

**RSPO PRINCIPLE AND CRITERIA –  
RECERTIFICATION ASSESSMENT (RC\_2)  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Head Office: Level 3A, Main Block, Plantation Tower No. 2, Jalan P.J.U 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: <b>Strategic Operating Unit (SOU 26)</b> <b>Sandakan Bay Palm Oil Mill</b> Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0008-04-000-00	<b>Membership Approval Date</b>	06/09/2004
<b>Parent Company Name</b>	Sime Darby Plantation Berhad		
<b>Address</b>	Head Office: Level 3A, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia Certification Unit: Strategic Operating Unit (SOU 26) – Sandakan Bay Palm Oil Mill, Locked Bag 39, Suanlamba District 90009 Sandakan, Sabah, Malaysia		
<b>Subsidiary</b>	N/A		
<b>Address</b>			
<b>Contact Name</b>	Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM) Mr Hudal Firdaus Lahuri (Sanadakan Bay Palm Oil Mill Manager)		
<b>Website</b>	<a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>	<b>E-mail</b>	<a href="mailto:Shylaja.vasudedvean@simedarbyplantation.com">Shylaja.vasudedvean@simedarbyplantation.com</a> <a href="mailto:kks.sandakan.bay@simedarbyplantation.com">kks.sandakan.bay@simedarbyplantation.com</a>
<b>Telephone</b>	+603-78484371 (Head Office) +6089-622276/247225 (Mill)	<b>Facsimile</b>	+603-78484363 (Head Office) +6089-622276 (Mill)

2. Certification Information			
<b>Certificate Number</b>	RSPO 537872	<b>Date of First Certification</b>	01/10/2008
		<b>Certificate Start Date</b>	14/11/2018
		<b>Certificate Expiry Date</b>	30/09/2023
<b>Scope of Certification</b>	Palm oil and Palm Kernel Production from Sandakan Bay Palm Oil Mill and Supply Base (Segaliud, Sentosa, Tigowis, Tun Tan & Tunku Estate)		
<b>Applicable Standards</b>	RSPO MYNI 2014 and RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 682050	MS 2530-4 Malaysian Sustainable Palm Oil (MSPO) Part 4	BSI Services Malaysia Sdn Bhd	09/02/2023
MSPO 689878	MS 2530-3 Malaysian Sustainable Palm Oil (MSPO) Part 3		08/02/2023

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<b>4. Location(s) of Mill &amp; Supply Bases</b>			
<b>Name (Mill / Supply Base)</b>	<b>Location [Map Reference #]</b>	<b>GPS Coordinates</b>	
		<b>Longitude</b>	<b>Latitude</b>
Sandakan Bay Palm Oil Mill	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118° 10' 03" E	5° 38' 26" N
Segaliud Estate	WDT 250, 90009, Sandakan Sabah, Malaysia	117° 45' 20" E	5° 43' 33" N
Sentosa Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118° 10' 21" E	5° 43' 44" N
Tigowis Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118° 13' 03" E	5° 44' 57" N
Tun Tan Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118° 10' 20" E	5° 45' 20" N
Tunku Estate	Locked Bag 39, Suanlamba District, 90009, Sandakan, Sabah, Malaysia	118° 10' 20" E	5° 45' 20" N

<b>5. Description of Supply Base</b>					
<b>Estate</b>	<b>Total Planted (Mature + Immature) (ha)</b>	<b>HCV (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Area (ha)</b>	<b>% of Planted</b>
Segaliud Estate	4,252.75	261.19	306.19	4,820.13	88.22
Sentosa Estate	3,208.73	74.64	262.17	4,675.72	68.63
Tigowis Estate	1,879.99	9.93	184.10	2,074.02	90.64
Tun Tan Estate	2,775.05	4.74	345.81	2,012.91	137.86
Tunku Estate	2,891.48	30	281.57	3,203.05	90.27
<b>Total</b>	<b>15,008.00</b>	<b>380.5</b>	<b>1,379.84</b>	<b>16,785.83</b>	

**Note:**

- GPS variance from last year data for total planted ha and Infrastructure & other ha due to GPS re-surveyed by Internal GPS Team. Approved new hectareage by regional CEO on 14/6/2017.
- Total hectareage for Tun Tan Estate (Planted + HCV + Infrastructure & Other) = -1130.18 ha due to field transferred to Sentosa Estate based on GPS re-surveyed on 14/6/17.  
Total hectareage for Sentosa Estate (Planted + HCV + Infrastructure & Other) = +1130.18 ha due to field transferred from Tun Tan Estate based on GPS re-surveyed on 14/6/17.

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<b>6. Plantings &amp; Cycle</b>							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Segaliud Estate	884.07	1,504.20	473.83	340.40	1,050.25	3,68.68	884.07
Sentosa Estate	808.13	954.68	-	1,445.92	-	2,400.60	808.13
Tigowis Estate	660.06	510.43	-	709.50	-	1,219.93	660.06
Tun Tan Estate	1,314.08	477.76	-	341.07	642.14	1,460.97	1,314.08
Tunku Estate	1,006.33	666.08	-	1,219.07	-	1,885.15	1,006.33
<b>Total (ha)</b>	<b>4,672.67</b>	<b>4,113.15</b>	<b>473.83</b>	<b>4,055.96</b>	<b>1,692.39</b>	<b>10,335.33</b>	<b>4,672.67</b>

<b>7. Certified Tonnage of FFB (Own Certified Scope)</b>			
Estate	Tonnage / year		
	Estimated (Oct17 – Sep 18)	Actual (June 17 - May 18)	Forecast (Oct 18 – Sept 19)
Segaliud Estate	47,119.50	47,747.09	61,297.23
Sentosa Estate	43,462.87	35,802.98	42,727.98
Tigowis Estate	22,658.53	23,719.03	28,136.20
Tun Tan Estate	28,800.00	28,854.68	30,799.04
Tunku Estate	35,046.00	35,991.54	33,413.35
<b>Total</b>	<b>177,086.90</b>	<b>172,115.32</b>	<b>196,373.80</b>

**Note:**

1. The Actual volume certified FFB figure in the table was from 2 period ( June 17 – Sept 17 and October 17 – May 18)
2. FFB received for the period June 17 – Sept 17 was 63,164.25 mt while for the period Oct 17 – May 18 was 108,951.07 mt

<b>8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *</b>			
Estate	Tonnage / year		
	Estimated (Oct 17 – Sept 18)	Actual (June 17 - May 18)	Forecast (Oct 18 – Sept 19)
N/A	N/A	N/A	N/A
<b>Total</b>			

<b>9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>			
Independent FFB Supplier	Tonnage / year		
	Estimated (Oct 17 – Sept 18)	Actual (June - May 18)	Forecast (Oct 18 – Sept 19)
OCP	-	23,515.05	36,000.00
<b>Total</b>	<b>-</b>	<b>23,515.05</b>	<b>36,000.00</b>

**Note:**

1. The Actual volume non-certified FFB figure in the table was from 2 period ( June 17 – Sept 17 and October 17 – May 18)
2. FFB received for the period June 17 – Sept 17 was 6,626.78 mt while for the period Oct 17 – May 18 was 16,888.27 mt

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<b>10. Certified Tonnage</b>			
	<b>Estimated (Oct 17 – Nov 18)</b>	<b>Actual (June 17 - May 18)</b>	<b>Forecast (Oct 18 – Sept 19)</b>
<b>Mill Capacity: 60 MT/hr</b>	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	177,086.90	172,115.32	196,373.80
<b>SCC Model: MB</b>	<b>CPO (OER: 21.40%)</b>	<b>CPO (OER: 21.68 %)</b>	<b>CPO (OER: 22.00 %)</b>
	37,896.60	37,337.35	43,202.24
	<b>PK (KER: 4.50%)</b>	<b>PK (KER: 5.04 %)</b>	<b>PK (KER: 5.00 %)</b>
	7,968.91	8,681.55	9,818.69

**Note:**

1. The Actual volume figure in table was from 2 period ( June 17 – Sept 17 and October 17 – May 18)
2. FFB received for the period June 17 – Sept 17 was 63,164.25 mt while for the period Oct 17 – May 18 was 108,951.07mt
3. Total CPO produced for the period June 17 – Sept 17 was 13,678.83 mt while for the period Oct 17 – May 18 was 23,658.52 mt
4. Total PK produced for the period June 17 – Sept 17 was 3,131.99 mt while for the period Oct 17 – May 18 was 5,549.56 mt

<b>11. Actual Sold Volume (CPO) (Oct 17 – May 18)</b>					
	<b>RSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSB</b>		
<b>CPO (MT)</b>	NIL	N/A	N/A	27,500	27,500

**Note:**

1. The Actual volume figure in table was from 2 period ( June 17 – Sept 17 and October 17 – May 18)
2. Actual sold volume (conventional) for the period June 17 – Sept 17 was 9,825.72 mt while for the period Oct 17 – May 18 was 27,500 mt conventional oil was sold with credits.

<b>12. Actual Sold Volume (PK) (Oct 17 – May 18)</b>					
	<b>RSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSB</b>		
<b>PK (MT)</b>	3,418.73	N/A	N/A	1,719.92	5,138.65

**Note:**

1. The Actual volume figure in table was from 2 period ( June 17 – Sept 17 and October 17 – May 18)
2. Actual sold volume (RSPO certified) for the period June 17 – Sept 17 was 0.00 mt while for the period Oct 17 – May 18 was 3,418.73 mt.
3. Actual sold volume (conventional) for the period June 17 – Sept 17 was 3,132.08 mt while for the period Oct 17 – May 18 was 1,719.92 mt.

<b>13. Actual Group certification Claims (June 17 – May 18)</b>		
	<b>Credit</b>	<b>Physical Volume (MT)</b>
<b>IS-CSP0</b>	0	0
<b>IS-CSPK0</b>	0	0
<b>IS-CSPKE</b>	0	0

## 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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Tel +603 2242 4211 Fax +603 2242 4218  
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### 2.1 Assessment Methodology, Programme, Site Visits

The on-site surveillance assessment was conducted from 25-28/06/2018. 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 (Tunku Estate & Segaliud Estate). 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 audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 21/05/2018 through BSI & RSPO website as per following link: [https://rspo.org/certification/public-announcement?keywords=sandakan+&country=&assessment\\_type=](https://rspo.org/certification/public-announcement?keywords=sandakan+&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.

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

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between

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the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

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

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

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

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

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Recertification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Sandakan Bay Palm Oil Mill	√	√	√	√	√
Segaliud Estate	√			√	
Sentosa Estate		√		√	
Tigowis Estate		√			√
Tun Tan Estate			√		√
Tunku Estate	√		√		

**Tentative Date of Next Visit:** June 25, 2019 – 28 June 2019

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



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**2.2 BSI Assessment Team:**

Team Member Name	Role	Qualification
Mohd Hafiz Mat Hussain	Lead auditor	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.
Nu Ning Shing	Team member	She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages.
Ragu Erulappan	Team member	Ragu Erulappan is a fulltime employee with BSI Services Malaysia. He graduated from University Technology Malaysia. He attended internal RSPO training in 22 December 2014. He has completed ISO 9001:2008 Quality Management System Lead Auditor training, ISO 14001, ISO 18001 Lead Auditor Training. Currently he is an ISO 9001:2008, ISO 14001, ISO 18001, C-TPAT (Supply Chain Security) and GDPMD (Good Distribution Practice for Medical Devices) Lead Auditor. He has more than 5 years of auditing experience since August 2010 covering Environment, Safety and Health, Legal aspects in various industries. He is involved as Environment, Safety and Health Auditor during the RSPO Assessment. For this assessment he assesses Mill and Estate OSH, Legal, and Environment aspects. He is able to speak and understand Bahasa Malaysia, English and Tamil.

**Accompanying Persons:**

No.	Name	Role
1		

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**2.3 Assessment Plan**

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

Date	Time	Subjects	MH	RE	HNS
Sunday, 24/6/2018	PM	Travel to Sandakan	√	√	√
Monday, 25/6/2018	09:00-09:30	Opening Meeting <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation).</li> <li>Verification on previous audit findings.</li> </ul>	√	√	√
	09:30-12:30	<b>Tunku Estate</b> 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	<b>Meeting with stakeholders for Tunku Estate</b> (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√
	12:30-13:30	LUNCH			
	13:30-16:30	<b>Tunku Estate</b> 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 26/6/2018 <b>Segaliud Estate</b>	09:00-12:30	<b>Segaliud Estate</b> 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	<b>Meeting with stakeholders for Segaliud Estate</b> (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√
	12:30-16:30	LUNCH	√	√	√
	13:30-15:30	<b>Segaliud Estate</b> 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	√	√	√
Wednesday	09:00-12:30	<b>Sandakan Bay POM</b>	√	√	√

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27/6/2018 <b>Sandakan Bay POM</b>		Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.			
	10:00-12:30	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Union Leader, contractor etc.)	-	-	√
	12:30-13:30	LUNCH	√	√	√
	13:30-16:30	<b>Sandakan Bay POM:</b> Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	16:30-17:00	Interim Closing Briefing	√	√	√
Thursday, 28/6/2018 <b>Sandakan Bay POM</b>	AM	Travel back to KL	-	√	-
	09:00-11:00	<b>RSPO Supply Chain</b> for Sandakan Bay POM General Chain of custody: Element 5.1 – 5.13	√	-	√
		<b>RSPO Supply Chain</b> for Sandakan Bay POM CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance	√	-	√
	11:00-11:30	Verify any outstanding issues & Preparation for closing meeting	√	-	√
	11:30-12:30	Closing Meeting	√	-	√
	12:30-13:30	LUNCH	√	-	√
	PM	Travel back to KL	√	-	√

### Section 3: Assessment Findings

#### 3.1 Details of audit results are provided in the following Appendix:

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

### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all 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 <sup>st</sup> 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 <sup>st</sup> quarter of 2019.	Yes
Is the time bound plan challenging? <ul style="list-style-type: none"><li>Age of plantations.</li><li>Location.</li><li>POM development</li><li>Infrastructure.</li><li>Compliance with applicable law.</li></ul>	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.	Yes
Have there been any changes since the last audit? Are they justified?	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. 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, <a href="http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes#007">http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes#007</a> .	Yes
If there have been changes, what	Indonesia- PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still	Yes

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<p>circumstances have occurred?</p>	<p>meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Ongoing and regular (bi-monthly) discussions is ongoing between Sime Darby Plantation and the project affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30<sup>th</sup> June 2016.</p> <p>Smallholders- As at June 2016, total of 24,820 Ha (59%) of total Ha, (42,008 Ha) of associated smallholders in Indonesia has been certified. Certification process for the remaining associated smallholders areas is ongoing. SDP expect to achieve 100% RSPO certification of associated smallholders and outgrowers by end 2019.</p> <p>Liberia- A new mill to be set up in Liberia and planned for commissioning in Feb 2016. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1<sup>st</sup> quarter of 2019. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps completed.</p>	
<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>Have there been any newly acquired subsidiaries?</p>	<p>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.</p> <p>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 completed due strike and unstable site condition. Audt was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1<sup>st</sup> quarter of 2019.</p>	<p>Yes</p>
<p>If yes, have the newly acquisitions certified within a three-year timeframe?</p>	<p>A new mill has been 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. Audt was premature terminated and postponed to a later date in 2019. Sime Darby has decided to re-audit on 1<sup>st</sup> quarter of 2019.. *RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in completed..</p>	
<p>Have there been any isolated lapses in implementation of the plan?</p>	<p>No lapses.</p>	<p>Yes</p>

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Un-Certified Units or Holdings		
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO P&amp;C criterion 7.3.</li> </ul>	<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 1<sup>st</sup> 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 1<sup>st</sup> quarter of 2019. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>*Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?</a></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&amp;C criteria 2.2, 6.4, 7.5 and 7.6.</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</p>	<p>Yes</p>

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	<p>submission status as per below table:</p> <p style="text-align: center;"><b><u>SIME DARBY PLANTATION: LUCA SUBMISSION TIMELINE</u></b></p> <table border="1" data-bbox="435 488 1273 1193"> <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 <i>*Re-submitted on 29 Dec 2017</i></td></tr> <tr><td>11.</td><td>PT Teguh Sempurna</td><td>Submitted on 15 Dec 2017 <i>*Re-submitted on 29 Dec 2017</i></td></tr> <tr><td>12.</td><td>PT Bahari Gembira Ria</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>13.</td><td>PT Guthrie Pecconina Indonesia</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>14.</td><td>PT Sajang Heulang</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>15.</td><td>PT Bersama Sejahtera Sakti</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>16.</td><td>PT Tunggal Mitra Plantation</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>17.</td><td>PT Ladangrumpun Suburabadi</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>18.</td><td>PT Aneka Inti Persada</td><td>Submitted on 29 Dec 2017</td></tr> <tr><td>19.</td><td>PT Mitra Austral Sejahtera</td><td>Submitted on 29 Dec 2017</td></tr> </tbody> </table> <p>Note: SDP's LUCA is still in queue for review process pending finalization of the contract between RSPO and the reviewer. Sime Darby Plantation has also submitted its RSPO Compensation Plan (CP) for evaluation by RSPO.</p>	No.	PT/ Company	Report Submission to RSPO	Current Status (14 Aug 2018)	1.	PT Lahan Tani Sakti	Submitted on 31 May 2017	LUCA approved by reviewer	2.	PT Bina Sains Cemerlang	Submitted on 29 Sept 2017	Shapefiles submitted to RSPO	3.	PT Swadaya Andika	Submitted on 6 Oct 2017	Shapefiles submitted to RSPO	4.	PT Langgeng Muara Makmur	Submitted on 8 Dec 2017	Shapefiles submitted to RSPO	5.	PT Laguna Mandiri	Submitted on 20 Dec 2017	Shapefiles submitted to RSPO	6.	PT Kridatama Lancar	Submitted on 22 Sept 2017	Shapefiles to be submitted to RSPO by 17 Aug 2018	7.	PT Paripurna Swakarsa	Submitted on 29 Sept 2017	8.	PT Sime Indo Agro	Submitted on 10 Nov 2017	9.	PT Bhumireksa Nusa Sejati	Submitted on 12 Dec 2017	10.	PT Budidaya Agro Lestari	Submitted on 15 Dec 2017 <i>*Re-submitted on 29 Dec 2017</i>	11.	PT Teguh Sempurna	Submitted on 15 Dec 2017 <i>*Re-submitted on 29 Dec 2017</i>	12.	PT Bahari Gembira Ria	Submitted on 29 Dec 2017	13.	PT Guthrie Pecconina Indonesia	Submitted on 29 Dec 2017	14.	PT Sajang Heulang	Submitted on 29 Dec 2017	15.	PT Bersama Sejahtera Sakti	Submitted on 29 Dec 2017	16.	PT Tunggal Mitra Plantation	Submitted on 29 Dec 2017	17.	PT Ladangrumpun Suburabadi	Submitted on 29 Dec 2017	18.	PT Aneka Inti Persada	Submitted on 29 Dec 2017	19.	PT Mitra Austral Sejahtera	Submitted on 29 Dec 2017	
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<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&amp;C criterion 6.3.</p>	<p>No stakeholder comments or complaints received.</p>	<p>Yes</p>																																																																			
<p>Any Legal non-compliance is being addressed through measures consistent with the requirements of RSPO P&amp;C criteria 2.1</p>	<p>None noted. No stakeholder comments or complaints received.</p>	<p>Yes</p>																																																																			
<p>Did the company conduct an</p>	<p>Yes</p>	<p>Yes</p>																																																																			

internal audit? If so, has a positive assurance statement been produced?		
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**3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)**

<b>Progress of scheme smallholders or outgrowers towards compliance with relevant standards</b>		
<b>Requirement</b>	<b>Remarks</b>	<b>Compliance</b>
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	Not applicable	



### 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 Recertification Assessment there were three (3) Major & two (2) Minor nonconformities raised. The Sandakan Bay Palm Oil Mill Certification Unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1649805-201805-M1	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 4.7.2 Major
<b>Date Issued</b>	28/06/2018	<b>Due Date</b>	26/08/2018
<b>Closed (Yes/No)</b>	Yes	<b>Date of nonconformity closure</b>	20/08/2019
<b>Statement of Nonconformity</b>	Machine Operation safety precaution control was not fully effective.		
<b>Requirement Reference</b>	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.		
<b>Objective Evidence</b>	Sandakan Bay POM – The latte machine in the workshop was found with faulty emergency stopper button.		
<b>Corrections</b>	Mill to reinstall the new emergency stopper button for the latte machine		
<b>Root Cause Analysis</b>	The latte machine was rarely in use.		
<b>Corrective Action</b>	Mill to include latte machine in the workshop monthly machine inspection.		
<b>Assessment Conclusion</b>	Verification during on-site Major NCR close out:  Evidence verified on-site: 1) The stopper has been repaired and tested to be functioning well during the site verification 2) Monthly inspection workshop equipment form was effectively utilised as checking report of the condition of all the equipment available in the mill.  The correction and corrective actions evidence was found to be adequate and effectively implemented. Thus, the NCR is closed on 20/8/2018.		

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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1649805-201805-M2	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 6.3.2 Major
<b>Date Issued</b>	28/06/2018	<b>Due Date</b>	26/08/2018
<b>Closed (Yes/No)</b>	Yes	<b>Date of nonconformity closure</b>	20/08/2019
<b>Statement of Nonconformity</b>	Documentation of both the process by which a dispute was resolved and the outcome was not proper documented.		
<b>Requirement Reference</b>	Documentation of both the process by which a dispute was resolved and the outcome shall be available.		
<b>Objective Evidence</b>	Segaliud Estate: Workers Complaint Book was not implemented effectively where there was no evidence to show that all the complaints were resolved and the complainants have not acknowledged on the complaint book. The status of the complaints was recorded in progress since October 2017.		
<b>Corrections</b>	Estate to update the status of complaints in the workers complaint book that has been resolved with acknowledgement by the complainant		
<b>Root Cause Analysis</b>	Most of the complaints has been resolved but not documented in the complaint book due to no specific person in charge (PIC) for maintaining and tracking the workers complaint book		
<b>Corrective Action</b>	Estate to appoint specific person in charge (PIC) to maintain and tracking the status of complaint.		
<b>Assessment Conclusion</b>	<p>Verification during on-site Major NCR close out:</p> <p>Evidence verified on-site:</p> <ol style="list-style-type: none"> <li>Based on interview, the PIC (En. Ruslan Dahlan) was able to explain his task regarding the monitoring of progress of solving the complaints.</li> <li>The status of the complaints since Oct 2017 has been updated. Based on the records, all the complaints have been resolved and acknowledged by the complainants.</li> </ol> <p>The correction and corrective actions evidence was found to be adequate and effectively implemented. Thus, the NCR is closed on 20/8/2018</p>		

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Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1649805-201805-M3	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 2.1.1 Major
<b>Date Issued</b>	28/06/2018	<b>Due Date</b>	26/08/2018
<b>Closed (Yes/No)</b>	Yes	<b>Date of nonconformity closure</b>	20/08/2019
<b>Statement of Nonconformity</b>	Compliance of Employment Act 1955 and Minimum Wage Order 2016 was not fully implemented.		
<b>Requirement Reference</b>	Evidence of compliance with relevant legal requirements shall be available.		
<b>Objective Evidence</b>	<p>In Segaliud Estate, it was found that worker (Employee No.: 122577 - Piece rated loader RM 805.35) who has worked at least 26 days in July 2017 did not achieve the Minimum Wage Order 2016.</p> <p>In Sandakan Bay POM, the sampled workers were not entitled for the 5 full holiday pay as below:            a. Employee No.: 34352 (Only 4.5 days paid)            b. Employee No.: 34419 (Only 4.5 days paid)</p> <p>Besides, the workers who worked more than 120 hours of overtime were not paid for the balance hours as the system has set the limit until 120 hours of overtime per month. Sampled of workers' attendance records and payslip as below:            a. Employee No.: 34414 (July'17 – 134 hours and August'17 – 120 hours)            b. Employee No.: 34419 (July'17 – 125 hours and August'17 – 134 hours)</p> <p>Besides, the permit (Serial No.: 08(0010)KBN) for exceeded 104 hours of overtime per month was expired on 1/5/2015. The mill management has applied for renewal on 9/4/2015 and a follow-up on 23/5/2018. However, the permit has yet to be received from Labour Department and the mill management was continued to offer overtime exceeded 104 hours to workers. Sampled of the payslips and attendance records that shown the workers have worked more than 104 hours of overtime per month as below:            a. Employee No.: 34414 (July'17 – 134 hours, August'17 – 120 hours, September'17 - 120 hours and April'18 - 107 hours)            b. Employee No.: 34419 (July'17 – 125 hours, August'17 – 134 hours and September'17 - 109 hours)            c. Employee No.: 34347 (September'17 - 115 hours and April'18 - 112 hours)</p>		
<b>Corrections</b>	<p>Segaliud Estate Estate:            Management to conduct a meeting with the affected worker (Employee No: 122577) to discuss on his low performance and issue out the show-cause letter to the worker for not achieving the target productivity.</p> <p>Sandakan Bay POM Mill:            Management will pay back the 0.5 unpaid holiday pay and the balance of unpaid overtime for the mentioned employee from July'17 to August'17. Mill management will control the overtime for not exceeding the set limit</p>		
<b>Root Cause Analysis</b>	<p>Segaliud Estate:            The piece rated worker (Employee no. 122577) was not achieve the target productivity for July 2017.</p>		

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	<p>Sandakan Bay POM Mill: SAP system-check roll has limitation to charge full holiday pay on public holiday and the allowable overtime was capped at 120 hours/month for the following workers. Mill also having worker shortage in several stations which leading to additional overtime given to the workers.</p>
<p><b>Corrective Action</b></p>	<p>Segaliud Estate Estate Management to inform/brief all workers especially piece rated workers during morning muster on the target productivity for them to achieve the minimum wage and issuance of warning/show-cause letter for those not achieving the productivity target.</p> <p>Sandakan Bay POM 1. Mill will seek assistance from SAP team on improving the Mill SAP system-check roll. 2. Mill to request approval from zone office management for the recruitment of new workers. 3. Mill to follow up with Labour department regarding the permit issuance.</p>
<p><b>Assessment Conclusion</b></p>	<p>Verification during on-site Major NCR close out:</p> <p>Evidence verified on-site: Segaliud Estate: 1. Minutes of meeting dated 15/8/2018 between management and the affected workers to explain about the reason of minimum wage was not met. Based on the check-roll attendance record, the turn-out days in July 2017 of the employee (122577) was only 23 days instead of 26 days. Moreover, the daily target of productivity i.e. 15 mt/loader/day was also not met. Hence, the minimum wage was not met. However, the SAP system attendance record is only able to capture 0.5 day as 1.0 day. Hence, 26 days appear in the payslip instead of 23. 2. Warning letters dated 20/7/2017 &amp; 18/9/2017 to the affected employee due to he stopped working earlier than working time.</p> <p>Sandakan Bay POM: 1. Payslip printout that the affected workers have been reimbursed 2. Letter dated 2/7/2018 from the Mill Manager to the Regional GM with regards to application for 11 more manpower so that working overtime can be reduced. The application had been approved and recruitment is ongoing and expected to be completed in October 2018 3. Permit from Labour Dept. to allow the mill giving their workers to have more than 104 hr/month (but not exceeding 120 hr/month) of overtime. The permit validity is from 25/7/2018 to 24/7/2020. 4. E-mail conversation between the mill and Sime Darby's IT Dept. to rectify the technical limitation of overtime registration in the SAP system</p> <p>The correction and corrective actions evidence was found to be adequate and effectively implemented. Thus, the NCR is closed on 20/8/2018.</p>

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Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1649805-201805-N1	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 4.7.3 Minor
<b>Date Issued</b>	28/06/2018	<b>Due Date</b>	27/06/2019
<b>Closed (Yes/No)</b>	No	<b>Date of nonconformity closure</b>	N/A
<b>Statement of Nonconformity</b>	The Personal Protective Equipment (PPE) implementation among the workers was not fully effective.		
<b>Requirement Reference</b>	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.		
<b>Objective Evidence</b>	Segaliud Estate: Noticed a carpenter was working on piping works behind the diesel skid tank without wearing proper PPE i.e. safety shoe and hand glove. Sandakan Bay POM: 2 Outsourced Transporter company workers were found unloading materials without wearing proper PPE (e.g. safety shoe & safety helmet) and safety induction training.		
<b>Corrections</b>	Segaliud Estate Estate: To issued out Sime Card as a first reminder to the respective worker which not wearing the proper PPE or those that do not bring their PPE on site.  Sandakan Bay POM: Safety briefing will be given before they start working at mill compound		
<b>Root Cause Analysis</b>	Segaliud Estate The carpenter was not wearing proper PPE due to the workers PPE was not at his work site. He was found not attending the latest safety (PPE) training since his name was not found in the attendance list.  Sandakan Bay POM: The 2 workers from outsourced transporter company was first time entering Sandakan Bay Mill POM. No safety briefing given by mill personnel before they start working in the mill compound. The SOP for transporter or contractor available at the AP post was not included on safety aspect.		
<b>Corrective Action</b>	Segaliud Estate Estate: To conduct refresher training for all workers on PPE.  Sandakan Bay POM Mill: To establish SOP at mill's auxiliary police post for transporter or contractor which included on the safety aspect.		
<b>Assessment Conclusion</b>	Correction and corrective action plan were acceptable. The evidence of effective implementation will be verified in the next assessment.		

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Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1649805-201805-N2	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 6.10.3 Minor
<b>Date Issued</b>	28/06/2018	<b>Due Date</b>	27/06/2019
<b>Closed (Yes/No)</b>	No	<b>Date of nonconformity closure</b>	N/A
<b>Statement of Nonconformity</b>	Contract agreement between the management and the contractors were found expired.		
<b>Requirement Reference</b>	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.		
<b>Objective Evidence</b>	Contract agreement (Letter of Award with Ref. No. of LOA: T/SDPSB/SE/FFB/1014/005) for FFB transporter in Segaliud Estate was found expired on 30/4/2017 and the contractor was still provided services in the estate.		
<b>Corrections</b>	Estate to get/establish the monthly contract agreement while waiting for the main contract to be renew by procurement department.		
<b>Root Cause Analysis</b>	The contract agreement for the FFB transporter was not yet renew by procurement department.		
<b>Corrective Action</b>	Estate to follow up with procurement department regarding the contract agreement.		
<b>Assessment Conclusion</b>	Correction and corrective action plan were acceptable. The evidence of effective implementation will be verified in the next assessment.		

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Nil

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

Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1487745-201706-M1	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 6.5.2 Major
<b>Closed (Yes/No)</b>	Yes	<b>Date of nonconformity closure</b>	28/7/17
<b>Statement of Nonconformity</b>	Worker's contract and extension contract 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.) were not effectively managed.		
<b>Requirement Reference</b>	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.		
<b>Objective Evidence</b>	<p>There are few sampled workers in Sandakan Bay POM were found with extension contract in old version (January 2015) as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 34362</li> <li>b. Employee No.: 34414</li> <li>c. Employee No.: 58382</li> <li>d. Employee No.: 68373</li> </ul> <p>Sampled letter of employment in Tigowis Estate where the annual leave entitlement was not consistent among the workers as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 105780 (AL 11 days)</li> <li>b. Employee No.: 107538 (AL 11 days)</li> <li>c. Employee No.: 119987 (AL 11 days)</li> <li>d. Employee No.: 109692 (AL 11 days)</li> <li>e. Employee No.: 127916 (AL 14 days)</li> <li>f. Employee No.: 133851 (AL 14 days)</li> </ul>		
<b>Corrective Action</b>	<ol style="list-style-type: none"> <li>1. In the new regional structure of Sime Darby Plantation, HR Regional for Sabah is available to manage and monitor on region HR matters including employment contract for workers.</li> <li>2. Estate and mill management will appoint PIC for monitoring the workers contract of employment.</li> <li>3. Estate and mill management will use the new version of worker's employment contract for all affected workers which release by Human Resource department.</li> </ol>		
<b>Assessment Conclusion</b>	<p>Major NC close out verification: Sandakan Bay POM</p> <p>Verified newly revised contract extension for 11 workers based on the latest employee master list as at 15/7/17. Contract extension version EMP04/INDO/2017/01 and for other's nationality (Sabah) extension (Philippine) were checked the following workers: i) Philippines nationality - EMP34362, EMP68573 and EMP34414 ii) Indonesian nationality - EMP34368, EMP34429, EMP50929, EMP34348, EMP58382, EMP34423, EMP34385 and EMP34367</p> <p>Interview session with the above workers confirmed that they have acknowledged and understand the new term and condition stipulated in the contract extension.</p> <p>Tigowis Estate</p>		

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	<p>Verified newly revised contract extension for 11 workers based on the latest employee master list as at July 2017. Contract extension version EMP04/INDO/2017/01 and for other's nationality (Sabah) extension (Philippine) were checked the following workers: i) Philippines nationality - EMP105780, EMP119987, EMP86270, EMP118532, ii) Indonesian nationality - EMP109692, EMP127916, EMP133851, EMP31917, EMP122153, EMP54802, EMP85492</p> <p><b>Tun Tan Estate</b> Verified newly revised contract for 12 workers based on the latest employee master list as at 17/7/17. Main contract contract version EMP03/INDO/2017/01 and for other's nationality (Sabah) (Philippine) were checked the following workers: i) Philippines nationality - EMP130134 ii) Indonesian nationality - EMP52176, EMP132499, EMP134742</p> <p>For contract extension version EMP04/INDO/2017/01 and for other's nationality (Sabah) extension (Philippine) the following workers were checked: i) Philippines nationality - EMP32174, EMP52176, EMP32085, EMP32022, EMP32147 ii) Indonesian nationality - EMP52176, EMP76988, EMP95708</p> <p>Interview session with the above workers confirmed that they have acknowledged and understand the new term and condition stipulated in the contract extension.</p> <p>Corrective action found to be effective, thus the major NC was closed on 28/7/17 based on-site verification and supported with sufficient documented evidence.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1487745-201706-N1	<b>Clause &amp; Category (Major/Minor)</b>	Indicator 5.2.4 Minor
<b>Closed (Yes/No)</b>	Yes	<b>Date of nonconformity closure</b>	28/06/2018
<b>Statement of Nonconformity</b>	The HCV management plan and monitoring is not implemented effectively.		
<b>Requirement Reference</b>	Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul>		
<b>Objective Evidence</b>	<p>Tigowis Estate:  Biodiversity Conservation Action Plan FY 2016/2017 for areas such as waterways, Bukit Dato and water catchment area. However, visited to Bukit Dato in Tigowis estate which categorized as the HCV 4, part of the conservation area has been encroached by the local workers for chicken breeding and cash crop planting such as banana and cassava.  The signage of the conservation area fell down without any proper maintenance. The implementation of the management plan and monitoring of the HCV area is not effective.</p> <p>Tun Tan Estate: Wildlife monitoring is lacking as part of the jungle reserved that are protected where significant population of flora and fauna exist. For example, according to the watchman, elephant intrusion happened in March 2017, however, no sighting record or action plan being updated.</p>		
<b>Corrective Action</b>	<p>Tigowis Estate</p> <ol style="list-style-type: none"> <li>1. Estate management will conduct HCV awareness training to all workers to create awareness on the HCV conservation in the estate.</li> <li>2. All the chicken breeding and cash crop will be transferred to another non HCV area.</li> <li>3. Estate management will issue a memo to all workers regarding on the encroachment of Bukit Dato and stated no such activity are allowed at HCV area in the estate.</li> <li>4. Estate management will establish a monitoring schedule for the HCV area in the estate.</li> <li>5. Estate management will do necessary maintenance for the signage at Bukit Dato.</li> </ol> <p>Tun Tan Estate:</p> <ol style="list-style-type: none"> <li>1. Estate will include wildlife monitoring in the HCV action plan.</li> <li>2. Estate management will appoint PIC for wildlife monitoring in the estate and establish the monitoring records. Any sighting of the wildlife in the estate will be recorded in the HCV monitoring record.</li> </ol>		
<b>Assessment Conclusion</b>	<p>Verification during recertification assessment</p> <ol style="list-style-type: none"> <li>1. The training related to HCV was conducted accordingly at both estate visited.</li> <li>2. Based on the HCV assessment report, there was no RTE species at both estate visited.</li> <li>3. The HCV monitoring logbook was established and maintained accordingly.</li> <li>4. During site visit, there is no activity was sighted at HCV area at both estate visited.</li> </ol> <p>Thus, the minor NC was closed on 28/6/2018.</p>		

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<b>Opportunity for Improvement</b>	
<b>OFI#</b>	<b>Description</b>
<b>OFI 1</b>	Nil

**3.4.2 Summary of the Nonconformities and Status**

<b>CAR Ref.</b>	<b>CATEGORY (MAJOR/ MINOR)</b>	<b>ISSUED</b>	<b>STATUS &amp; DATE (Closure)</b>
1007353M1	Major	02/08/2013	Closed 30/08/2013
1007353N7	Minor	02/08/2013	Closed 5/02/2015
1007353N10	Minor	02/08/2013	Closed 5/02/2015
1149355M1	Major	6/02/2015	Closed 4/4/2015
1149355N1	Minor	6/02/2015	Closed 5/8/2015
1213780M1	Major	6/08/2015	Closed 2/10/2015
1213780N1	Minor	6/08/2015	Closed on 19/7/2016
1356967N1 – 1.1.1	Minor	19/7/2016	Closed on 08/06/2017
1356967N2 – 2.1.3	Minor	19/7/2016	Closed on 08/06/2017
1487745-201706-M1 – 6.5.2	Major	08/06/2017	Closed on 27/07/2017
1487745-201706-N1 – 5.2.4	Minor	08/06/2017	Closed on 28/06/2018
1649805-201805-M1 – 4.7.2	Major	28/06/2018	Closed on 20/08/2018
1649805-201805-M2 – 6.3.2	Major	28/06/2018	Closed on 20/08/2018
1649805-201805-M3 - 2.1.1	Major	28/06/2018	Closed on 20/08/2018
1649805-201805-N1 – 4.7.3	Minor	28/06/2018	"Open"
1649805-201805-N2 – 6.10.3	Minor	28/06/2018	"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 Sandakan Bay Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.

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

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



<b>List of Stakeholders Contacted</b>	
<p><b>Internal Stakeholders</b></p> <p>Gender Committee Mill Operators Sprayer Harvester</p>	<p><b>Union/Contractors/Local Communities</b></p> <p>Contractor Workers representative, Kg Segaliud</p>
<p><b>Government Departments</b></p> <p>HUMANA representative</p>	<p><b>NGO</b></p> <p>No complaint by NGO for Sandakan Bay CU. Therefore, NGO was not contacted.</p>

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IS #	Description
1	<p><b>Issues:</b> Workers' Representative - The workers were satisfied with the management. They were treated equally among all different nationalities. Their salary were paid according to Minimum Wage Order 2016.</p> <p><b>Management Responses:</b> The management will continue to ensure they are complying with legal requirements.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
2	<p><b>Issues:</b> Local Community Representative Kg Segaliud – He informed that there was no land encroachment by the management. They have good relationship with the management.</p> <p><b>Management Responses:</b> The management will ensure no encroachment into the land of local community.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
3	<p><b>Issues:</b> HUMANA teacher – The teacher informed that the management always maintained good relationship with them. The management has maintained and upkeep the HUMANA whenever necessary.</p> <p><b>Management Responses:</b> The management will continue to support whenever necessary.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
4	<p><b>Issues:</b> FFB Suppliers – They highlighted that they had signed on an agreement on the selling of FFB to the Sandakan Bay POM. Payment was made promptly.</p> <p><b>Management Responses:</b> Payment is made as per the agreed terms.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
5	<p><b>Issues:</b> Gender Committee member – She informed that no sexual harassment case was reported and they have good relationship between female and male workers.</p> <p><b>Management Responses:</b> The management acknowledged it and will continue to monitor if there is any case reported.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
6	<p><b>Issues:</b> Contractors – They have signed on the agreement prior commence of work. They were understood on the terms and conditions such as the payment terms. They informed that the payment was on time. In conclusion, they have good relationship with the managements.</p> <p><b>Management Responses:</b> The management will continue to maintain good relationship with the contractors.</p> <p><b>Audit Team Findings:</b> No other issue.</p>

<b>7</b>	<p><b>Feedbacks:</b> <u>Gender Committee</u> So far, there is no critical or any sexual harassment reported for both Bukit Kerayong Palm Oil Mill, Bukit Kerayong Estate and Bukit Cherakah Estate.</p>
	<p><b>Management Responses</b> Management will continue to maintain the mechanism in grievance and complaint regarding sexual harassment.</p>
	<p><b>Audit Team Findings</b> No further issue.</p>

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<b>Formal Signing-off of Assessment Conclusion and Recommendation</b>	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Sime Darby Bhd, Sandakan Bay Palm Oil Mill Certification Unit has complied with the RSPO Supply Chain Certification Standard (June 2017), RSPO P&amp;C MYNI 2014 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 Sime Darby Bhd, Sandakan Bay Palm Oil Mill Certification Unit is approved.</p>	
<b>Report prepared by</b>	<b>Acceptance of Assessment Conclusion</b>
<p><b>Name:</b> Mohd Hafiz Mat Hussain</p>	<p><b>Name:</b> Hudal Firdaus bin Lahuri</p>
<p><b>Company Name:</b> BSI Services Malaysia Sdn Bhd</p>	<p><b>Company Name:</b> Sime Darby Plantation</p>
<p><b>Title:</b> Lead auditor</p>	<p><b>Title:</b> Mill Manager</p>
<p><b>Signature:</b></p> 	<p><b>Signature:</b></p> <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p>  <p>SIME DARBY PLANTATION (SABAH) SDN. BHD. (COMPANY NO. 029959-V) Sandakan Bay Palm Oil Mill Assn HUDAL FIRDAUS BIN LAHURI Mill Manager</p>
<p><b>Date:</b> 27/09/2018</p>	<p><b>Date:</b> 28/09/2018</p>

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b>			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making.</p> <p>Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Publicly available documents such as land title, OSH plan, HCV documents, negotiation procedure, complaint records, RSPO public summary reports, and EIA, Management Plans &amp; Continuous Improvement Plans and company policies are available.</p>	Complied
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance</p>	<p>Tunku Estate has implemented Request &amp; Response practice. The stakeholders will write in formal letter if they requested for some assistance from the operating units. Sampled of the response &amp; requests as below:</p> <ul style="list-style-type: none"> <li>i. Request: One of the religion body has requested contribution from Tunku Estate in order to cater the expenses to educate the students on 15/5/2018. Response: The management has contributed some financial support on 4/6/2018 and seen the receipt of transfer.</li> <li>ii. Request: Government clinic has requested the management to provide places and transport to them for the health screening activities for the workers that will be conducted on 4/5/2018. Response: The management has approved and the activities have been carried out on 4/5/2018 with attendance list sighted.</li> </ul>	Complied
<b>Criterion 1.2:</b>			
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.			



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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"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance –</p>	<p>All the documents were made publicly available except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. Sime Darby Plantation Berhad continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans was made available at all operating units. The company policies were available through Sime Darby Plantation Bhd website: <a href="http://www.simedarbyplantation.com/">http://www.simedarbyplantation.com/</a></p> <p>Documents that publicly available are such as social and environment impact assessment, action plan, meeting minutes and audit reports.</p> <p>Besides, policies were also displayed at various locations including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p>	<p>Complied</p>	
<p><b>Criteria 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
<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>Sime Darby Plantation Berhad has implemented Code of Business Conduct handbook which covers all operations in the plantation. Attitude of fair, integrity and ethic should be implemented during any business process. The company is strictly prohibited to have any bribery related in the business processes. Briefing of policy was given to the all the workers on 10/5/2018. Policy was displayed at the notice board in the office and housing area.</p>	<p>Complied</p>
<p><b>Principle 2: Compliance with applicable laws and regulations</b></p>			
<p><b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU26 had continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and PSQM sustainability team. SOU26 had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p><b><u>Sandakan Bay POM:</u></b></p> <ol style="list-style-type: none"> <li>1. MPOB license: 508777804000 (validity period 1/12/2017-31/11/2018) for 288,000 MT.</li> <li>2. DOE License: 003534 (validity period 01/07/2017 - 30/06/2018).</li> <li>3. CF for boiler: PMD10221 valid until 15/7/2019</li> <li>4. Diesel Permit # S014139, ref PPDNKK.SDK.02/2000(SK), (validity 1/11/2017 - 31/10/2018), Quantity: 19,2000 liter.</li> <li>5. CF Air compressor: PMT89267 valid until 15/7/2019</li> <li>6. CF sterilizer: SB PMT 727 valid until 24/12/2018</li> <li>7. Energy commission license no: 2018/01668; serial no: 01313 (validity period 12/1/2018 - 11/1/2019).</li> </ol> <p><b><u>Tunku Estate:</u></b></p> <ol style="list-style-type: none"> <li>1. MPOB license: 528340002000 (validity period 1/4/2018-31/3/2019).</li> <li>2. Diesel Permit # S014082, ref: PPDNKK.SDK.11/2012(SK) , (15/11/2017-14/11/2018), Quantity: 20,000 liter.</li> <li>3. CF Air compressor: SB PMT996 valid until 1/4/2019</li> <li>4. Energy commission- License No:2018/00416, valid until 12/2/2019 and 2018/00417, valid until 10/3/2019</li> </ol> <p><b><u>Segaliud Estate:</u></b></p> <ol style="list-style-type: none"> <li>1. MPOB license: 528339002000 (validity period 1/4/2018-31/3/2019).</li> <li>2. Energy commission- License No:2018/01137, valid until 17/6/2019</li> <li>3. CF Air compressor: PMT 143760, valid until 31/8/2018 and PMT143761, valid until 31/8/2018</li> <li>4. Diesel Permit # S014950, ref : PPDNKK.SDK.02/2007(SK),(validity 4/9/2017 - 3/9/2018), Quantity: 54,000 liter.</li> </ol>	<p>Major nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Tunku Estate was in the progress of renewal of permit to deduct salary from workers such as electricity, church and mosque fund and process fee of legal documentation form Jabatan Tenaga Kerja Sabah. Seen the letter of application of renewal dated 12/6/2018 and received on 22/6/2018 by Jabatan Tenaga Kerja Sabah.</p> <p>Segaliud Estate has obtained permit of salary deduction from Jabatan Tenaga Kerja Sabah and the deductions are such as electricity bill, mosque fund, sundry shop loan and process fee of legal document. Seen the permit with Serial No.: 600-1/2/8/1(11/KBN/2018-0159) which valid from 24/4/2018 to 23/4/2020.</p> <p>In Segaliud Estate, it was found that worker (Employee No.: 122577 - Piece rated loader RM 805.35) who has worked at least 26 days in July 2017 did not achieve the Minimum Wage Order 2016.</p> <p>In Sandakan Bay POM, the sampled workers were not entitled for the 5 full holiday pay as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 34352 (Only 4.5 days paid)</li> <li>b. Employee No.: 34419 (Only 4.5 days paid)</li> </ul> <p>Besides, the workers who worked more than 120 hours of overtime were not paid for the balance hours as the system has set the limit until 120 hours of overtime per month. Sampled of workers' attendance records and payslip as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 34414 (July'17 – 134 hours and August'17 – 120 hours)</li> <li>b. Employee No.: 34419 (July'17 – 125 hours and August'17 – 134 hours)</li> </ul> <p>Besides, the permit (Serial No.: 08(0010)KBN) for exceeded 104 hours of overtime per month was expired on 1/5/2015. The mill management has applied for renewal on 9/4/2015 and a follow-up on 23/5/2018. However, the permit has yet to be received from Labour Department and the mill management was continued to offer overtime exceeded 104 hours to workers. Sampled of the payslips and attendance records that shown the workers have worked more than 104 hours of overtime per month as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 34414 (July'17 – 134 hours, August'17 – 120 hours, September'17 - 120 hours and April'18 - 107 hours)</li> <li>b. Employee No.: 34419 (July'17 – 125 hours, August'17 – 134 hours and September'17 - 109 hours)</li> <li>c. Employee No.: 34347 (September'17 - 115 hours and April'18 - 112 hours)</li> </ul> <p>Thus, Major NC was raised during this audit.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	SOU26 had documented the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment.  Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4a: Procedure for Legal and Other Requirements dated 1 November 2008.	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 1 November 2008.  Evaluation of the legal requirements and compliance status with legal requirement are monitored by the operating units.  Sandakan Bay POM - Latest review was done on 1/10/2018 Tunku Estate – Latest review was done on 28/9/2017 Segaliud Estate – Latest review was done on 20/10/2017	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	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.  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.	Complied
<b>Criterion 2.2:</b> 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.		

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Criterion / Indicator	Assessment Findings	Compliance
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Tunku Estate and Segaliud Estate operation is on country lease and lease land. Land titles and copy of land titles are available during the audit.  Tunku Estate land titles were sighted for: 1. Grant No: CL075327427 2. Grant No: CL075109563 3. Grant No: CL075109572 4. Grant No: CL075109456 Segaliud Estate land titles and quit rent were sighted for: 1. Grant No: L10947 2. Grant No: CL095310357 3. Grant No: CL095310320 4. Grant No: CL095310544 5. Grant No: CL095310553 Grant No: CL095310393	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Legal boundaries are clearly demarcated and visibly maintained throughout the estate using wooden peg.  Tunku Estate- Field visit to boundary is visibly maintained with Maju Jaya Sdn Bhd at field P94A4 (05° 43' 05.5" N, 118° 10' 34.3" E) Segaliud Estate- Field visit to boundary is visibly maintained at field P04	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company.	Complied
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company.	Complied
2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company.	Complied
2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the SOU 26 at the time of audit. The land belongs to Consolidated Sdn Bhd which is under Sime Darby Plantation Berhad and country leased from the government verified through land ownership documents. Interviewed with the neighbouring villagers confirmed that no encroachment of land by the company.	Complied

**Criterion 2.3:**

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

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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).                      - 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:                      a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;                      b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;                      c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.                      - Minor compliance -</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.                      -Minor compliance</p>	Complied
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.                      -Major compliance</p>	Complied
<p><b>Principle 3: Commitment to long-term economic and financial viability</b></p>		
<p><b>Criterion 3.1:</b>                      There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		

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Criterion / Indicator	Assessment Findings	Compliance																																	
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 -	SOU26 had an annual budget for the financial year 2017/2018. The palm oil mill budget includes the projected FFB processed, CPO and PK production which projected for five years. Sighted for both estate 5 years business plan (MPLAN_2017) from the FY 2017/18 until FY 2021/22 to include upkeep mature cost, oil palm harvesting and collection cost, oil palm transport cost and oil palm manuring cost.	Complied																																	
3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	The replanting programme was established. Sighted Replanting Programme 2016-2038: <table border="1" data-bbox="657 689 1139 1025"> <thead> <tr> <th>Year</th> <th>Estate</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>17/18</td> <td>Tunku</td> <td>344.14</td> </tr> <tr> <td>18/19</td> <td>Estate</td> <td>208.95</td> </tr> <tr> <td>19/20</td> <td></td> <td>246.32</td> </tr> <tr> <td>20/21</td> <td></td> <td>159.47</td> </tr> <tr> <td>21/22</td> <td></td> <td>-</td> </tr> <tr> <td>17/18</td> <td>Segaliud</td> <td>276.95</td> </tr> <tr> <td>18/19</td> <td>Estate</td> <td>447.70</td> </tr> <tr> <td>2019</td> <td></td> <td>194.84</td> </tr> <tr> <td>2020</td> <td></td> <td>106.9</td> </tr> <tr> <td>2021</td> <td></td> <td>64.27</td> </tr> </tbody> </table>	Year	Estate	Ha	17/18	Tunku	344.14	18/19	Estate	208.95	19/20		246.32	20/21		159.47	21/22		-	17/18	Segaliud	276.95	18/19	Estate	447.70	2019		194.84	2020		106.9	2021		64.27	Complied
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**Principle 4: Use of appropriate best practices by growers and millers**

**Criterion 4.1:**

Operating procedures are appropriately documented, consistently implemented and monitored.

4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	<p>SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs:</p> <ol style="list-style-type: none"> <li>1. Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.</li> <li>2. Sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) to includes mill SOPs. Sighted SOP for fruit handling station, sterilisation station, threshing station, pressing station, kernel recovery station, boiler station and effluent treatment plant.</li> </ol> <p>Estates have a separate SOP which is SOP EQMS, Pictorial Safety Standard, Estate Quality Management System and Agricultural reference Manual that covered planting material, nursery techniques, replanting, land preparation, planting density, canopy management, water management, harvesting, loose fruit collection, weed control and transport.</p>	Complied
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Criterion / Indicator	Assessment Findings	Compliance
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	There is an audit conducted by planning and monitoring department to confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators. The following are rating given by internal and external for FY2017/2018 at SOU 26:  Tunku Estate(Apr 2018) Immature Assessment = 4 Nursery = 4.1 Mature upkeep Assessment=4.3 Manuring Assessment = 4.9 Building & Facilities Management = 5.0 EVIT = 3.0 Ex-estate Cost = 4.1  Segaliud Estate(Oct 2017) Replanting Assessment = 3.8 Nursery = 4.3 Mature upkeep Assessment=3.8 Manuring Assessment = 4.8 Building & Facilities Management = 4.7 Mature cost = 3.5 EVIT = 2.3  Latest internal audit visit was conducted by PSQM department personnel from 21/5/2018 (Tunku Estate), 22/5/2018 (Segaliud Estate) and 23/5/2018 (Sandakan Bay POM).	Complied
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	All records of monitoring were maintained and available at mill and estate office.	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	The origins of all third party sourced FFB was clearly stated on the weighbridge ticket produced by the mill.	Complied
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield.	Complied



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Criterion / Indicator		Assessment Findings	Compliance																				
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	<p>Tunku Estate: The records of agronomic and fertilizer recommendation report by agronomist shown application date, field number, dosage applied per palm, type of fertilizer and number of application. Sampled fertilizer recommendation-amendment (dated 19/7/2017) for field 2012E area, Borate (0.10kg/palm) was complete on 4/1/2018.</p> <p>Segaliud Estate: The records of agronomic and fertilizer recommendation report by agronomist shown application date, field number, dosage applied per palm, type of fertilizer and number of application. Sampled fertilizer recommendation-amendment (dated 26/10/2017) for field 2004A area, MOP (1.50kg/palm) was completed as per schedule.</p>	Complied																				
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<p>Tunku Estate: Latest plant analysis was done during agronomist visit on 19/10/2016. Soil sampling and analysis was last done on 29/4/2014. Sighted Soil Analysis Test Report (S14/2014) dated 13/10/2014.</p> <p>Segaliud Estate: Latest plant analysis was done during agronomist visit on 17/12/2017. Soil sampling and analysis was last done on 16/4/2014. Sighted Soil Analysis Test Report (S13/2014) dated 13/10/2014.</p>	Complied																				
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	<p>All palm by-products including fronds, EFB are recycled. EFB is applied for immature area and as per agronomic and fertilizer recommendation.</p> <table border="1"> <thead> <tr> <th>Tonnage</th> <th>Type</th> <th>Month</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>20,126 mt</td> <td>EFB</td> <td>May 18</td> <td>Tunku Estate</td> </tr> <tr> <td>3.5 mt</td> <td>EFB</td> <td>Feb 18</td> <td>Segaliud Estate</td> </tr> </tbody> </table>	Tonnage	Type	Month	Estate	20,126 mt	EFB	May 18	Tunku Estate	3.5 mt	EFB	Feb 18	Segaliud Estate	Complied								
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<b>Criterion 4.3:</b>																							
Practices minimise and control erosion and degradation of soils.																							
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<p>Soil survey and assessment report for Tunku Estate was done by Param Agricultureal Soil Surveys (M) Sdn Bhd on August 2008. Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at Tunku Estate and Segaliud Estate.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kretam</td> </tr> <tr> <td>2</td> <td>Rumidi</td> </tr> <tr> <td>3</td> <td>Lokan</td> </tr> <tr> <td>4</td> <td>Pallu</td> </tr> <tr> <td>5.</td> <td>Inanam</td> </tr> <tr> <td>6</td> <td>Kumansi</td> </tr> <tr> <td>7</td> <td>Tanjung Lipat</td> </tr> <tr> <td>8</td> <td>Lumparai</td> </tr> <tr> <td>9</td> <td>Kobovan</td> </tr> </tbody> </table>	No.	Type of Soil	1	Kretam	2	Rumidi	3	Lokan	4	Pallu	5.	Inanam	6	Kumansi	7	Tanjung Lipat	8	Lumparai	9	Kobovan	Complied
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Criterion / Indicator	Assessment Findings	Compliance
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Sime Darby has a policy on slope planting and this will be implemented during replanting. At Tunku Estate, the steep area at field P94A3 was abandoned without no activity.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Estates has implemented annual road maintenance programme. Example of programme checked at both estates shows the map indicating road repairs and maintenance for the whole estate roads includes resurfacing and grading. Sighted the records of road maintenance at both estates. At Tunku Estate, the last road maintenance programme was completed at field 2012D on June 2018 and at field 2016B completed on 7/6/18. Verified during site visit, found that the road were in good condition.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at all estates visited.	Complied
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.		
4.4.1 An implemented water management plan shall be in place. - Minor compliance -	Water management plan was established as Sandakan Palm Oil Mill for Financial Year 2017/2018. The plan has incorporated into the following: a) Cleaning – To implement dry cleaning on weekdays and wet cleaning on weekend. To utilize high pressure water jet cleaner. b) Leakages Pipelines – To carry out regular inspection and carry out repair work soon as possible.  Similar contingency and action plan Y2017/2018 also observed in Tunku Estate and Segaliud Estate. Water Management Plan been established for Issues such as: a) Domestic Use with action plan of monthly at line site to reduce water wastage. b) Rainwater collection with action plan of using Large containers are to be placed at strategic locations to collect rainwater & the rainwater will be recycled for washing heavy machinery.  Verified that the monitoring inspection of the Water Management Plan are done accordingly every 3 months e.g. sampled dated 14/12/17, 12/3/18 and 12/6/18.	Complied

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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 -	As prescribed under "Jadual Pematuhan", license# 003534 valid from 1 July 2017 to 30 June 2018- Monitoring of upstream and downstream River Matahari was done on monthly basis. Riparian buffer zone are well maintained especially both estates surrounding by the mangroves. Signboard and markers are well established at the key area and no activities such as spraying and planting at those buffer area.	Complied
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 -	Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD allowed by DOE was 20mg/l through land application only. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point on monthly basis and water at the final discharge, upstream and downstream of Matahari River. Monthly effluent monitoring records parameter monitored e.g. pH, BOD, COD, SS, AN, DO. Seen the Water Analysis Test Report No. IE616/2018 dated 17/5/18 and Report No. IE485/2018 dated 14/4/18. BOD limit for final discharge <20mg/L were met as well as all parameters that were within allowable limit.	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	Water consumption per MT FFB recorded from July 2017 to May 2018. The result indicate low consumption 1.93 m <sup>3</sup> per MT FFB. Mill had initiated recycling of turbine cooling, vacuum dryer and kernel heater condensate water back to water catchment pond and make water rationing for daily water usage to mill housing.	Complied
<b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	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. There have been no outbreaks of leaf eating pests at both estates visited. Beneficial plants are being established along roadsides to attract natural predators. The estates have planted beneficial plants such as Cassia cobanensis and Turnera subulata and Antigonon leptopus, total beneficial plant planted at Tunku Estate was 1029 DM/ha. Segaliud Estate monitored the establishment of beneficial plant using map and available at estate office.	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training was given by the plantation executives. Interview with the workers confirm their understanding of the Sime Darby SOP in Agricultural Reference Manual v.1 Section 15 on census.  The training on IPM Establishment was last done on 17/3/2018 at Tunku Estate and 3/4/2018 at Segaliud Estate.	Complied
<b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment			

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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.	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.  The record of pesticides used was sighted. <table border="1" data-bbox="660 810 1177 949"> <tr> <td></td> <td>May 18</td> </tr> <tr> <td>Tunku Estate</td> <td>4.75 % a.i/ha</td> </tr> <tr> <td>Segaliud Estate</td> <td>0.459 % a.i/ha</td> </tr> </table>		May 18	Tunku Estate	4.75 % a.i/ha	Segaliud Estate	0.459 % a.i/ha	Complied
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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 -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5	Complied						
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. At the time of assessment there was no class 1a or 1b pesticide. Alternatives such as Glyphosate were used with the elimination of Paraquat	Complied						
4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.  The last training for chemical handling was done on 21/5/18 at Tunku Estate and 1/8/2017 at Segaliud Estate.	Complied						

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4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	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. Complied																				
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Sime Darby Plantation Agriculture Reference Manual Section 16.5. The implementation in the field is consistent with the Agriculture Reference Manual Section 16.5. Complied																				
4.6.8	Pesticides shall be applied 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. - Major compliance -	No aerial spraying at all estates. Complied																				
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	There is no associated smallholder at Sandakan Bay POM Certification Unit. Employees handling pesticide given knowledge and skill required to cover safe handling practices and standard operating procedures. 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 -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. Management of waste material disposal such as empty chemical container as in accordance with scheduled waste and domestic waste regulations and guidelines. Complied																				
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for sprayers which conducted by Klinik Mabello (Paris)- (HQ/13/DOC/00/315) for Tunku Estate.</p> <table border="1" data-bbox="657 1576 1310 1845"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>89155</td> <td rowspan="3">22/12/17</td> <td>Fit</td> <td rowspan="3">Tunku Estate</td> </tr> <tr> <td>134617</td> <td>Fit</td> </tr> <tr> <td>71035</td> <td>Fit</td> </tr> <tr> <td>30962</td> <td rowspan="3">11/1/18</td> <td>Fit</td> <td rowspan="3">Segaliud Estate</td> </tr> <tr> <td>73174</td> <td>Fit</td> </tr> <tr> <td>31048</td> <td>Fit</td> </tr> </tbody> </table> <p>Complied</p>	ID No	Date of Medical check up	Result	Estate	89155	22/12/17	Fit	Tunku Estate	134617	Fit	71035	Fit	30962	11/1/18	Fit	Segaliud Estate	73174	Fit	31048	Fit
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4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There are female pesticide operators at Tunku Estate only. Based on the interview with female sprayers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding. Complied																				

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<p><b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>		
<p>4.7.1</p>	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p> <p>SOU26 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in POM and estates.</p> <p>Sandakan Bay POM - Annual audiometric testing completed on 30/1/2018 by DAB OH Sdn Bhd, HQ/10/DOC/00/167. Total of 93 workers were sent for the annual testing. 22 workers were found hearing impairment. Appropriate control measures were taken based on the OHD recommendations for these 22 workers.</p> <p>Chemical Health Risk Assessment (CHRA) Sandakan Bay POM - CHRA conducted on 25/05/2015 by registered assessor JKKP HIE 127/171-2(298). The action plan has been established as per the recommendation from the assessor.</p> <p>LEV inspection The inspection was conducted on yearly basis with the latest done on 26/2/2018 for 1 units of Fume hood. Seen the DAB OH Sdn Bhd, Report No. EC/0218/9423. The result shown met the recommended value.</p> <p>Contractors Management Sandakan Bay POM - Permit to Work (PTW) has been implemented for internal and external works involving confined space, hot work, working at height, LOTO and etc. Sampled the contractor Permit to Work for Install boiler and chimney dated 25/6/18. Monitoring of PTW for confined space entry, permit issuance and cancellation are effectively implemented.</p> <p>Tunku Estate - CHRA conducted on 19/06/2017 by registered assessor JKKP HIE 127/171-2(364). Verified that CHRA Action Plan has been established with progressive action been taken and monitored accordingly to complete all action recommendation as per the CHRA report.</p> <p>Segaliud Estate - CHRA conducted on 21/06/2017 by registered assessor JKKP HIE 127/171-2(364). Verified that CHRA Action Plan has been established with progressive action been taken and monitored accordingly to complete all action recommendation as per the CHRA report.</p>	<p>Complied</p>

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<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p>	<p>SOU26 had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. Appropriate control measure has been determined and revised in the HIRARC register.</p> <p>Sandakan Bay Palm Oil Mill - HIRARC was reviewed accordingly on 28/04/2018 and approved by the Manager. Mill activities was identified and risk assessed with respect to FFB grading and sorting, FFB sterilization, kernel and oil extraction, oil clarification, maintenance activities at the workshop, working in confined space, working at height and hot work activities.</p> <p>At the Tunku Estate &amp; Segaliud Estate, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance.</p> <p>The HIRARC for Tunku Estate was reviewed overall on 03/07/2017 with the next overall reviewed is planned on Jul-18. Existing HIRADC has been also reviewed and maintained accordingly with changes will be done if there is a new process/any accident occurred. Verified that the HIRADC has been revised accordingly for Harvesting process due to 1 accident reported dated 22/1/18 on the Adjusting pole length and clipping.</p> <p>Segaliud Estate –Existing HIRADC has been reviewed and maintained accordingly with changes will be done if there is a new process/any accident occurred. Verified that the HIRADC has been latest revised accordingly on 18/4/18 for Harvesting process due to 1 accident reported for job step on cutting ripe FFB.</p> <p>Machine Operation safety precaution control was not fully effective.</p> <p>Sandakan Bay POM – The latte machine in the workshop was found with faulty emergency stopper button.</p> <p>Thus, Major NC was raised during this audit.</p>	<p>Major nonconformance</p>



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<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</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> <p>i. Boiler/Engine operator – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff. Sampled PPE issuance record dated 27/6/18.</p> <p>ii. Field workers (sprayer, manure &amp; harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. Sampled PPE issuance record dated 26/1/18.</p> <p>Verified that the mill &amp; estates chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. Safety Date Sheet was placed at the chemical stores and is available. The person in charge understands the information written in Safety Data Sheet.</p> <p>The Personal Protective Equipment (PPE) wearing among the workers was not fully effective.</p> <p>Segaliud Estate: Noticed a carpenter was working on piping works behind the diesel skid tank without wearing proper PPE i.e. safety shoe and hand glove.</p> <p>Sandakan Bay POM: 2 Outsourced Transporter company workers were found unloading materials without wearing proper PPE (e.g. safety shoe &amp; safety helmet) and safety induction training.</p> <p>Thus, the Minor NC was raised during this audit.</p>	<p>Minor nonconformance</p>



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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>The OSH policy is well briefed to all workers. Interview with workers reveal that they understand the policy and the importance of safety at work.</p> <p>Sandakan Bay POM OSH/ESH meeting conducted on quarterly basis. The OSH meeting minutes available and seen the meeting minutes conducted on 6/4/18 &amp; 8/01/2018 has been adequately covered. Verified that the OSH Committee Members chart and the appointment letters has been issued accordingly for year 2017/2018.</p> <p>Tunku Estate: OSH/ESH meeting conducted on quarterly basis. The OSH meeting conducted on 22/12/17 &amp; 21/03/2018 and the meeting has been adequately covered. Next OSH Meeting is planned on 29/6/18. Verified that the OSH Committee Members chart and the appointment letters has been issued accordingly for year 2017/2018.</p> <p>Segaliud Estate: OSH/ESH meeting conducted on quarterly basis. The OSH meeting conducted on 4/12/17 &amp; 23/03/2018 and the meeting has been adequately covered. Next OSH Meeting is planned on June-18. Verified that the OSH Committee Members chart and the appointment letters has been issued accordingly for year 2017/2018.</p>	<p>Complied</p>

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<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <ol style="list-style-type: none"> <li>Sandakan Bay POM – Fire evacuation drill was last conducted on 16/03/2018 to test the state of readiness during emergency situation.</li> <li>Tunku Estate – Fire evacuation drill was last conducted on 05/07/2017 to test the state of readiness during emergency situation.</li> <li>Segaliud Estate – Fire evacuation drill was last conducted on 26/04/2018 to test the state of readiness during emergency situation.</li> </ol> <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"> <li>Training for First Aid is conducted in annually. Sufficient first aiders trained. E.g. First Aid Refresher/Disaster Management Training at Tunku Estate was conducted on 1/3/18 and Oil Spillage Training on 14/11/17. At Segaliud Estate the first aid training was conducted on 17/7/17. As for the Sandakan Bay POM, the First Aid Training was conducted on 19/7/17-20/7/17.</li> <li>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.</li> <li>Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date.</li> <li>Portable emergency eye wash facility available at chemical store, workshop, mixing area and laboratory and are in good working condition.</li> </ol> <p>Sandakan Bay POM: So far no accident occurred for year 2018. JKKP 8 was sent to DOSH accordingly on 06/01/2018. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 7/5/18 and comments highlighted by DOSH was noted and action taken accordingly.</p> <p>Tunku Estate: 2 Accident recorded does not required JKKP 6 submission but verified that proper accident investigation was made and on the issues. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 2/1/18 and comments highlighted by DOSH was noted and action taken accordingly. JKKP 8 was sent to DOSH on 18/01/2018.</p> <p>Segaliud Estate: 1 accidents reported with the JKKP 6 been submitted accordingly to DOSH. JKKP 8 was sent to DOSH on 12/01/2018. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 1/6/17 and comments highlighted by DOSH was noted and action taken accordingly. JKKP 8 was sent to DOSH on 12/01/2018.</p>	<p>Complied</p>

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4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	Medical care and accident insurance is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. Seen the foreign workers compensation scheme at mill/estates as follows: a) Sandakan Bay POM: Etiqa Takaful Bhd, Policy No. (TWF-W5023022-W1), period of insurance validity until 30/6/18. b) Tunku Estate: Etiqa Takaful Bhd, Policy No. (W5022990), period of insurance validity until 30/6/18. c) Segaliud Estate: Etiqa Takaful Bhd, Policy No. (TWF-W5022805-WI), period of insurance validity until 30/6/18.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics at mill/estates had been verified to be in satisfactory trending. JKPP 8 been submitted to DOSH annually as follows: Sandakan Bay POM: JKPP 8 submitted for year ending 2016 to DOSH on 6/1/18. Tunku Estate: JKPP 8 for year ending 2017 was sent to DOSH accordingly on 18/01/2018 Segaliud Estate: JKPP 8 for year ending 2017 was sent to DOSH accordingly on 12/01/2018.	Complied
<b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.		
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	Formal training program for the year 2017 available and implemented. Regular assessment of training conducted to ensure understanding among the employees. Trainings conducted include a formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System. The various trainings conducted and the training records maintained to be acceptable.	Complied
4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	Records of training for each employee are available in Mill and estates. Cross refer with 4.7.3. Sampled following training records: Tunku Estate: a) HCV Assessment Training dated 23/3/18 b) Use and Maintenance of PPE Training dated 4/6/18 c) Schedule Waste Assessment Training dated 21/2/18 d) Harvesting Method Training dated 24/10/17  Segaliud Estate: a) Proper PPE usage training dated 5/5/17 b) Schedule Waste handling training dated 12/4/17 c) Pesticide handling training dated 3/4/17 d) Handling of Fire Extinguisher date 26/4/18  Sandakan Bay POM: a) HCV Training for mill workers dated 30/5/18 b) Confine space training dated 24/4/18 c) RSPO Awareness training dated 3/5/18	Complied
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>		

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<p><b>Criterion 5.1:</b> 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>		
<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p> <p>Sandakan Bay POM carried out the annual review of environmental impacts in term with the last Environmental Impact Plan review was conducted in July 2017. The review covered on all mill activities and the next review is due on July 2018. Verified that the recommendation action plan has been closely monitored with ongoing process.</p> <p>Tunku Estate: Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated annually with latest done on 25/07/2017. No any changes identified to the environmental aspects and impacts. Environmental impact assessment on replanting project was done by engaging a consultant Sinoh Environmental Sdn Bhd, to carry out Four Monthly Environmental Compliance report for the Oil Palm Replanting of 202.0Ha, 199.55Ha and 330.02Ha at Tunku Estate. Seen the Environmental Compliance Report dated 21/6/18 for period of Jan-April 2018. The mitigation measures for the above environmental aspects were recommended by the consultant and can be seen in the Environmental Compliance report. The recommendation are translated onto the estate's management action plan and reviewed during meeting from time to time.</p> <p>Segaliud Estate: Environmental Aspect Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated annually with latest done on 1/06/2018. No any changes identified to the environmental aspects and impacts. Environmental impact assessment on replanting project was done by engaging a consultant Sinoh Environmental Sdn Bhd, to carry out Four Monthly Environmental Compliance report for the Oil Palm Replanting of 353.11Ha and 485.42Ha at Segaliud Estate. Seen the Environmental Compliance Report dated 25/5/18 for period of November 2018 - April 2018. The mitigation measures for the above environmental aspects were recommended by the consultant and can be seen in the Environmental Compliance report. The recommendation are translated onto the estate's management action plan and reviewed during meeting from time to time.</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>The continuous implementation of the improvements activities were checked during the field and document audit. The environmental management plan has been established to monitor the identified significant activities that give impacts on environment. A specific staff and executive have been appointed to do the monitoring to ensure the plan is effectively implemented.</p>	<p>Complied</p>

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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>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Continuous awareness training programme has been carried out by the company to its workers and other stakeholders.</p> <p>Complied</p>
<p><b>Criterion 5.2:</b>            The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</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>Internal Sime Darby competent personnel conducted Biodiversity assessment &amp; HCV identification within SOU 26 landholdings. Report was prepared by PSQM Dept of Sime Darby Plantation Bhd on May 2013. The objective of this assessment is having additional ground check on the existing identified HCV area done on 2007 in order to be detailed and accurate in database and mapping. Besides, the assessment also covers all the 5 estates. Following potential HCV were identified in sampled estate:</p> <p>a) Tunku estate</p> <ul style="list-style-type: none"> <li>- River buffer zone- 35.24 ha</li> <li>- Water catchment area-9.20 ha (potential HCV 4)</li> <li>- Swamp – 13.55 ha</li> <li>- &gt;25° degree slopes- 20.80 ha (potential HCV 4)</li> </ul> <p>b) Segaliud estate</p> <ul style="list-style-type: none"> <li>- River buffer zone- 171.61 ha</li> <li>- Water catchment area-18 ha (potential HCV 4)</li> <li>- Swamp – 3 ha</li> <li>- &gt;25° degree slopes- 7.33 ha (potential HCV 4)</li> <li>- Cemetery 2 ha</li> </ul> <p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> <p>Complied</p>

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5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	No RTE was identified within the planted or surrounding village area based on the HCV assessment report dated May 2013.  Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. HCV monitoring log book at Segaliud was sighted.  Signages that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited (Tunku estate and Segaliud Estate) found to have been satisfactorily maintained.	Complied
5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Training related to HCV was conducted accordingly. At Tunku Estate, the training was conducted on 4/10/17, while for Segaliud Estate the training was conducted on 20/11/2017.	Complied
5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> - Minor compliance -	HCV management plan FY17/18 at Tunku Estate was established. The scope includes the riparian buffer zone, area 25° slope and establishment of maintaining water catchment areas, pond and swaps. Verification were also made during on-site assessment and found to be satisfactory. However, there is no RTE species found at both estate visited.	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
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		

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5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>Visits made to Mill together with Tunku Estate and Segaliud Estate showed that all waste products and sources of pollution were identified and documented. The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the Mill. At the estates Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW306), used chemical containers/drums (SW 409), used battery (SW102) and used filters SW 410). Records on the usage and disposal e.g. inventory and consignment notes were well recorded and documented.</p> <p>Sampled seen consignment note no. 201806811HCJ324 dated 5/6/18 for SW 410 at Tunku Estate, consignment note no. 2018061212UB03X9 dated 6/6/18 for SW 305 at Segaliud Estate and consignment note no 2018060509C1VB0N dated 5/6/18 at Sandakan Bay POM. Appropriate secondary containment with necessary spill kits for the diesel skid tanks, chemical and scheduled waste storage areas was adequately maintained.</p>	Complied
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	<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 by Legenda Bumimas Sdn Bhd.</p>	Complied

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5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance -</p>	<p>Segregation of wastes i.e. general wastes and scheduled wastes including clinical waste was verified in the mill/estates. Sampled at:</p> <p>Tunku Estate- Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill with adequate pollution control methods been implemented e.g. disposal of non-scheduled waste (empty chemical container). with latest disposal record date 5/6/18, waste inventory record i.e. 5<sup>th</sup> schedule for SW 409 , SW 305 and clinical waste (SW 404). Inventory record in the Eswiss DOE system is up date as at June 2018.</p>	Complied
<p><b>Criterion 5.4:</b>            Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>Plan for improving efficiency of the use of fossil fuels and to optimise renewable energy in place and monitored accordingly. E.g. monitoring of fibre and shell use per tonne of CPO for 2017/2018. For year 2018, the Total Fibre Usage (mt) January 2018 until May 2018 is 142451.22 and the Total Shell Usage is 35612.804 (mt) form January 2018 until May 2018.</p>	Complied
<p><b>Criterion 5.5:</b>            Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing &amp; Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.</p>	Complied
5.5.2	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>The SOU26 operating unit had adhered to the zero burning policy for replanting at the estates. It was further confirm during visit to replanting areas. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estate during on site field assessment.</p>	Complied
<p><b>Criterion 5.6:</b>            Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			
5.6.1	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>The operating units had reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. At Mill, monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelman Smoke Chart. Stack monitoring done half yearly with the latest stack emission monitoring report available dated 22/12/17, Report No. UJES/SANDAKANBAY-02/2017-02 for Boiler 1 &amp; 2. POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations i.e. BOD below 20mg/l.</p>	Complied



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5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -  Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to DOE requirements at final discharge points. The water samples were sent to Sime Darby Research Sdn Bhd Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits. Sampled the Water Analysis Test Report No. IE683/2018, test dated 4/6/18 at Tunku Estate and Water Test Report No. IE616/2018 dated 17/5/18. Tested for pH, BOD, TDS and etc. Quarterly reporting to DOE was also done and record documented.  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. These GHG calculations were done as per certification unit basics including estates, mill & outgrower.	Complied
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b>		
<b>Criterion 6.1:</b> 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.		
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Complied

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6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Social Assessment Action Plan FY-2017/2018 was developed to mitigate the negative impacts and promotion of positive impacts raised during SIA. Besides, issues raised during stakeholder meeting have been incorporated into the action plan in the meeting minutes with action to be taken with the time frame and person to be responsible.  For eg: a. Issue: Workers Housing Committee – No formal meeting and evidence of meeting was conducted. Action Plan: To conduct Workers Housing Committee meeting and to appoint a representative from each nationality. Status: Seen the meeting minutes for Workers Housing Committee dated 2/2/2018 and the organization chart for the committee where different nationalities of workers were appointed as committee member such as Philippines, Bugis and Indonesian.	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The review of action plan was carried out once a year during the financial year of Sime Darby. The last reviewed for Tunku Estate was on 7/7/2017, 12/5/2017 for Segaliud Estate and 1/7/2018 for Sandakan Bay POM.	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 were no scheme smallholders involved in the certification unit.	Not applicable
<b>Criterion 6.2:</b> 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 -	Sime Darby Plantation Berhad has developed Procedure for External Communication, Sime Darby Plantation Estate Quality Management System – Standard Operation Manual, Sub-section 5.5, Appendix 5.5.3.2, version 1, issue date 1/11/2008. The procedure has outlined the process of handling complaints from stakeholders and the time frame for external communication to be dealt with. The time frame to provide feedback is within two weeks from the date of receipt of communication and within one week of the completion of the investigation.	Complied

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6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	Assistant Manager of Tunku Estate has been appointed as Social Officer to handle any social related matters reported in Tunku Estate. Seen the appointment letter dated 3/7/2017.  Assistant Manager of Segaliud Estate has been appointed by Senior Manager of the estate as Social Officer for social issue and appointment letter dated 1/7/2017 was sighted.  Officer in charge for social issues that appointed by the Mill Manager is the Mill Engineer. Seen the appointment letter dated 31/3/2018.	Complied
6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	Stakeholder list FY2017/2018 was developed in Tunku Estate, Segaliud Estate and Sandakan Bay POM where stakeholders such as government authorities, local communities, contractors, suppliers and neighbouring plantations were included into the list. 2  Stakeholder meeting was conducted on 12/4/2018 in Tunku Estate, 26/5/2018 in Segaliud Estate and 14/5/2018 in Sandakn Bay POM with the participation of stakeholders such as villagers, neighbouring plantations, contractors and internal workers. Issues reported during the meeting were recorded in the minutes and actions have been taken accordingly.	Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue.	Complied

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<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –</p>	<p>Tunku Estate, Segaliud Estate and Sandakan POM have implemented Complaint Form and Workers Complaint Book to record any grievances and complaints lodged by the affected stakeholders. The complaints were generally regarding the housing repair. Besides, there was a Tender Box in the office for the stakeholders to lodge complaint.</p> <p>Sampled of the Complaint Form as below:            a. House No.: 211/98 dated 20/6/2018            Issues: Ceiling in the house was broken and requested for new water tank as the current old was spoilt.            Action: Carpenter has repaired the broken ceiling and replaced a new water tank for the complainant on 21/6/2018 and seen the evident of photos.</p> <p>Segaliud Estate:            Workers Complaint Book was not implemented effectively where there was no evidence to show that all the complaints were resolved and the complainants have not acknowledged on the complaint book. The status of the complaints was recorded in progress since October 2017.</p> <p>Thus, the Major NC was raised during this audit.</p>	<p>Major nonconformance</p>
<p><b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
<p>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 -</p>	<p>Sime Darby Plantation Berhad has developed Flowchart and Procedures on Handling Land Disputes, version 1 and issue date: 1/11/2008. The procedure has detailing the process if any issues reported by local communities regarding land dispute. Negotiation process will be initiated which included the Estate Management, Land Management Department, Regional Heads, Zone Heads, third parties' involvement including stakeholders. Compensation of calculation and distribution to the affected parties will be determined by Land Management Department.</p>	<p>Complied</p>
<p>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 -</p>	<p>SOP as per indicator 6.4.1.</p>	<p>Complied</p>

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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 -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.	Complied
<b>Criterion 6.5:</b> 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 -	Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity, temple and mosque fund. Payslip for July 2017, September 2017 and April 2018 was sampled based on the crop summary as below: <ul style="list-style-type: none"> <li>a. Employee No.: 32556 (TE)</li> <li>b. Employee No.: 80027 (TE)</li> <li>c. Employee No.: 134681 (TE)</li> <li>d. Employee No.: 32620 (TE)</li> <li>e. Employee No.: 109352 (TE)</li> <li>f. Employee No.: 91379 (TE)</li> <li>g. Employee No.: 131131 (SE)</li> <li>h. Employee No.: 63183 (SE)</li> <li>i. Employee No.: 73164 (SE)</li> <li>j. Employee No.: 34386 (SBPOM)</li> <li>k. Employee No.: 34340 (SBPOM)</li> <li>l. Employee No.: 101852 (SBPOM)</li> </ul> All the sampled workers have achieved the Minimum Wage Order 2016 of RM 920/ month or RM 35.38/day.	Complied

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<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts (version EMP03/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 130085 (TE)</li> <li>b. Employee No.: 134681 (TE)</li> <li>c. Employee No.: 119370 (TE)</li> <li>d. Employee No.: 115735 (TE)</li> <li>e. Employee No.: 131131 (SE)</li> <li>f. Employee No.: 132917 (SE)</li> <li>g. Employee No.: 63183 (SE)</li> <li>h. Employee No.: 124890 (SBPOM)</li> <li>i. Employee No.: 101852 (SBPOM)</li> </ul> <p>The annual leave has been standardized based on the years of services as per the contract. Workers who work less than 2 years are entitled with 11 days of annual leave, 2 – 5 years are entitled 12 days of annual and more than 5 years are entitled 16 days.</p> <p>Besides, for workers who worked more than 2 years (Indonesian) and 3 years (other nationalities) have signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> <li>a. Employee No.: 102566 (TE)</li> <li>b. Employee No.: 88237 (TE)</li> <li>c. Employee No.: 80027 (TE)</li> <li>d. Employee No.: 92236 (TE)</li> <li>e. Employee No.: 122576 (SE)</li> <li>f. Employee No.: 73164 (SE)</li> <li>g. Employee No.: 34352 (SBPOM)</li> <li>h. Employee No.: 34419 (SBPOM)</li> <li>i. Employee No.: 34386 (SBPOM)</li> </ul> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	<p>Linesite inspection was carried out by Medical Assistant in Tunku Estate and Sandakan Bay POM on weekly basis by using the Housing Complex/ Nest/ Community Hall Inspections Checklist and will be verified by Manager. Seen the inspection checklist dated 19/6/2018, 12/6/2018, 4/6/2018, 28/5/2018 and 21/5/2018 in Tunku Estate and 22/6/2018, 15/6/2018, 8/6/2018 and 1/6/2018 in Sandakan Bay POM.</p> <p>Hospital Assistant in Segaliud Estate has carried out linesite inspection on weekly basis and recorded in the Linesite Inspection Report book. Seen the reports for 4/5/2018, 11/5/2018, 18/5/2018 and 25/5/2018. Besides, a summary report on monthly basis was generated using the Housing Complex/ Nest/ Community Hall Inspections Checklist.</p> <p>There was new housing under construction which target to be completed on November 2018 and therefore workers from the mill will be arranged to move into new housing in future.</p>	Complied
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	Accesses to food for the workers are considered adequately and sufficiently as there were sundry shops inside the compound. Foods and goods price list was displayed during the time of audit and the price was considered reasonable verified through interviewed with workers. Besides, the workers went out to Sandakan town by speed boat after salary to purchase their sundry goods.	Complied
<p><b>Criterion 6.6:</b> 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>		
6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	SDPB has implemented Social Policy dated January 2015 where the management is committed and respect the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Briefing of the policies was conducted on 10/5/2018 for the workers. Besides, policy is displayed at the notice board in office area and linesite.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<p>Workers Housing Committee has established to discuss welfare of workers. The committee consisted of workers from different nationalities. The last meeting was conducted on 2/2/2018 between the workers and the management in Tunku Estate. Total 26 participants were attended in the meeting. Issues reported during the meeting were rectified and no outstanding issues to be follow up.</p> <p>SPIEU committee has been established to discuss the issue related to SPIEU members. The last meeting was held on 24/11/2017 with total 27 members that participated. Meeting minutes was sighted. The issued raised during the meeting was discussed with the SPIEU in Tawau on 24/1/2018 and meeting minutes has yet to be send by the committee.</p>	Complied
<p><b>Criterion 6.7:</b> Children are not employed or exploited.</p>		



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Criterion / Indicator	Assessment Findings	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	The company has developed Child Protection Policy dated January 2015 and they are complied with the minimum age requirement. Through document review on the Checkroll Employee Listing and interviewed with the workers confirmed that all the workers recruited are above 18 years old. Policy was displayed at the notice board in the office and housing area.	Complied
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	SDPB has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Briefing of the policies was conducted on 10/5/2018 for the workers. Besides, policy is displayed at the notice board in office area and linesite.	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 -	The company has recruited workers from different background, nationalities, races and religions without any discrimination. The workers are allowed to transfer to any work station if they found they are unfit for the assigned job verified through interviewed with the workers.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Sime Darby Plantation Berhad has developed Workforce Management Unit Liaison & Recruitment (LR) Procedure with Doc. No. WMU/LR-SOPP/MARCH2016, rev. 0 dated 30/3/2016. The recruitment process was clearly stated in the procedure where the recruitment was based age, medical fitness and etc. There is no any discrimination based on religion, gender, nationality and etc during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary and etc.	Complied
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Sime Darby Plantation Berhad has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. Briefing of the policies was conducted on 10/5/2018 for the workers. Besides, policy is displayed at the notice board in office area and linesite.	Complied
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	SDPB has implemented Social Policy and Social & Humanity Management Policy dated January 2015 where the management is committed to develop and apply a policy to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. Briefing of the policies was conducted on 10/5/2018 for the workers. Besides, policy is displayed at the notice board in office area and linesite.	Complied



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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 -	<p>As per flowchart for complaints of sexual harassment, the management will not disclose any information of complainant.</p> <p>Tunku Estate has established Gender Committee which led by Chief Clerk. Seen the organization chart of the committee for Year 2017/2018. According to Gender Committee Handbook First Edition Y2014, committee shall be meet once every 3 months. The last 2 Sabah Region meetings were conducted on 8/5/2018 and 14/2/2018 for whole SOU 26 complex. No issue was reported during the meeting. Activities such as day trip with committee, gotong-royong, Zumba class on weekly basis and cooking session once a month. Interviewed with the female workers confirmed that no sexual harassment or violence case reported.</p> <p>Besides, meeting was conducted on 23/3/2018 in Segaliud Estate and 18/11/2017 in Sandakan POM that involved the participation of female workers. No issue was reported through verified the meeting minutes and interviewed with the female workers. Activity such as Mother's Day celebration was held.</p>	Complied
<p><b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>		
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Sandakan POM has received crops from smallholders and out-growers. The price of FFB has been displayed at the weighbridge area.	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 -	<p>There were out-growers and independent smallholders were sending FFB crops to Sandakan Bay POM. Sampled of contract agreements as below:</p> <ul style="list-style-type: none"> <li>a. Agreement No.: P/B/0118/FFB01125L which expired on 31/12/2018</li> <li>b. Agreement No.: P/B/0118/FFB01132L which expired on 31/12/2018</li> <li>c. Agreement No.: P/B/0118/FFB01126L which expired on 31/12/2018</li> <li>d. Agreement No.: P/B/0118/FFB01129L which expired on 31/12/2018</li> </ul> <p>Pricing mechanism was clearly stated in Third Schedule of the agreement. The price of FFB paid to smallholders and out-growers is in accordance with the price determined by MPOB.</p>	Complied

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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 -	<p>Sampled of contract agreement of the contractors as below:</p> <ul style="list-style-type: none"> <li>a. Ref. No. of LOA: T/FFB_SBH/1215/003 for FFB transportation which valid from 1/11/2016 until 31/10/2019.</li> <li>b. Ref. No. of LOA: T/SDPSSB/SABAH/CPOPK/0317) for CPO transportation which valid until 31/10/2020.</li> </ul> <p>However, contract agreement (Letter of Award with Ref. No. of LOA: T/SDPSB/SE/FFB/1014/005) for FFB transporter in Segaliud Estate was found expired on 30/4/2017 and the contractor was still provided services in the estate.</p> <p>Thus, Minor NC was raised during this audit.</p>	Minor nonconformance
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	For the FFB suppliers, there are two types of payment which is advance payment and final payment. Advance payment will be made on weekly basis which the payment of 70% of the value equivalent to the total FFB delivered every 7 days or more during delivery month at any time prior to the end of the week of the month. Final payment will be made on or before 10 <sup>th</sup> day of the following month. The payment will be made by Head Office after tax invoice has been submitted from contractor to the estates. The payment was made promptly as per the agreement. Interviewed with the contractors confirmed that the payment will be made few days after they submitted the tax invoice to the estates. No delay in payment was reported.	Complied
<p><b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.</p>		
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	The estates' management have made contribution to the local communities and stakeholders such as donation of cows to the workers for the religion festival, blood donation activity in the estate, encouraged of the participation of parents in the sport day organized by HUMANA, Zumba classes and cooking classes among the female workers. Besides, interviewed with the HUMANA teachers confirmed that the management has provided assistance whenever they requested such as repair and maintenance of the building and provide field for the sport day. In additional, Sandakan POM has provided free boat service once a month to the workers to Sandakan town to purchase their sundry goods.	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	There was no smallholder involved in the certification unit.	Not applicable
<p><b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.</p>		

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<p>6.12.1</p> <p>There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -</p>	<p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment in their national language was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> <li>a. Permit No.: PE 0058119 valid until 2/2/2019 (TE)</li> <li>b. Permit No.: PE 0056751 valid until 7/3/2019 (TE)</li> <li>c. Permit No.: PD 8903792 valid until 21/7/2018 (TE)</li> <li>d. Permit No.: PD 9136688 valid until 19/11/2018 (TE)</li> <li>e. Permit No.: PD 9133719 valid until 8/12/2018 (TE)</li> <li>f. Permit No.: PD 9618249 valid until 18/2/2019 (TE)</li> <li>g. Permit No.: PD 8911241 valid until 15/8/2018 (SE)</li> <li>h. Permit No.: PE 0665981 valid until 4/4/2019 (SE)</li> <li>i. Permit No.: PD 8292970 valid until 3/9/2018 (SE)</li> <li>j. Permit No.: PE 0059833 valid until 16/11/2018 (SE)</li> <li>k. Permit No.: PD 7848238 valid until 21/7/2018 (SBPOM)</li> <li>l. Permit No.: PE 0058566 valid until 2/3/2019 (SBPOM)</li> <li>m. Permit No.: PD 9577363 valid until 24/3/2019 (SBPOM)</li> <li>n. Permit No.: PD 9617073 valid until 3/1/2019 (SBPOM)</li> </ul> <p>Interviewed with the foreign workers confirmed that they have freedom to go out from the compound during off day. They are volunteered to surrender the passport to the management for safety reason as they worried the passport will be lost if kept by themselves.</p>	<p>Complied</p>
<p>6.12.2</p> <p>Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –</p>	<p>Interviewed with the workers confirmed that no contract substitution reported. The job and terms &amp; conditions offered in their home country was similar when they arrived in Malaysia.</p>	<p>Complied</p>
<p>6.12.3</p> <p>Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -</p>	<p>SDPB has implemented a Sime Darby's Human Rights Charter on 13/1/2017, version 3.0 where they committed as below:</p> <ul style="list-style-type: none"> <li>a. Providing equal opportunity</li> <li>b. Respecting freedom of association</li> <li>c. Eradicating any form of exploitation</li> <li>d. Ensuring favourable working conditions</li> <li>e. Enhancing Safety and Health</li> <li>f. And etc.</li> </ul> <p>Induction training was given to all the new workers during their arrival to the plantations. Company policy, terms and conditions stated in the employment contract and the culture of plantations were briefed to the new workers. Seen the attendance list of the new workers who have attended the induction training dated 1/6/2018.</p>	<p>Complied</p>
<p><b>Criterion 6.13:</b> Growers and millers respect human rights.</p>		

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6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The Social and Humanity Management Policy covers the necessary aspects of human rights. Employees are aware of their rights and workers and staff union monitor to ensure no violations. Briefing of the policies was conducted on 10/5/2018 for the workers. Besides, policy is displayed at the notice board in office area and linesite.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	There was HUMANA schools in the estate and mill's compound. The mill and estates have provided free transportation to send the students to school. Interviewed with the HUMANA teachers confirmed that the management has provided assistance whenever they requested. For eg: provide field for their sport day, repair and maintain of the school's building.	Complied
<b>Principle 7: Responsible development of new plantings</b>			
Sandakan Bay POM Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this annual surveillance assessment. The immature areas are replanted area.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	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.  As a minimum, these shall include, but are not necessarily be limited to: • 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); • Optimising the yield of the supply base. - Major compliance -	Continual Improvement Plan was established. Sampled of CIP sighted as follow: 1. Reduce dry shell consumption during boiler operation 2. Increase kernel production moisture content 3. Reduce desilting cost	Complied

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**Appendix B: Approved Time Bound Plan**

**SDP- RSPO Certification Status for Malaysia Operations**

SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	Sg. Dingin	Karangan, Kedah	12 Aug '10	11-Aug-20	RSPO 550179	N.A
2	Chersonese	Kuala Kurau, Perak	5 Oct '11	4-Oct-21	CU-RSPO-815148, RSPO 590800	N.A
3	Elphil	Sg Siput, Perak	18 Jun '11	17-Jun-21	RSPO 550180	N.A
4	Flemington	Teluk Intan, Perak	5 Oct '11	4-Oct-21	CU-RSPO-819144, RSPO 590802	N.A
5	Seri Intan	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-811218, RSPO 0015	N.A
5	Selaba	Teluk Intan, Perak	3 Mar '11	2-Mar-21	CU-RSPO-819142, RSPO 0016	N.A
5a	Sg Samak		3 Mar '11	NA	NA	Mill was closed down.
6	Tennamaram	Bestari Jaya, Selangor	3 Mar '11	2-Mar-21	CU-RSPO-819143, RSPO 0014	N.A
7	Bkt Kerayong	Kapar, Selangor	15 Apr '11	14-Apr-21	RSPO 550181	N.A
8	East	Carey Island, Selangor	19 May '10	18-May-20	RSPO 543543	N.A
9	West	Carey Island, Selangor	19 May '10	18-May-20	RSPO 543594	N.A
9a	Sepang	Sepang, Selangor	19 May '10	NA	NA	Mill was closed down.
10	Bukit Puteri	Raub, Pahang	7 Jul '16	6-Jul-21	CU-RSPO-815147, 18502206 001, 824 502 14020, MUTU – RSPO/091	N.A
11	Kerdau	Temerloh, Pahang	7 Jul '16	6-Jul-21	CU-RSPO-819155, 18502207 001, 824 502 14019, MUTU-RSPO/094	N.A
12	Jabor	Kuantan, Pahang	7 Jul '16	6-Jul-21	CU-RSPO-819156, RSPO 928288, 824 502 16049, MUTU-RSPO/092	N.A
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29-Dec-21	CU-RSPO-855480	N.A

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14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18-May-20	RSPO 541905	
15	Sua Betong	Port Dickson, Negeri Sembilan	18/2/2014	17-Feb-19	SGS-RSPOPM-MY14/01364, 824 502 16032	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO-819165, certification date: 30 Dec 2011.
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul '16	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 '16	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 '16	29-Dec-21	CU-RSPO-819167, RSPO 0020	N.A

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33	Derawan	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO- 819169, RSPO 0019	N.A
34	Pekaka	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO- 815150, MUTU- RSPO/054	N.A

**Legends**

Certification Withdrawal

NA - NOT APPLICABLE

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

**SDP- RSPO Certification Status for Indonesia Operations**

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

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	1.65
PK	1.65

Extraction	%
OER	21.41
KER	4.92

Production	t/yr
FFB Process	186,720.45
CPO Produced	39,968.96
PKO Produced	9,180.32

Land Use	Ha
OP Planted Area	15008
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0
<b>Total</b>	<b>15008</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	136124.25	0.81	0	0	0	0	136124.25	0.81
CO <sub>2</sub> Emission from fertilizer	14115.42	0.95	0	0	0	0	14115.42	0.95
NO <sub>2</sub> Emmision	9088.98	0.61	0	0	0	0	9088.98	0.61
Fuel Consumption	6213.14	0.42	0	0	0	0	6213.14	0.42
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sink</b>								
Crop Sequestration	-128896.67	-8.65	0	0	0	0	-128896.67	-8.65
Conservation Sequestration	0	0	0	0	0	0	0	0

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<b>Total</b>	<b>36645.12</b>	<b>2.46</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36645.12</b>	<b>2.46</b>
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\*Note: Includes both estates

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	36600.37	0.2
Fuel Consumption	3187.65	0.02
Grid Electricity Utilisation	0	0
<b>Credit</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>39788.02</b>	<b>0.21</b>

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

<b>Emissions</b>	<b>tCO<sub>2</sub>e</b>
PK from own mill	15146.78
PK from other source	0
Fuel Consumptions	0
<b>Total Crusher emissions</b>	<b>0</b>

\*This mill has no kernel crusher operation.

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

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

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

<b>5.1 Applicability of the general chain of custody requirements for the supply chain</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Sime Darby Plantation headquarter has the physically handle the RSPO Certified Sustainable oil palm products. All trading, contract and sales are managed by Global Trade Marketing department at Sime Darby Plantation, HQ and held the Palm Trace registration number for respective mill (Sandakan Oil Mill: RSPO_PO1000000065)	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Sandakan Bay POM is not a trader or distributor.	N/A
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	Sime Darby Plantation Sdn Bhd held RSPO membership number: 1-0008-04-000-00 since 06 September 2004.  Company has registered in Palm Trace system as follows:  Members ID – Sandakan Oil Mill: RSPO_PO1000000065 Licence valid until 30/9/2018 Member category : Oil Mill	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	Processing aids was not in used at Sandakan Bay Palm oil Mill.	N/A
<b>5.2 Supply chain model</b>			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Sandakan Bay Palm Oil Mill receives and process both certified and noncertified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Sandakan Bay Palm Oil Mill was certified with Mass Balance Module.	Yes

<b>5.3. Documented Procedures</b>			
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: <ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>	SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, product claims, production volume, conversion factor, internal audit, outsourced contractor, training, reclassification of mill's supply chain model, complaints and management review.	Yes
	<ul style="list-style-type: none"> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>	<p>Sandakan Bay Palm Oil Mill has prepared a dedicated records and Forms in relation to RSPO Supply Chain Certification.</p> <p>Sustainability training plan &amp; records for year 17/18 sighted available during the audit. The training was conducted on 4/4/2018. Interview with weighbridge operator found that she understand on the supply chain for palm oil mill.</p>	Yes
	<ul style="list-style-type: none"> <li>• Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.</li> </ul>	SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018 has identified every responsible personal who involved in the implementation RSPO Supply Chain Certification. Roles and responsibility for RSPO Supply Chain team were clearly defined in the job description. Through the interview with Mill Manager, he can demonstrate awareness of the established procedure.	Yes
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	SDPB has developed SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018 has clearly stated the requirement for internal audit need to be conducted relating to sustainability and traceability standard (RSPO Supply Chain Certification Standard's requirements). The internal audit was conducted on 5/4/2018 by SQM Team.	Yes
	<p>ii) effectively implements and maintains the standard requirements within its organization</p>	SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered internal audit. The internal audit for supply chain was	Yes

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		conducted on 5/4/2018 by SQM team. There is 3 NCRs and 2 OFI's raised for supply chain element. It is found that the internal audit was effectively implemented and maintained at Sandakan Bay POM.	
<b>5.4. Purchasing and goods in</b>			
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as follow:</p> <p>Segaliud Estate Code : E-043, date: 28/3/18, Ticket No# 167649, Field :10C, 14E, 10D, 15C, Tonnage:18.14mt RSPO certificate number: RSPO537872</p> <p>Tigowis Estate Code : E-046, date: 28/3/18, Ticket No#167646, Field :10A, 10B, 12A, 12B, 12C, 13A, Tonnage:9.50mt RSPO certificate number: RSPO537872</p> <p>Tunku Estate Code : E-048, date: 28/3/18, Ticket No#167645, Field :12C, 12E, Tonnage:10.50mt RSPO certificate number: RSPO537872</p> <p>Tun Tan Siew Sin Estate Code : E-047, date: 28/3/18, Ticket No#167633, Field :92D6 Tonnage:10.25mt RSPO certificate number: RSPO537872</p> <p>Sentosa Estate Code : E-045, date: 28/3/18, Ticket No#167614, Field :93C2 Tonnage:9.96mt RSPO certificate number: RSPO537872</p>	Yes
	<ul style="list-style-type: none"> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for</li> </ul>	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB.</p>	Yes

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	<p>example, delivery notes, shipping documents and specification documentation).</p>	<p>Records verified during the audit as follow:</p> <p>Segaliud Estate Code : E-043, date: 28/3/18, Ticket No# 167649, Field :10C, 14E, 10D, 15C, Tonnage:18.14mt RSPO certificate number: RSPO537872</p> <p>Tigowis Estate Code : E-046, date: 28/3/18, Ticket No#167646, Field :10A, 10B, 12A, 12B, 12C, 13A, Tonnage:9.50mt RSPO certificate number: RSPO537872</p> <p>Tunku Estate Code : E-048, date: 28/3/18, Ticket No#167645, Field :12C, 12E, Tonnage:10.50mt RSPO certificate number: RSPO537872</p> <p>Tun Tan Siew Sin Estate Code : E-047, date: 28/3/18, Ticket No#167633, Field :92D6 Tonnage:10.25mt RSPO certificate number: RSPO537872</p> <p>Sentosa Estate Code : E-045, date: 28/3/18, Ticket No#167614, Field :93C2 Tonnage:9.96mt RSPO certificate number: RSPO537872</p>	
	<ul style="list-style-type: none"> <li>The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as follow:</p> <p>Segaliud Estate Code : E-043, date: 28/3/18, Ticket No# 167649, Field :10C, 14E, 10D, 15C, Tonnage:18.14mt RSPO certificate number: RSPO537872</p> <p>Tigowis Estate</p>	<p>Yes</p>

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		<p>Code : E-046, date: 28/3/18, Ticket No#167646, Field :10A, 10B, 12A, 12B, 12C, 13A, Tonnage:9.50mt RSPO certificate number: RSPO537872</p> <p>Tunku Estate Code : E-048, date: 28/3/18, Ticket No#167645, Field :12C, 12E, Tonnage:10.50mt RSPO certificate number: RSPO537872</p> <p>Tun Tan Siew Sin Estate Code : E-047, date: 28/3/18, Ticket No#167633, Field :92D6 Tonnage:10.25mt RSPO certificate number: RSPO537872</p> <p>Sentosa Estate Code : E-045, date: 28/3/18, Ticket No#167614, Field :93C2 Tonnage:9.96mt RSPO certificate number: RSPO537872</p>	
	<ul style="list-style-type: none"> <li>A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> </ul>	Not applicable	N/A
	<ul style="list-style-type: none"> <li>The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements.</li> </ul>	Not applicable	N/A
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Sandakan Bay Palm Oil Mill has established SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, outsourced contractor, training, reclassification of	Yes

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		mill's supply chain model and production volume.	
<b>5.5. Outsourcing activities</b>			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>Sandakan Bay POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, product claims, production volume, conversion factor, internal audit, outsourced contractor, training, reclassification of mill's supply chain model, complaints and management review.</p> <p>The list of outsourced contractor was sighted, "list of stakeholder" to include the transport contractor for CPO and PK (Yee Peng Trading Sdn Bhd). The agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Yee Ping Trading Sdn Bad dated 27/1/2018 was sighted. The agreement was clearly stated on the requirements of the RSPO Supply Chain.</p>	Yes
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	<p>The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable.</p>	N/A
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	<p>The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable.</p>	N/A
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	<p>The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil</p>	N/A



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		Mill, hence this requirement is not applicable.	
	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable.	N/A
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	The mill ensures that an outsourced activity (transportation) is not contaminated with non-certified materials. There is no outsourced process within Sandakan Bay Palm Oil Mill, hence this requirement is not applicable.	N/A
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	No new contractor used for the processing or physical handling of RSPO certified oil palm products (transportation).	N/A
<b>5.6. Sales and goods out</b>			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>Sandakan Bay Palm Oil Mill has established SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018.</p> <p>Sandakan Bay POM only sold PK as RSPO certified for the period of June 17 – May 18. Sample the weighbridge ticket/dispatch note as below:</p> <p>A) CSPK Despatch Note: 004009 Buyer: KLK Premier Oils Sdn Bhd Address: Lahad Datu, Sabah Contract No: S/BSB/802/PK0029, Quantity:200mt Shipment date: 7/3/2018 Quantity: 30.07 mt Product: CSPK MB Transport: Yee Ping Trading Sdn Bhd Supply chain cert no: RSPO 537872 Transaction ID: TR-0ff72b2f-686c</p> <p>Despatch Note: 003978 Buyer: KLK Premier Oils Sdn Bhd Address: Lahad Datu, Sabah</p>	Yes

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		<p>Contract No: S/BSB/1801/PK0011,          Quantity:300mt          Shipment date: 5/2/2018          Quantity: 13.92 mt          Product: CSPK MB          Transport: Yee Ping Trading Sdn Bhd          Supply chain cert no: RSPO 537872          Transaction ID: TR-75e1b366-884a</p>	
	<ul style="list-style-type: none"> <li>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> </ul>	<p>Seen the weighbridge ticket, shipping documents as per sampled below:</p> <p>A) CSPK          Despatch Note: 004009          Buyer: KLK Premier Oils Sdn Bhd          Address: Lahad Datu, Sabah          Contract No: S/BSB/802/PK0029,          Quantity:200mt          Shipment date: 7/3/2018          Quantity: 30.07 mt          Product: CSPK MB          Transport: Yee Ping Trading Sdn Bhd          Supply chain cert no: RSPO 537872          Transaction ID: TR-0ff72b2f-686c</p> <p>Despatch Note: 003978          Buyer: KLK Premier Oils Sdn Bhd          Address: Lahad Datu, Sabah          Contract No: S/BSB/1801/PK0011,          Quantity:300mt          Shipment date: 5/2/2018          Quantity: 13.92 mt          Product: CSPK MB          Transport: Yee Ping Trading Sdn Bhd          Supply chain cert no: RSPO 537872          Transaction ID: TR-75e1b366-884a</p>	<p>Yes</p>
	<ul style="list-style-type: none"> <li>For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>Sampled the shipping announcement as below:          Buyer: XX          Transaction ID: TR-75e1b366-884a          Quantity: 300 MT          Product: CSPK (MB)          Shipping/BL Date: 5/2/2018</p> <p>Buyer: XX          Transaction ID: TR-0ff72b2f-686c          Quantity: 200 MT          Product: CSPK (MB)          Shipping/BL Date: 8/3/2018</p>	<p>Yes</p>
<p><b>5.7. Registration of transactions</b></p>			

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5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries and;</li> <li>take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable.</li> </ul>	<p>The registration of PalmTrace will be carried out by the Global Trade Marketing Department, HQ. All transaction will be registered in the PalmTrace. Company has registered their mill in the PalmTrace:- Members ID – Sandakan Oil Mill: RSPO_PO1000000065 Licence valid until 30/9/2018 Member category : Oil Mill</p>	Yes
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> </ul>	<p>Sandakan Bay Palm Oil Mill has the Procedure for Handling of Certified CPO and PK despatch where it was mentioned that Global Trade Marketing shall make the necessary transaction of RSPO certified CPO and PK in the RSPO IT Platform.</p> <p>Sampled the shipping announcement as below: Buyer: XX Transaction ID: TR-75e1b366-884a Quantity: 300 MT Product: CSPK (MB) Shipping/BL Date: 5/2/2018</p> <p>Buyer: XX Transaction ID: TR-0ff72b2f-686c Quantity: 200 MT Product: CSPK (MB) Shipping/BL Date: 8/3/2018</p>	Yes
	<ul style="list-style-type: none"> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> </ul>	<p>Every shipping announcement made accordingly as unique id for traceability and recorded accordingly in the RSPO Palm Oil Purchase, Sales and Balance Control Table, update at real time basis by Global Trade Marketing, HQ.</p>	Yes
	<ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>	<p>There were volume sold for other scheme and conventional (refer to Table 11 &amp; 12 ; Supply Chain declaration of Table D &amp; E; Summary Template).</p>	Yes
	<ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	<p>Sampled of shipping announcement documents and found that the management done the shipping announcement accordingly.</p>	Yes
<b>5.8. Training</b>			

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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.	Sustainability training plan & records for year 17/18 sighted available during the audit. The training was conducted on 4/4/2018. Interview with weighbridge operator (employee ID:0000034315) found that she understand on the supply chain for palm oil mill.	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.	Sustainability training plan & records for year 17/18 sighted available during the audit. The training was conducted on 4/4/2018. Interview with weighbridge operator (employee ID:0000034315) found that she understand on the supply chain for palm oil mill. The record of training was available and maintained at mill office.	Yes
<b>5.9. Record Keeping</b>			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Sandakan Bay Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	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.	SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018 has defined the retention time for RSPO certified units at least 2 years of retention time for all records and report.	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.	The forecast volume for Oct 18 – Sept 19: CSPO= 43, 202.24 MT CSPK= 9,818.69 MT	Yes
<b>5.10. Conversion factors</b>			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical	Not applicable	N/A

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	Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.		
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Not applicable	N/A
<b>5.11. Claims</b>			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	Not in use.	Yes
<b>5.12. Complaints</b>			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Sandakan Bay POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered complaints element.	Yes
<b>5.13. Management Review</b>			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	Sandakan Bay POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered management review, which need to be conducted on annually at planned intervals. The management review for Sandakan Bay POM was conducted on 25/5/2018, chaired by the mill manager.	No
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	The management review for Sandakan Bay POM was conducted on 25/5/2018, chaired by the mill manager. All the inputs have been discussed accordingly, eg: Results of internal audits covering RSPO Supply Chain Certification Standard, Customer feedback, Status of preventive and corrective actions, Follow-up actions from management reviews, Changes that could affect the management system, Recommendations for improvement.	Yes
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> </ul>	The management review for Sandakan Bay POM was conducted on 25/5/2018, chaired by the mill manager. All the outputs have been discussed accordingly, eg: Improvement of the effectiveness of	Yes

	<ul style="list-style-type: none"> <li>Resource needs.</li> </ul>	the management system and its processes and resource needs.	
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**Appendix E: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)**

Requirements	Compliance
<b>E.1 Definition</b>	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3<sup>rd</sup> party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>Sandakan Bay palm oil mill received certified FFB and uncertified FFB. Therefore qualifies for the Mass Balance supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
<b>E.2 Explanation</b>	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall 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.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>E.2.2 The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>The registration of PalmTrace will be carried out by the Global Trade Marketing Department, HQ. All transaction will be registered in the PalmTrace. Company has registered their mill in the PalmTrace:-            Members ID – Sandakan Oil Mill: RSPO_PO100000065            Licence valid until 30/9/2018            Member category : Oil Mill</p>
<b>E.3 Documented procedures</b>	
<p>E.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:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, product claims, production volume, conversion factor, internal audit, outsourced contractor, training, reclassification of mill's supply chain model, complaints and management review.</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate</p>	<p>SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018 has identified every responsible personal who involved in the implementation RSPO Supply Chain Certification.</p>

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<p>awareness of the site procedures for the implementation of this standard.</p>	<p>The mill manager and assistant manager have awareness of the supply chain system. During interview with mill manager, he had explained that he has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated Feb 2018 which covered control of documents and records, delivery of FFB from the estate, receiving FFB at the mill, process monitoring, CPO and PK despatch, non-conforming material/product, outsourced contractor, training, reclassification of mill's supply chain model and production volume.</p>
<p><b>E.4 Purchasing and goods in</b></p>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as follow:</p> <p>Segaliud Estate Code : E-043, date: 28/3/18, Ticket No# 167649, Field :10C, 14E, 10D, 15C, Tonnage:18.14mt RSPO certificate number: RSPO537872</p> <p>Tigowis Estate Code : E-046, date: 28/3/18, Ticket No#167646, Field :10A, 10B, 12A, 12B, 12C, 13A, Tonnage:9.50mt RSPO certificate number: RSPO537872</p> <p>Tunku Estate Code : E-048, date: 28/3/18, Ticket No#167645, Field :12C, 12E, Tonnage:10.50mt RSPO certificate number: RSPO537872</p> <p>Tun Tan Siew Sin Estate Code : E-047, date: 28/3/18, Ticket No#167633, Field :92D6 Tonnage:10.25mt RSPO certificate number: RSPO537872</p> <p>Sentosa Estate Code : E-045, date: 28/3/18, Ticket No#167614, Field :93C2 Tonnage:9.96mt RSPO certificate number: RSPO537872</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The management has inform CB on overproduction of certified tonnage. They aware on the overproduction as per stated in the procedure.</p>
<p><b>E.5 Record keeping</b></p>	



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<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/ or three-monthly basis.</p>	<p>Sandakan Bay Palm Oil Mill has established SOP for Sustainable Supply Chain and Traceability, Issue No:3, Dated February 2018.</p> <p>Sandakan Bay POM only sold PK as RSPO certified for the period of June 17 – May 18. Sample the weighbridge ticket/dispatch note as below:</p> <p>B) CSPK Despatch Note: 004009 Buyer: KLK Premier Oils Sdn Bhd Address: Lahad Datu, Sabah Contract No: S/BSB/802/PK0029, Quantity:200mt Shipment date: 7/3/2018 Quantity: 30.07 mt Product: CSPK MB Transport: Yee Ping Trading Sdn Bhd Supply chain cert no: RSPO 537872 Transaction ID: TR-0ff72b2f-686c</p> <p>Despatch Note: 003978 Buyer: KLK Premier Oils Sdn Bhd Address: Lahad Datu, Sabah Contract No: S/BSB/1801/PK0011, Quantity:300mt Shipment date: 5/2/2018 Quantity: 13.92 mt Product: CSPK MB Transport: Yee Ping Trading Sdn Bhd Supply chain cert no: RSPO 537872 Transaction ID: TR-75e1b366-884a</p>
<p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p>	<p>Computerized system in place with the delivery deducted accordingly.</p>
<p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>The Mill aware that only positive stock can be delivered. No short selling.</p>
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>No outsourcing activities.</p>



**Supply Chain Declaration**

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (MT)</b>	<b>Volume of FFB from uncertified supply bases (MT)</b>	<b>Total FFB/Month (mt)</b>
1	June 2017	16120.15	1538.20	17658.35
2	July 2017	17763.28	1783.27	19546.55
3	August 2017	15568.68	1506.89	17075.57
4	September 2017	13712.14	1798.42	15510.56
5	October 2017	14568.55	2140.78	16709.33
6	November 2017	14839.66	2448.17	17287.83
7	December 2017	12975.87	2540.03	15515.90
8	January 2018	13651.09	2396.45	16047.54
9	February 2018	11984.52	2056.84	14041.36
10	March 2018	13218.40	2211.23	15429.63
11	April 2018	14320.64	1890.18	16210.82
12	May 2018	13392.34	1201.59	14593.93
	<b>Total</b>	<b>172115.32</b>	<b>23512.05</b>	<b>195627.40</b>

<b>B. Monthly Records of Certified CPO &amp; PK since the last audit</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (MT)</b>	<b>Certified PK (MT)</b>
1	June 2017	3,395.50	781.48
2	July 2017	3,796.53	891.20
3	August 2017	3,448.64	779.53
4	September 2017	3,037.00	679.87
5	October 2017	3,244.88	736.87
6	November 2017	3,296.63	740.03
7	December 2017	2,761.83	633.86
8	January 2018	2,787.97	680.32
9	February 2018	2,582.03	598.71
10	March 2018	2,866.44	683.69
11	April 2018	3,124.62	785.07
12	May 2018	2,995.29	690.91
	<b>Total</b>	<b>37,337.35</b>	<b>8,681.55</b>

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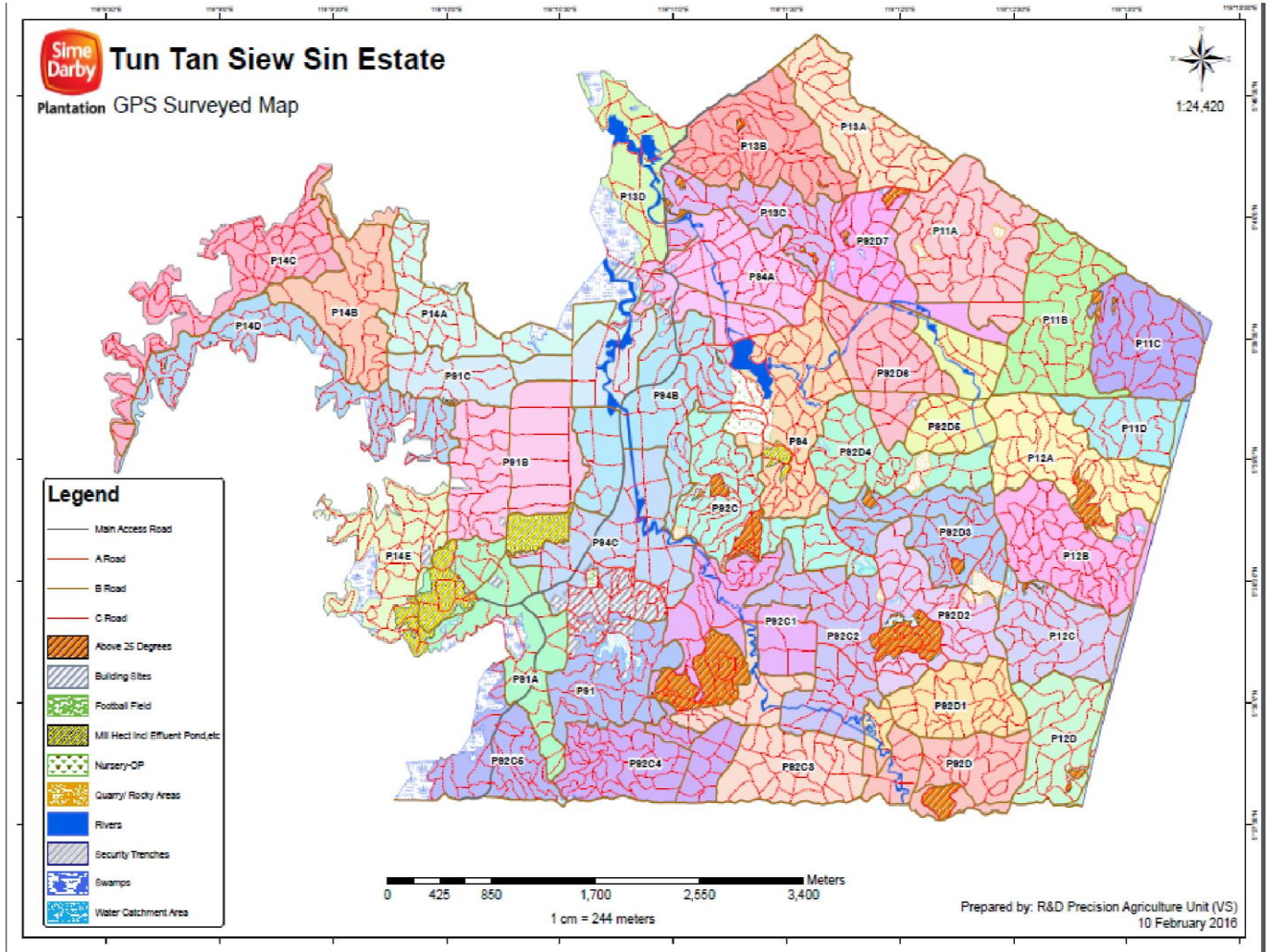
<b>C. Records of Certified CPO &amp; PK Sold under PalmTrace to Buyers since the last audit (if any) records base on transaction January 2017-December 2017</b>				
No.	Buyers Name	Palmtrace Trading No	Certified CPO Sold (MT)	Certified PK Sold (MT)
1.	xxxxxxx	TR-cc1f3368-9274, TR-75e1b366-884a, TR-f147f03d-e515, TR-8f2fd6f7-f725, TR-off72b2f-686c, TR-91deef86-7e72, TR-f9931c3a-9ff8	-	3,418.73
TOTAL				3,418.73

<b>D. Records of CPO &amp; PK Sold under other schemes to Buyers since the last audit (if any)</b>				
No.	Buyers Name	Scheme Name	CPO Sold (MT)	PK Sold (MT)
Nil				

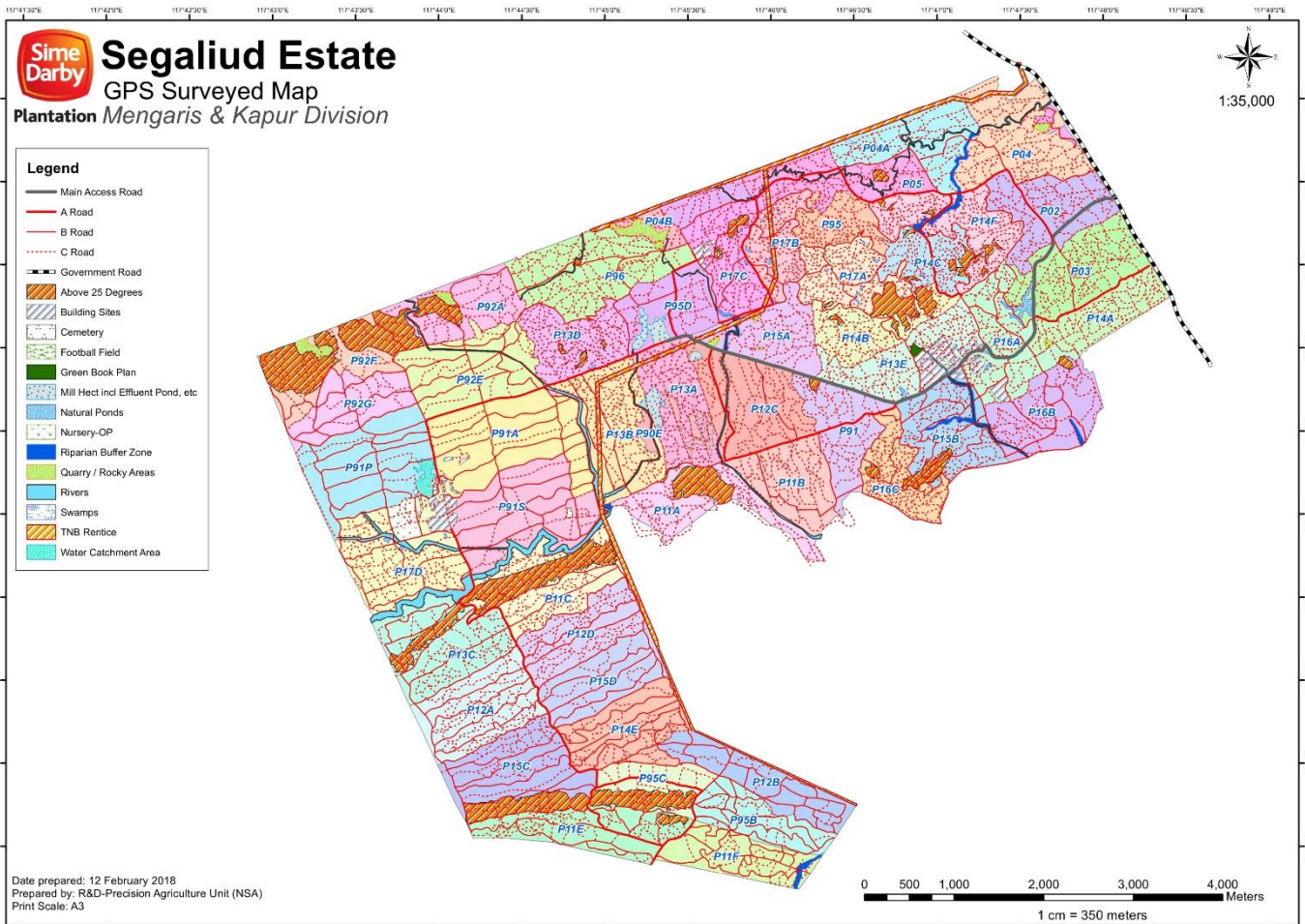
<b>E. Records of CPO &amp; PK Sold as conventional to Buyers since the last audit (if any)</b>				
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)	
1	xxxxxxx	3,513.22	704.56	
2	xxxxxxx	480.26	0.00	
3	xxxxxxx	3,830.28	0.00	
4	xxxxxxx	0.00	4,147.44	
5	xxxxxxx	2,001.96	0.00	
		9,825.72	4,852.00	

<b>F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)</b>				
No.	Buyers Name	PalmTrace Trading No	RSPO Credits of Certified CPO Sold (MT)	
1	-	-	20,000	
2	-	-	7,500	
Total			27,500	

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

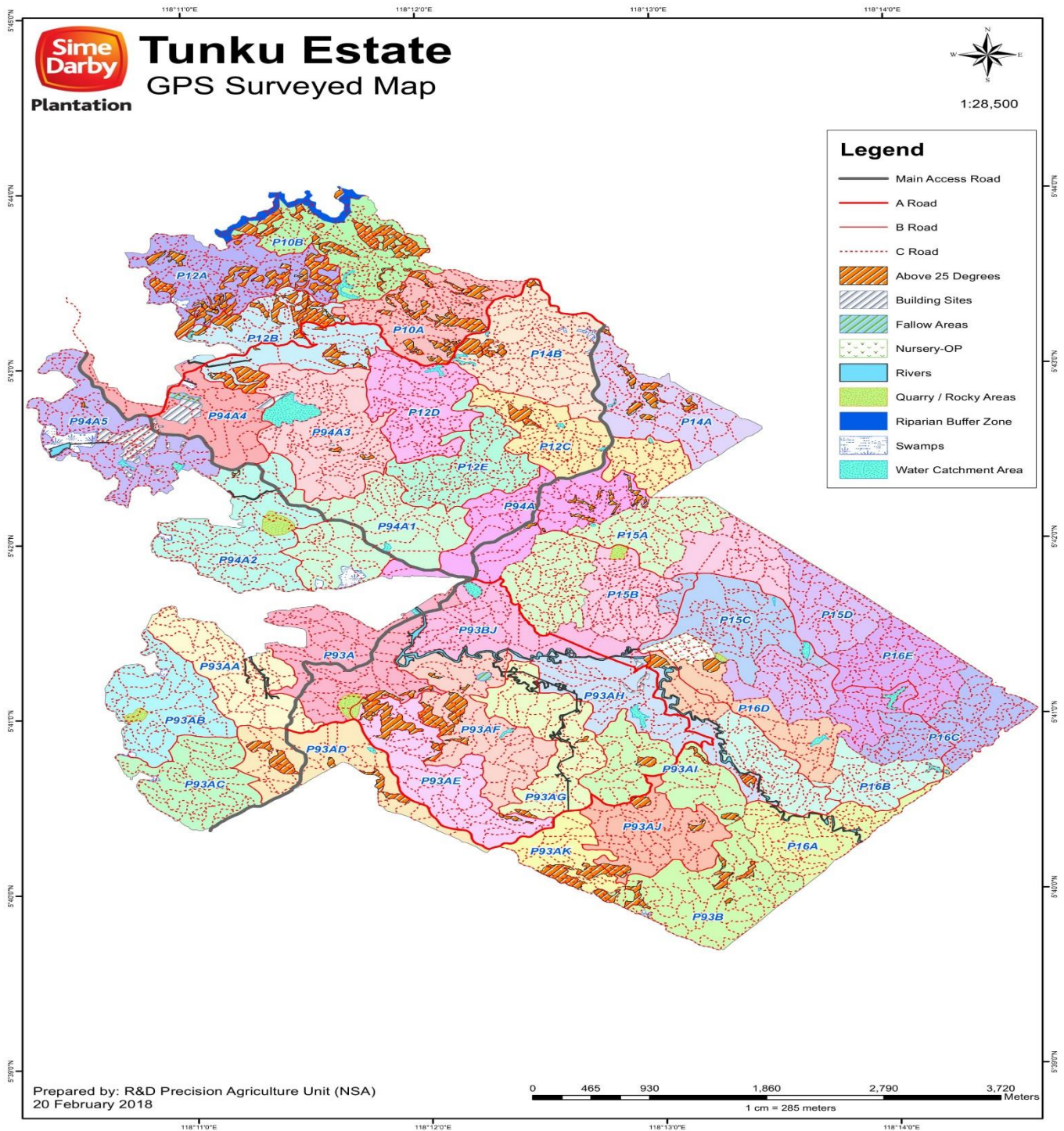


**Appendix G: Segaliud Estate Field Map**





**Appendix H: Tunku Estate Field Map**



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

Not applicable

**Appendix J: List of Abbreviations**

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
CU	Certification Unit
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
MRM	Management Review Meeting
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SBPOM	Sandakan Bay Palm Oil Mill
SCCS	Supply Chain Certification Standard
SDPSB	Sime Darby Plantation Sdn Bhd
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit