming FFB from own estate are estate’s weighing bridge tickets which has the info about name of estate, RSPO certificate number, weighbridge ticket number, seal number, date of delivery, field number, number of bunches. Upon arrival at the mill, the mill issues its weighbridge ticket as confirmation of receipt. The estate’s ticket number is recorded in the mill’s ticket number.</p>	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	There was a projected overproduction of certified tonnage i.e. a total of 26,510 mt of CSPO and 5,273 mt of CSPK. The certification unit has informed the CB and the necessary volume extension was made in the PalmTrace thereafter.	
D.5 Record keeping			
D.5.1	<p>The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p><i>IP Mill must report on real time basis.</i></p>	The record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on real-time basis was available through verification of the SAP system. The system is able to capture the quantity of FFB received, CPO & PK dispatch and the balance stock of CPO & PK in tanks on real-time basis.	
D.6 Processing			
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.	The mill does not accept any FFB from non-RSPO certified estates. This is guided by their SOP for Sustainable Supply Chain and Traceability, clause 7.0. Verification of FFB receipt records also showed that all the FFBs were sourced from Sime Darby’s certified supplying estates.	

Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
Period: Oct 17 – Sep 18				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	Oct 2017	19,979.52	-	19,979.52
2	Nov 2017	22,073.39	-	22,073.39
3	Dec 2017	21,128.74	-	21,128.74
4	Jan 2018	17,693.00	-	17,693.00
5	Feb 2018	13,440.04	-	13,440.04
6	March 2018	9,041.13	-	9,041.13
7	April 2018	16,893.97	-	16,893.97
8	May 2018	14,658.16	-	14,658.16
9	Jun 2018	12,022.65	-	12,022.65
10	July 2018	12,520.23	-	12,520.23
11	Aug 2018	13,040.15	-	13,040.15
12	Sept 2018	14,334.95	-	14,334.95
TOTAL		186,825.93		186,825.93

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B. Monthly Records of Certified CPO & PK since the last audit. Period: Oct 17 – Sep 18			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Oct 2017	3,898.25	1,007.14
2	Nov 2017	4,625.48	1,073.07
3	Dec 2017	4,639.52	1,144.47
4	Jan 2018	3,497.88	900.88
5	Feb 2018	2,888.64	759.10
6	March 2018	1,856.10	410.76
7	April 2018	3,563.71	807.82
8	May 2018	3,026.43	704.90
9	Jun 2018	2,507.36	621.94
10	July 2018	2,468.40	630.26
11	Aug 20018	2,714.61	704.01
12	Sept 2018	2,819.81	761.22
TOTAL		38,506.25	9,525.61

C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) Period: Oct 17 – Sep 18				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	XXXXX	TR-c4a2f47d-7721, TR-9b4bf5dc-0b79 TR-a12198d0-d389, TR-15468300-fa3b TR-443d8167-6603, TR-79238b1e-27bf TR-f0080666-e89a, TR-7b992bd8-a5af TR-ce702b94-477d	-	4,500.00
2	XXXXX	TR-ae9b9928-3d12, TR-0eabe13e-a5c5 TR-72c2681a-55a5, TR-e4b40ef5-1452 TR-85fed81f-94a7, TR-2040f185-0dad TR-653d0b23-b0b4, TR-2ef11890-90d8 TR-e9679aeb-738b, TR-f77fc506-ff74 TR-cde90a46-c09c, TR-d7d33abe-1b66 TR-702b5315-a02b, TR-5238ad9e-715c TR-2ae940d8-9a8f, TR-fa202f74-2b6b TR-cff74a57-e76b, TR-b58f8818-0b59 TR-788704eb-2c55, TR-4ba659d5-abcb	8,245.89	-

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		TR-6b064e4a-9a17, TR-aaefd6eb-241a TR-a0e8ef99-5f65, TR-469df1f8-2656 TR-c5b697e6-3a63, TR-3722778c-bfe6 TR-27c5aba8-fb99, TR-e2b7520e-9f66 TR-a768bfca-e51c, TR-83e8ad89-af4c TR-edf9daa7-9560, TR-bcd4f920-2858 TR-00792447-65d0, TR-4fdb3fe1-03c4 TR-95f76dd5-6f48, TR-8a59afa3-e06a TR-aa148e90-aac8, TR-a348c340-8ff9 TR-ef78aac5-45e1, TR-9d0a89c2-bc66 TR-15f68958-e464, TR-0f6122ad-a615 TR-44080322-493c, TR-e558110f-5bb7 TR-6f895d32-b71a, TR-425417aa-d8b8 TR-e192bbe9-dcac, TR-eb74211b-a1fd TR-f6f8377d-89aa, TR-f351c8ba-d4a0 TR-f3a49243-868c		
3	XXXXX	TR-b27515df-8a8f, TR-8319b265-87cf TR-73960a74-1ed4, TR-31c9524d-e054 TR-9e90b74b-f2a3, TR-95f34139-aef7 TR-afbbad39-23ba, TR-a48a4dc8-b257 TR-86d38520-d543	2,550.00	
		TOTAL	10,795.89	4,500.00

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any)				
Period: Oct 17 – Sep 18				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
N/A				

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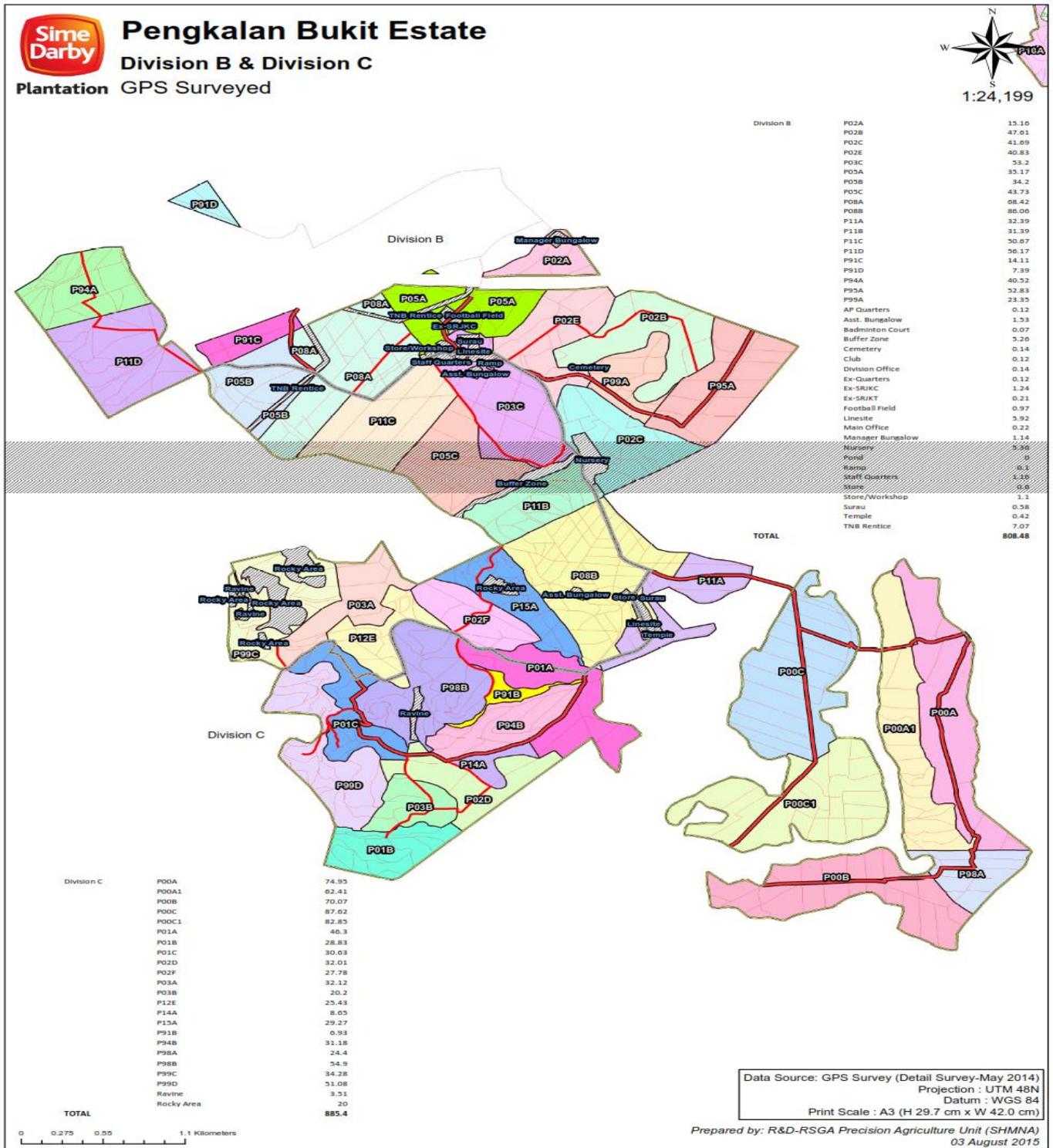
E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any)			
Period: Oct 17 – Sep 18			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
1	xxxxx	27,055.18	-
2	xxxxx	-	4,596.73
	TOTAL	27,055.18	4,596.73

F. Records of Certified CPO & PK Sold under RSPO Credits to Buyers since the last audit (if any). Period: Oct 17 – Sep 18			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO or PK Sold (mt)
N/A			

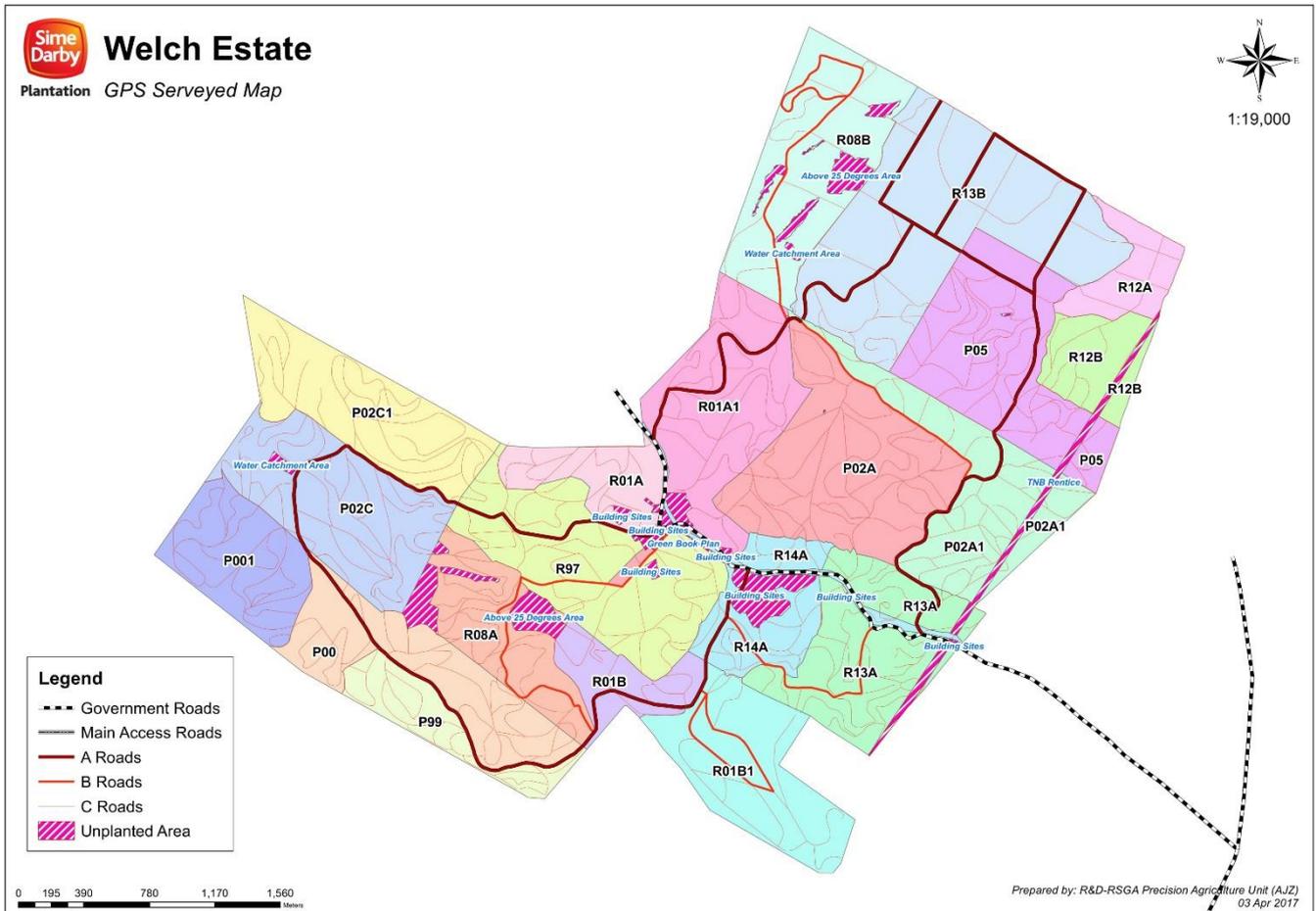
Appendix F: Location Map Pagoh Palm Oil Mill Certification Unit and Supply bases



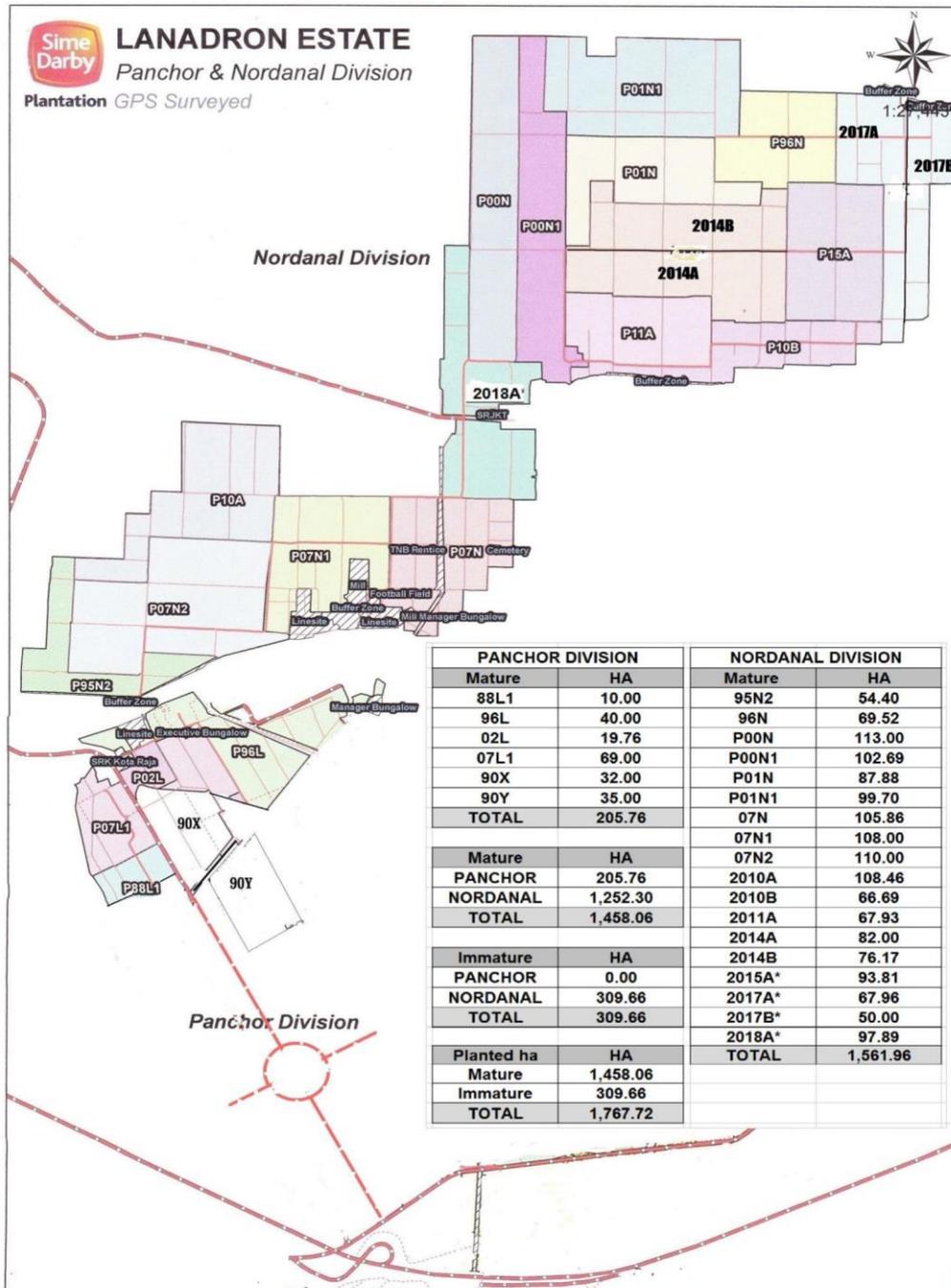
Appendix H: Pengkalan Bukit Estate Field Map



Appendix I: Welch Estate Field Map



Appendix J: Lanadron Estate Field Map



Appendix K: List of Smallholder Sampled

Not applicable

Appendix L: List of Abbreviations

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