

**RSPO PRINCIPLE AND CRITERIA –
 4th ANNUAL SURVEILLANCE ASSESSMENT (ASA1_4)
 Public Summary Report**

Sime Darby Plantation Berhad
Client company Address: Level 5, Main Block, Plantation Tower No, 2, Jalan PJU 1A/7 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 27) Melalap Palm Oil Mill and supply base Location of Certification Unit: 14 th KM, Jalan Tenom-Keningau 89908 Tenom Sabah, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0008-04-000-00	Membership Approval Date	06/09/2004
Parent Company Name	Sime Darby Plantation Berhad		
Address	Level 5, Main Block, Plantation Tower 2, Jalan PJU 1A/7 47301, Ara Damansara, Selangor, Malaysia		
Subsidiary (Certification Unit Name)	Strategic Operating Unit (SOU 27) – Melalap Palm Oil Mill		
Address	14 th KM, Jalan Tenom-Keningau, 89908 Tenom, Sabah, Malaysia		
Contact Name	Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM)		
Website	www.simedarbyplantation.com	E-mail	kks.melalap@simedarby.com
Telephone	+603 7848 4463 (Head Office) +609 389 7253 (Mill)	Facsimile	+603 7848 4363 (Head Office) +608 7302243 (Mill)

2. Certification Information			
Certificate Number	RSPO 547124	Date of First Certification	21/01/2011
		Certificate Start Date	21/01/2016
		Certificate Expiry Date	20/01/2021
Scope of Certification	Palm oil and Palm Kernel Production		
Applicable Standards	RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E – Mass Balance)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 685285	MS 2530-3 Malaysian Sustainable Palm Oil (MSPO) Part 3	BSI Services Malaysia Sdn Bhd	06/03/2023
MSPO 682053	MS 2530-4 Malaysian Sustainable Palm Oil (MSPO) Part 4		
MSPO 718818	MSPO Supply Chain Certification 2018		18/12/2024

4. Location(s) of Mill & Supply Bases		
Name	Location [Map Reference #]	GPS Coordinates

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(Mill / Supply Base)		Latitude	Longitude
Melalap Palm Oil Mill	14th KM, Jalan Tenom-Keningau, 205 89908 Tenom, Sabah	115° 59' 15.0"E	5° 13' 58.0"N
Melalap Estate	14th KM, Jalan Tenom-Keningau, 205 89908 Tenom, Sabah	115° 58' 34.7"E	5° 12' 54.0"N
Sapong Estate	14th KM, Jalan Tenom-Keningau, 70 89908 Tenom, Sabah	115° 56' 57.1"E	5° 3' 51.5"N

5. Description of Supply Base

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Melalap Estate	1,341.58	88.29	790.50	2,220.37	60.42
Sapong Estate	2,266.15	45.72	1,105.40	3,417.27	66.31
Total (ha)	3,607.73	134.01	1,895.90	5,637.64	63.99

6. Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Melalap Estate	250.67	-	1,090.91	-	-	1,090.91	250.67
Sapong Estate	442.58	-	1,823.57	-	-	1,823.57	442.58
Total (ha)	693.25	-	2,914.48	-	-	2,914.48	693.25

7. Certified Tonnage of FFB (Own Certified Scope)

Estate	Tonnage / year		
	Estimated* (Jan 2019-Dec 2019)	Actual (Oct 2018-Sept 2019)	Forecast (Jan 2020-Dec 2021)
Melalap Estate	24,938.13	21,341.81	19,392.08
Sapong Estate	32,050.63	34,484.75	31,750.18
Total (ha)	56,988.76	55,826.56	51,142.26

*including volume extension FFB : 3,612.69mt

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

Estate	Tonnage / year		
	Estimated	Actual	Forecast

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	(Jan 2019-Dec 2019)	(Oct 2018-Sept 2019)	(Jan 2020-Dec 2021)
Nil	N/A	N/A	N/A
Total		N/A	

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (Jan 2019-Dec 2019)	Actual (Oct 2018-Sept 2019)	Forecast (Jan 2020-Dec 2021)
Goh Plantation	} 24,011.19	1,488.06	} 36,000.00
Wong Millenium		5,958.14	
JN Agriculture		2,883.22	
Ladang Paal		560.86	
EK Hong		377.08	
EHK Enterprise		567.24	
Nge Wah Hwa		203.95	
Yong Kee Chiang		111.69	
Ladang Cepat-KPD		3,201.44	
Johan Sawit		315.93	
Total		24,011.19	

10. Certified Tonnage			
Mill Capacity: 25 MT/hr SCC Model: MB	Estimated (Jan 2019-Dec 2019)	Actual (Oct 2018-Sept 2019)	Forecast (Jan 2020-Dec 2021)
	FFB	FFB	FFB
	56,988.76 mt	55,826.56 mt	51,142.26 mt
	CPO (OER: 22.06%)	CPO (OER: 21.84%)	CPO (OER: 23.00%)
	12,569.57 mt	12,192.94 mt	11,762.72 mt
	PK (KER: 5.32%)	PK (KER: 5.42%)	PK (KER: 5.00%)
	3,032.37 mt	3,028.25 mt	2,557.11 mt

**including volume extension FFB : 3,612.69 mt, CPO : 826.7 mt, PK : 790.58 mt*

11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	-	-	-	11,292.56	11,292.56

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Conventional product = product that is produced using certified FFB but sold without RSPO claim.

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	1,925.46	-	-	1,050.00	2,975.46

Conventional product = product that is produced using certified FFB but sold without RSPO claim.

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO	-	-
IS-CSPKO	-	-
IS-CSPKE	-	-

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Suite 29.01, Level 29, The Gardens North Tower,
Mid Valley City Lingkaran Syed Putra
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BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted from 08/10-11/10/2019. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The 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.

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

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

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

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

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

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

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

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

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA 1_1)	Year 3 (ASA 1_2)	Year 4 (ASA 1_3)	Year 5 (ASA 1_4)
Melalap Palm Oil Mill	✓	✓	✓	✓	✓
Melalap Estate	✓	✓	✓	✓	✓
Sapong Estate	✓	✓	✓	✓	✓

Tentative Date of Next Visit: October 29, 2020 -1 November 2020

Total No. of Mandays: 10.0 mandays including one day SC audit for mill

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Hafriazhar Mohd Mokhtar	Team Leader	Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea,

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		Solomon Islands and Gabon. During assessment, he covered the legal issues, social issues, worker’s welfare and stakeholder consultation. He is fluent in Bahasa Malaysia and English languages
Ragu Samy 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.
Ronnie Tan	Team Member	Ronnie Tan is a Social Compliance and Security Auditor for more than 15 years. He is a qualified Lead Auditor for SMETA 2 & 4 Pillar, Responsibility Business Alliance (RBA), C-TPAT, TAPA FSR & TSR and other code of conduct audits scheme. He is a National Social Compliance Manager during his past employment and manages a pool of social auditors on social and security audits. He has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Singapore, Vietnam and Philippines. He has been trained in the RSPO P&C standards, BSCI standard, RBA standards, McDonalds SWA, Disney ILS and has been actively involved in RSPO audits & 2 nd party audits within Malaysia. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Accompanying Persons:

No.	Name	Role
Nil	N/A	N/A

2.3 Assessment Plan

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

Date	Time	Subjects	HMM	RE	RT
Monday, 7/10/2019	PM	Travel to Keningau	✓	✓	✓

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Date	Time	Subjects	HMM	RE	RT
Tuesday, 8/10/2019 Melalap POM (Opening Meeting)/ Melalap Estate	0830 – 0900	Opening Meeting at Melalap POM: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation) • Verification on previous audit findings 	✓	✓	✓
	0900 - 1230	Melalap Estate: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill & etc.	✓	✓	✓
	1230 – 1330	Lunch break	✓	✓	✓
	1330 - 1630	Melalap Estate: Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓
	1430 – 1600	Melalap Estate: Stakeholder consultation	-	-	✓
	1630 - 1700	Interim briefing	✓	✓	✓
Wednesday 9/10/2019 Sapong Estate	0830 - 1230	Sapong Estate: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill & etc.	✓	✓	✓
	1000 – 1230	Sapong Estate: Stakeholder consultation	-	-	✓
	1230 – 1330	Lunch break	✓	✓	✓
	1330 - 1630	Sapong Estate: Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	✓	✓	✓

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Date	Time	Subjects	HMM	RE	RT
	1630 - 1700	Interim briefing	✓	✓	✓
Thursday, 11/10/2019 Melalap Palm Oil Mill	0900 - 1230	Melalap Palm Oil Mill: Inspection of 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.	✓	✓	✓
	1230 - 1330	Lunch break	✓	✓	✓
	1330 - 1630	Melalap Palm Oil Mill: Lab, 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	✓	✓	✓
	1630 - 1700	Interim briefing	✓	✓	✓
Friday, 11/10/2019 Melalap Palm Oil Mill	0830 - 1630	Supply chain audit for Melalap POM <ul style="list-style-type: none"> • General COC for supply chain • RSPO rules communication and claim Module D: Identity Preserved 	✓	✓	-
	1630 - 1700	Closing meeting	✓	✓	-

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- Sime Darby Plantation Berhad Multiple Management Units / Time Bound Plan
- RSPO P&C 2013 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C GA-NIWG 2017
- RSPO P&C INA-NIWG 2016
- RSPO P&C MY-NIWG 2014
- RSPO P&C PNG-NIWG 2017

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills?	<p>The time bound plan includes all SOUs in Malaysia and Indonesia.</p> <p>Malaysia- Effectively 34 SOUs: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down.</p> <p>Indonesia- Effectively 25 SOUs.</p> <p>For Liberia operations, a new mill is being set up and commissioned in Feb 2016. SDPL has undergone RSPO Main Certification audit scheduled on 19 to 23 March 2018, but the assessment was only completed conducted and put on-hold due to security & safety issue. After due consideration on the current engagement with the House of Representative in Liberia, SDP management decided to postpone the time bound plan of RSPO Certification to 2019 until satisfactory resolution and demonstration of progress towards the 15 recommendations by the Special Legislative Committee of the House of Representative, Liberia in managing the potential risks resulting from the RSPO Certification process. A letter of Request for Extension of RSPO Certification Time Bound Plan for Sime Darby Plantation dated 22 May was sent to RSPO Secretariat, Head of Certification, and with response to Sime Darby Plantation on 23 May 2019 with no objections on the extension.</p>	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	<p>For Liberia operations, a new mill is being set up and commissioned in Feb 2016. SDPL has undergone RSPO Main Certification audit scheduled on 19 to 23 March 2018, but the assessment was only completed conducted and put on-hold due to security & safety issue. After due consideration on the current engagement with the House of Representative in Liberia, SDP management decided to postpone the time bound plan of RSPO Certification to 2019 until satisfactory resolution and demonstration of progress towards the 15 recommendations by the Special Legislative Committee of the House of Representative, Liberia in managing the potential risks resulting from the RSPO Certification process.</p> <p>A letter of Request for Extension of RSPO Certification Time Bound Plan for Sime Darby Plantation dated 22 May was sent to RSPO Secretariat, Head of Certification, and with response to Sime Darby</p>	Yes

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	<p>Plantation on 23 May 2019 with no objections on the extension.</p>	
<p>Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.</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>*RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in completed. Initial audit was carried out in March 2018 but unable to be completed due strike and unstable site condition. Audit was premature terminated and postponed to a later date in 2019. Based on the latest information, the unit will be surrender to government. The negotiation process is still on going.</p> <p>SDPL (Liberia Operation) has undergone RSPO Main Certification audit scheduled on 19 to 23 March 2018, but the assessment was only completed conducted and put on-hold due to security & safety issue. After due consideration on the current engagement with the House of Representative in Liberia, SDP management decided to postpone the time bound plan of RSPO Certification to 2019 until satisfactory resolution and demonstration of progress towards the 15 recommendations by the Special Legislative Committee of the House of Representative, Liberia in managing the potential risks resulting from the RSPO Certification process. Based on the latest information, the unit will be surrender to government. The negotiation process is still on going.</p>	<p>Yes</p>
<p>Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?</p>	<p>Sime Darby Plantation’s time bound plan for certification is initially 3 years, starting 2008-2011. SDP has had all its SOUs (Malaysian & Indonesian) and all Malaysian SOUs have been RSPO certified including 2 new mills have been in Jan and Feb 2014.</p> <p>For Indonesian operations, currently, 1 SOU in Indonesia (PT MAS) is pending for RSPO Certification due to social legacy issues.</p> <p>SDP’s is actively working on its certification targets given the span across a large geographical location and over 200 estates and mills in operation.</p> <p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification</p>	<p>Yes</p>

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	<p>in Indonesia due to some social disputes and a new oil mill in Liberia has been commissioned in Feb 2016.</p> <p>SDP's time bound plan has been revised to take into consideration the social challenges encountered in Indonesia for the remaining SOU (PT MAS) yet to be certified.</p> <p>Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p> <p>For Indonesia operation, the reported Case No: DSF 007 between the parties PT Mistra Austral Sejahtera (a subsidiary of Sime Darby Plantation Sdn Bhd) and Kerunang/Entapang community. New status has been updated for dispute tracker for following case, https://askrspo.force.com/Complaint/s/casetracker. Complaint ref. # PreCAP/2012/06/PR.</p>	
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	No lapses.	Yes
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised	No.	Yes
Have there been any stakeholder comments?	Up to date, there is no comment. SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.	Yes
Un-Certified Units or Holdings		
No replacement after dates defined in NIS Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. 	HCV assessment has been conducted for uncertified units i.e. PT Mas (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).	Yes
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	For Liberia operations, a new mill is being set up and commissioned in Feb 2016. SDPL has undergone RSPO Main Certification audit scheduled on 19 to 23 March 2018, but the assessment was only completed conducted and put on-hold due to security & safety issue. After due consideration on the current engagement with the House of Representative in Liberia, SDP management decided to postpone the time bound plan of RSPO Certification to 2019 until satisfactory resolution and demonstration of progress towards the 15 recommendations by the Special Legislative Committee of the House of	Yes

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	<p>Representative, Liberia in managing the potential risks resulting from the RSPO Certification process. A letter of Request for Extension of RSPO Certification Time Bound Plan for Sime Darby Plantation dated 22 May was sent to RSPO Secretariat, Head of Certification, and with response to Sime Darby Plantation on 23 May 2019 with no objections on the extension.</p> <p>*Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?</p>																																																																				
<p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6.</p> <p>The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker. The progress on the Liabilities shall be verified and reported.</p>	<p>Latest update based on RSPO Case Tracker (19 potential liabilities; 5 LUCA submitted, 1 LUCA is passed, 1 CN submitted, 1 CN approved) on LUCA submission status as per below table:</p> <p style="text-align: center;">SIME DARBY PLANTATION: LUCA SUBMISSION TIMELINE</p> <table border="1" data-bbox="724 952 1321 1453"> <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 Laggeng Muara Makmur</td> <td>Submitted on 8 Dec 2017</td> <td>Shapefiles submitted to RSPO</td> </tr> <tr> <td>5.</td> <td>PT Laguna Mandiri</td> <td>Submitted on 20 Dec 2017</td> <td>Shapefiles submitted to RSPO</td> </tr> <tr> <td>6.</td> <td>PT Kridatama Lancar</td> <td>Submitted on 22 Sept 2017</td> <td rowspan="19">Shapefiles to be submitted to RSPO by 17 Aug 2018</td> </tr> <tr> <td>7.</td> <td>PT Paripurna Swakarsa</td> <td>Submitted on 29 Sept 2017</td> </tr> <tr> <td>8.</td> <td>PT Sime Indo Agro</td> <td>Submitted on 10 Nov 2017</td> </tr> <tr> <td>9.</td> <td>PT Bhumireksa Nusa Sejati</td> <td>Submitted on 12 Dec 2017</td> </tr> <tr> <td>10.</td> <td>PT Budidaya Agro Lestari</td> <td>Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017</td> </tr> <tr> <td>11.</td> <td>PT Teguh Sempurna</td> <td>Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017</td> </tr> <tr> <td>12.</td> <td>PT Bahari Gembira Ria</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>13.</td> <td>PT Guthrie Pecconina Indonesia</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>14.</td> <td>PT Sajang Heulang</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>15.</td> <td>PT Bersama Sejahtera Sakti</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>16.</td> <td>PT Tunggal Mitra Plantation</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>17.</td> <td>PT Ladangrumpun Suburabadi</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>18.</td> <td>PT Aneka Inti Persada</td> <td>Submitted on 29 Dec 2017</td> </tr> <tr> <td>19.</td> <td>PT Mitra Austral Sejahtera</td> <td>Submitted on 29 Dec 2017</td> </tr> </tbody> </table> <p>Note: SDP's LUCA is still in queue for review process pending finalization of the contract between RSPO and the reviewer. Sime Darby Plantation has also submitted its RSPO Compensation Plan (CP) for evaluation by RSPO.</p>	No.	PT/ Company	Report Submission to RSPO	Current Status (14 Aug 2018)	1.	PT Lahan Tani Sakti	Submitted on 31 May 2017	LUCA approved by reviewer	2.	PT Bina Sains Cemerlang	Submitted on 29 Sept 2017	Shapefiles submitted to RSPO	3.	PT Swadaya Andika	Submitted on 6 Oct 2017	Shapefiles submitted to RSPO	4.	PT Laggeng Muara Makmur	Submitted on 8 Dec 2017	Shapefiles submitted to RSPO	5.	PT Laguna Mandiri	Submitted on 20 Dec 2017	Shapefiles submitted to RSPO	6.	PT Kridatama Lancar	Submitted on 22 Sept 2017	Shapefiles to be submitted to RSPO by 17 Aug 2018	7.	PT Paripurna Swakarsa	Submitted on 29 Sept 2017	8.	PT Sime Indo Agro	Submitted on 10 Nov 2017	9.	PT Bhumireksa Nusa Sejati	Submitted on 12 Dec 2017	10.	PT Budidaya Agro Lestari	Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017	11.	PT Teguh Sempurna	Submitted on 15 Dec 2017 *Re-submitted on 29 Dec 2017	12.	PT Bahari Gembira Ria	Submitted on 29 Dec 2017	13.	PT Guthrie Pecconina Indonesia	Submitted on 29 Dec 2017	14.	PT Sajang Heulang	Submitted on 29 Dec 2017	15.	PT Bersama Sejahtera Sakti	Submitted on 29 Dec 2017	16.	PT Tunggal Mitra Plantation	Submitted on 29 Dec 2017	17.	PT Ladangrumpun Suburabadi	Submitted on 29 Dec 2017	18.	PT Aneka Inti Persada	Submitted on 29 Dec 2017	19.	PT Mitra Austral Sejahtera	Submitted on 29 Dec 2017	<p>Yes</p>
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<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.</p>	<p>No negative comments or complaints received from stakeholders.</p>	<p>Yes</p>																																																																			
<p>Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1</p>	<p>None noted. No stakeholder comments or complaints received.</p>	<p>Yes</p>																																																																			
<p>Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.</p>	<p>Yes. The uncertified management unit is referred to PT Mistra Austral Sejahtera which subject to RSPO Complaints Panel decision prior to certification. Refer https://askrspo.force.com/Complaint/s/casetracker. Complaint ref. # PreCAP/2012/06/PR.</p>	<p>Yes</p>																																																																			

3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	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 4th annual surveillance assessment there were three (3) Major nonconformities & four (4) Minor nonconformities raised. The Malalap Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-M1	Clause & Category (Major / Minor)	Indicator 6.1.1 Major
Date Issued	11/10/2019	Due Date	09/01/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	09/01/2020
Statement of Nonconformity:	Social impacts identified in a participatory way, and plans to mitigate the negative impacts not documented in SIA report.		
Requirement Reference:	A social impact assessment (SIA) including records of meetings shall be documented.		
Objective Evidence:	Social issues presence related to workers dependents was not fully identified in the SIA assessment (refer SIA report 19-21 May 2015 & Sapong Estate action plan review dated 28 August 2019)		
Corrections:	Estate management will review the SIA action plan and include social issues related to worker's dependent.		

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Root Cause Analysis:	The current estate’s Social Action Plan was more focus on estate’s employees or worker’s social matters.
Corrective Actions:	Estate management will review the SIA action plan accordingly on yearly basis and to be verified by estate management.
Assessment Conclusion:	Corrective action plan (CAP) accepted and verification of corrections and corrective actions were done off-site. The evidence for verification were accepted as following: - Sapong Estate Social Action Plan; Date: 20/12/2019 - Sapong Estate Social Action Plan; Date: 20/12/2019 Evidence confirmed to effective to address the issue, hence Major NC was closed on 9/1/2020.

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-M2	Clause & Category (Major / Minor)	Indicator 6.12.3 Major
Date Issued	11/10/2019	Due Date	09/01/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	09/01/2020
Statement of Nonconformity:	No special labour category, policy and procedures were established and implemented for temporary or migrant workers employed.		
Requirement Reference:	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.		
Objective Evidence:	No special labour category, policy and procedures were established and implemented for temporary and/or migrant workers employed by the mill and estate including of their contractors/vendors as following: - Melalap Estate contractor’s (Tamin Budiman) workers - Melalap POM heavy machineries rental vendor’s (Entabuan Quarry) workers - Melalap POM retrofit of existing loading ramp contractor’s (Kian Da Enterprise Sdn Bhd) workers - Melalap POM erection of ESP system contractor’s (FCS Engineering Construction) workers - Melalap POM grass cutting contractor’s (Shim Enterprise) workers		
Corrections:	- SQM will provide related procedure for contractor to the mill and estates while for the policy, estates and mill to refer the current available company’s labour related policies which also to be implemented for contractor’s workers. - Estate management will discuss with respective contractor to ensure they follow minimum legal requirement on the payment of EPF, EIS, SOCSO contribution and overtime premium payment for their workers.		
Root Cause Analysis:	The contractors were facing high turnover of workers. Their workers only working with them for few months (3-4 months) then continue their routine to other individual job e.g. farmer, machine operator, etc. This small scale contractor also having surrounding village people to work under them and have less income/profit to contribute in EPF, SOCSO, EIS and overtime premium payment.		
Corrective Actions:	- Mill and Estate management with SQM representative to conduct briefing session with current contractors on the company labour policy and related procedure for contractor.		

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	- Newly engaged contractor will be brief on the company labour policies and related procedure for contractor.
Assessment Conclusion:	<p>Corrective action plan (CAP) accepted and verification of corrections and corrective actions were done off-site. The evidence for verification were accepted as following:</p> <ul style="list-style-type: none"> - New document for Contractor’s Workers Management Procedure; Doc. # SDP/SQM/SBR/001; Rev. 0; Date: 29/11/2019 - Records of RSPO & MSPO Briefing to Contractors & Discussion on RSPO & MSPO Issues/NCR related to Contractors; Date: 20/12/2019; Sample attendance: Tamin Contractor, Jutamas Kekal & Pemborong Ajuta <p>Evidence confirmed to effective to address the issue, hence Major NC was closed on 9/1/2020.</p>

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-M3	Clause & Category (Major / Minor)	Indicator 2.1.3
Date Issued	11/10/2019	Due Date	09/01/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	09/01/2020
Statement of Nonconformity:	Ineffective mechanism in ensuring compliance of law in regards to foreign worker’s work permit and work hours.		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	<p>Melalap Estate Sighted 13 expired work permit for foreign workers as listed below. Renewal is in progress but no evidence that renewal is carried out in advance to prevent lapses.</p> <p>Emp. No.: 68853, work permit: PE0651953, expired on 04.10.2019 Emp. No.: 85510, work permit: PE0651954, expired on 04.10.2019 Emp. No.: 85511, work permit: PE0651956, expired on 04.10.2019</p> <p>Emp. No.: 149856, 149860, 149861, 149862, 149863, 149864 expired on 04.04.2019 154407, PE0651484, expired on 26.09.2019, 154409, PE0651848, expired on 10.08.2019 154410, PE0651488, expired on 26.09.2019 154411, PE0651490, expired on 26.09.2019</p> <p>Note: 10 out of 13 Indonesian workers are approved by the immigration to reduce the cooling-off period based on the letter Ref.: IM.101/SSD/UBA/1130/489()17 dated 30.11.2018.</p> <p>Sapong Estate 1 randomly selected contractor’s worker (JutaMas Kekal for replanting work) at line-site found without a valid work permit. The subjected foreign worker is not being documented by the estate management since the list provided by the contractor is not updated. Further investigation sighted, his work permit is issued to another plantation company – IJM Plantation Berhad, Sandakan instead of</p>		

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	<p>Jutamas Kekal and expired on 16.05.2019. Interview confirmed that he is assigned to chipping task and stay in the housing provided by Sime Darby.</p> <p>Melalap POM 6 out of 9 selected workers from various department sighted worked more than 12 hours / day not in accordance to the waiver approved by the labour office letter series no.: 600-1/2/12/1(08/TNM/2018-012) which is valid from 09.02.2018 until 09.02.2020, clause 1.3</p> <p>e.g.</p> <p>Emp: 133180 – 14.06.2019 worked from 1000~0432 (18.5 hours) Emp: 126278 – 17.06.2019 worked from 1524~0621 (15 hours) 19.06.2019 worked from 1526~0621 (15 hours) 20.06.2019 worked from 1505~0500 (13.5 hours) 21.06.2019 worked from 1523~0554 (14.5 hours) 11.06.2019 worked from 1923~1537 (20 hours) Emp: 147900 - 19.06.2019 worked from 0725~0100 (17.5 hours) Emp: 143783 - 04.01.2019 worked from 1518~0741 (16 hours) 05.01.2019 worked from 1515~0750 (16 hours) 14.01.2019 worked from 1509~0525 (14 hours) 16.01.2019 worked from 1512~0747 (16 hours) 17.01.2019 worked from 1458~0524 (14 hours) 18.01.2019 worked from 1508~0632 (15 hours) Emp: 34811 - 17.06.2019 worked from 1526~0736 (16 hours) 18.06.2019 worked from 1529~0746 (16 hours) 19.06.2019 worked from 1522~0627 (15 hours) 20.06.2019 worked from 1516~0455 (13.5 hours) Emp: 76964 17.06.2019 worked from 1523~0635 (15 hours) 18.06.2019 worked from 1553~0728 (16 hours) 19.06.2019 worked from 1520~0628 (15 hours) 20.06.2019 worked from 1519~0500 (13.5 hours) 21.06.2019 worked from 1518~0600 (14.5 hours)</p>								
<p>Corrections:</p>	<p><u>Melalap Estate</u></p> <ul style="list-style-type: none"> - Estate will follow up with regional SDP Workers Management Unit (WMU) on the status of work permit renewal. - Estate to ensure only workers with proper submission of work permit renewal to continue working in the estate. <p><u>Sapong Estate</u></p> <ul style="list-style-type: none"> - Contractor to replace the stated worker with other worker with valid document. - The stated worker is no more working with Jutamas Kekal. <p><u>Melalap POM</u></p> <ul style="list-style-type: none"> - Mill to revise the mill workers shift planning/schedule: <ol style="list-style-type: none"> Shift schedule <table border="1" data-bbox="507 1736 1034 1980"> <thead> <tr> <th>Shift</th> <th>Peak Season/Unscheduled Mill Breakdown</th> <th>Crop Season</th> <th>Normal Crop Season</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>7.30am-7.30pm</td> <td></td> <td>7.30am-3.30pm</td> </tr> </tbody> </table>	Shift	Peak Season/Unscheduled Mill Breakdown	Crop Season	Normal Crop Season	A	7.30am-7.30pm		7.30am-3.30pm
Shift	Peak Season/Unscheduled Mill Breakdown	Crop Season	Normal Crop Season						
A	7.30am-7.30pm		7.30am-3.30pm						

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	B	7.30pm-7.30am	3.30pm-end process <i>(Estimated to end no later than 3.30 am)</i>	<p>b. On Sunday processing, mill will ensure there are standby team to replace night shift to avoid extended working hour more than 12 hours.</p> <ul style="list-style-type: none"> - Mill to communicate the revised shift planning/schedule to all workers during toolbox briefing.
<p>Root Cause Analysis:</p>	<p><u>Melalap Estate</u> Renewal of work permit for the stated workers was unable to be carried out in advance since they were under repatriation program (10 years of service) which required the workers to have service break and go out of country prior to submission of work permit renewal.</p> <p>For 10 of the stated workers, with approval by the Immigration Department, the cooling off period were reduced and they were allowed to stay with special pass while waiting for permit approval.</p> <p><u>Sapong Estate</u> The contractor was not following agreement to ensure all their workers that working in Sapong Estate to have valid document.</p> <p><u>Melalap POM</u> The working hour for stated workers has exceeded 12 hours was due to unplanned breakdown occur during the process and no proper communication of shift planning/schedule to the mill workers.</p>			
<p>Corrective Actions:</p>	<p><u>Melalap Estate</u></p> <ul style="list-style-type: none"> - Estate management to follow WMU procedure on the permit renewal. - Estate management will appoint dedicated person in charge to ensure monitoring of the workers’ permit to be done on regular basis (monthly). <p><u>Sapong Estate</u> Estate management to ensure contractors to provide and update the list of their worker’s profile (including work permit information for foreign workers if any) that working in the estate premises.</p> <p><u>Melalap POM</u></p> <ul style="list-style-type: none"> - Mill to communicate to all mill workers on the shift planning/schedule. Copy of mill worker’s shift planning/schedule to be display at information board in front of office area. - Mill management will issue memo on no work should exceed 12 hours of working as stated in the Permit Sekatan lebih masa by JTK except condition under section 104(5)(a),(b),(c),(d) and (e) Ordinan Buruh (Sabah) which require approval from mill management prior to continue of work. 			
<p>Assessment Conclusion:</p>	<p>Corrective action plan (CAP) accepted and verification of corrections and corrective actions were done off-site. The evidence for verification were accepted as following:</p> <ul style="list-style-type: none"> - Records of Workers’ Permit Renewal Status - Melalap Estate as of 31/12/2019 - Records of Melalap Estate Employee Masterlist as at December 2019 			

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	<ul style="list-style-type: none"> - Records of Appointment letter of person in charge handling passport & Workers' Permit renewal Melalap Estate dated 1/11/2019 - Records of revised Flowchart Procedure Processing of Renewal Permit for SDP SOUs - Records of List of Contractor's Workers (Sapong Estate) for Tamin Contractor and Jutamas Kekal - Records of Briefing to Workers KKS Melalap on Permit Sekatan Kerja Lebih Masa by JTK except condition under section 104(5)(a),(b),(c),(d) and (e) Ordinan Buruh (Sabah) dated 16/12/2019 attended by 41 mill employees - Records of Internal Memo by Management on requirements to comply with Working Hours not exceed 12 Hours by KKS Melalap employees dated 16/12/2019 <p>Evidence confirmed to effective to address the issue, hence Major NC was closed on 9/1/2020.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-N1	Clause & Category (Major / Minor)	Indicator 4.7.3
Date Issued	11/10/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	Safe work practices at Melalap POM was not fully effective.		
Requirement Reference:	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.		
Objective Evidence:	Melalap POM: a) The forklift in operation was found to be with few indicator bulbs malfunction i.e. head lights, reverse light & break light. b) There was no on/off light switch provided for material store room lighting. Furthermore, the florescence bulbs for store room lighting was found not working during testing.		
Corrections:	<ul style="list-style-type: none"> - Mill to ensure SDI to replace and rectify the malfunction forklift indicator bulb. - Mill to complete the modification work which include the installation of light switch and replacement of light bulbs. 		
Root Cause Analysis:	<ul style="list-style-type: none"> - The malfunction forklift indicator bulb already been highlighted to vendor SDI but mill is still waiting for them to fix it - The store is having on-going some modification including wiring path and installation but not yet completed 		
Corrective Actions:	<ul style="list-style-type: none"> - Mill to ensure SDI to do regular inspection for their vehicle use for operation in mill and to be verified by mill management representative. - Mill to do regular monitoring by including the material store room in the quarterly workplace inspection. 		

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Assessment Conclusion:	Corrective action plan accepted. Evidence of effectiveness to be verified in next coming audit.
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-N2	Clause & Category (Major / Minor)	Indicator 4.7.5 Minor
Date Issued	11/10/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	Emergency preparedness and response control was not fully effective.		
Requirement Reference:	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.		
Objective Evidence:	POM Mill: The Fire Alarm Panel at the Main Entrance Security House was found with LED error lights indication e.g. Main Fail & Charge Fail. Interview with the Auxiliary Police in the Security Room found that he was not fully aware of the Fire Alarm Panel LED Indicators function		
Corrections:	<ul style="list-style-type: none"> - Mill chargineman has already rectify the faulty cable and reset the system. The Fire Alarm Panel has been function accordingly. - Mill already reported to Fire Fighting contractor to inspect the Fire Alarm Panel. 		
Root Cause Analysis:	The Fire Alarm Panel error LED light indication was caused by the faulty wiring. The Auxiliary Police on duty not aware because he missed briefing on Fire Alarm panel board function.		
Corrective Actions:	Mill will conduct a briefing to all the mill's Auxiliary Police on the function and basic operation of Fire Alarm Panel so they can be aware if there are any malfunction occur.		
Assessment Conclusion:	Corrective action plan accepted. Evidence of effectiveness to be verified in next coming audit.		

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-N3	Clause & Category (Major / Minor)	Indicator 4.7.6 Minor
Date Issued	11/10/2019	Due Date	Next annual surveillance assessment

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Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	Medical care and accident insurance for workers was not fully effective.		
Requirement Reference:	All workers shall be provided with medical care, and covered by accident insurance.		
Objective Evidence:	Melalap Estate: There was no SOCSO contribution evidence for the following sampled employee since July 2019 until September 2019: a) Employee No. 0000151652, Designation - Loose Fruit Collector b) Employee No. 0000152132 – Designation - FFB Carrier		
Corrections:	<ul style="list-style-type: none"> - Estate has completed the registration of both stated workers for SOCSO contribution using online system with effect from October 2019. - Estate to do SOCSO contribution for the month of July 2019 until September 2019 for both stated workers. 		
Root Cause Analysis:	Both of mentioned workers are IM13 holder (Philippines). There were delay during implementation of SOCSO online system for IM13 workers in July to September which this 2 workers were affected.		
Corrective Actions:	Estate management will monitor and ensure all workers to get SOCSO contribution every month by checking in online system before closing checkroll during month end.		
Assessment Conclusion:	Corrective action plan accepted. Evidence of effectiveness to be verified in next coming audit.		

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1834696-201906-N4	Clause & Category (Major / Minor)	Indicator 5.3.3 Minor
Date Issued	11/10/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	Waste management and disposal plan was not fully effective		
Requirement Reference:	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
Objective Evidence:	Melalap POM: <ul style="list-style-type: none"> - Scrap metals parts from Effluent Treatment Plant was found laid in the neighbouring plantation land of Melalap Estate. - Plastic wastes was found mixed with metal scrap metal parts at the mill scrap iron yard. 		
Corrections:	<ul style="list-style-type: none"> - Mill has been removed all scrap metal to the scrap iron yard immediately. - The plastic waste has been removed by respective contractor. 		
Root Cause Analysis:	<ul style="list-style-type: none"> - The scrap metal parts were waste from installation of fence structure work at the X-point. It was once temporary gathered at the area nearby ETP plant before remove to actual dedicated storage area in the mill. - The plastic waste was from contractor ESP project which they were not yet brief on the management and segregation of waste in the mill. 		

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Corrective Actions:	<ul style="list-style-type: none"> - All the iron waste from the metal work will be placed at scrap iron yard immediately once job completed. - Mill to brief respective contractors on management and segregation of waste requirement in the mill.
Assessment Conclusion:	Corrective action plan accepted. Evidence of effectiveness to be verified in next coming audit.

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			
NCR Ref #	1701917-201810-M1	Clause & Category (Major / Minor)	Indicator 4.7.1 Major
Date Issued	01/11/2018	Due Date	29/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/01/2019
Statement of Nonconformity:	Health and safety plan was not effectively implemented.		
Requirement Reference:	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.		
Objective Evidence:	Personal chemical exposure monitoring (PCEM) for (Hexane, Potassium Chromate, Calcium Carbonate, Iron Oxide dust) was not carried out for 2018. The last monitoring was done on 14th June 2017.		
Corrective Actions:	Mill to prepare checklist of mill monitoring programme which include Personal chemical exposure monitoring (PCEM). On-site verification: PCEM had been conducted on 13/12/2018 by Chemsain. Evidence of service delivered: - draft report from Chemsain, which monitoring was conducted on 13/12/2018 Final PCEM report is expected to be obtained in the middle of Feb 2019. Monitoring programme created on 7/11/2018 which is utilised by chief clerk to prevent overlook of renewal dates of various permits/licenses/etc.		
Assessment Conclusion:	ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following: Personal Chemical Exposure Monitoring		

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	<p>Personal Chemical Exposure Monitoring latest conducted on 13/12/18 by DOSH Registered Industrial Hygiene Technician No. HQ/16/JHI/00/211. Monitoring report available dated 12/2/19. Based on sample results for n-Hexane, Potassium Chromate, Calcium Carbonate, Iron Oxide dust and fume were below permissible exposure limit.</p> <p>Thus, this major NCR remained closed.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1701917-201810-M2	Clause & Category (Major / Minor)	Indicator 4.7.2 Major
Date Issued	01/11/2018	Due Date	29/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/01/2019
Statement of Nonconformity:	Not all operations where health and safety is an issue were risk assessed and documented.		
Requirement Reference:	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.		
Objective Evidence:	<p>Melalap POM</p> <p>Based on HIRARC dated 18/4/18, there are revision of HIRARC for the non-LTI accident cases. Further trailed on the records e.g accident investigation logbook and first aid box usage log found that not all nonLTI cases were reviewed and incorporated in the register. Refer to first aid cases dated (18/8/18, 13/9/18 and 23/10/18).</p>		
Corrective Actions:	<p>Briefing on first aid kit usage/case reporting to all person in-charge for first aid kit box to be conducted on December 2018.</p> <p>On-site verification: First aid kit usage on 12/1/2019 (ref.: Lab First Aid Record), reported by Clamence Katirin (ref.: training attendance name #15) to Corporal Yap (member of Accident Investigation Team) had been recorded in Investigation Report book and HIRARC was subsequently reviewed. Incident Detailed Report was also submitted to GSQM through Sime Darby's SMS-IT system (co-related to 1701917-201810-M3 issue).</p>		
Assessment Conclusion:	<p>ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following:</p> <ul style="list-style-type: none"> - Melalap POM - HIRARC was reviewed accordingly on 19/09/2019 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. - The HIRARC for Melalap Estate was reviewed overall on 10/07/2019. Existing HIRADC has been also reviewed and maintained accordingly with changes will 		

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	<p>be done if there is a new process/any accident occurred. Verified that the HIRADC has been revised accordingly for Harvesting process.</p> <ul style="list-style-type: none"> - The HIRADC for Sapong Estate was reviewed overall on 24/07/2019. 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 accident case on Harvesting process. <p>Thus, this major NCR remained closed.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1701917-201810-M3	Clause & Category (Major / Minor)	Indicator 4.7.5 Major
Date Issued	01/11/2018	Due Date	29/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/01/2019
Statement of Nonconformity:	Records of all accidents was not periodically reviewed effectively.		
Requirement Reference:	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.		
Objective Evidence:	Not all accidents (near miss, LTI and non-LTI) were updated in the GSQM ESH monthly performance report from January 2018 - September 2018. Melalap POM : non-LTI case (18/8/18, 13/9/18, 20/9/18, 4/10/18, 23/10/18) Sapong Estate : non-LTI case (9/6/18, 17/7/18)		
Corrective Actions:	Training on accident reporting to be conducted by SQM personnel to the person in charge on December 2018. On-site verification: Incident Detailed Report (Melalap POM) had been submitted to GSQM through Sime Darby's SMS-IT system which had been well updated. There has been no accident/incident at Sapong Estate ever since the last assessment visit – ref.: "Buku Rekod Penggunaan First Aid". Based on the interview with Mill QA Supervisor and Sapong Estate's MA, they were found to be able to explain clearly on accident reporting.		
Assessment Conclusion:	ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following: - Melalap POM: 1 first aid injury incident at Boiler Operation reported on 7/8/19 without LTI. Verified that the Incident Investigation Report been raised according including review of existing HIRADC dated 22/8/19 for Boiler Operation. JKKP 8 was sent to DOSH accordingly on 29/01/2019. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 27/06/19 and comments highlighted by DOSH was noted and action taken accordingly.		

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	<p>- Verified that for accidents occurred since the last assessment audit, appropriate Incident Detailed Report been issued accordingly for taking the investigation, root cause analysis, correction and corrective action. E.g. sampled the Incident Detailed Report dated 15/6/19. Verified that appropriate root cause analysis, correction & corrective action been taken accordingly with review of existing HIRADC. JKPP 8 was sent to DOSH on 24/01/2019. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 3/01/19 and comments highlighted by DOSH was noted and action taken accordingly.</p> <p>Thus, this major NCR remained closed.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1701917-201810-M4	Clause & Category (Major / Minor)	Indicator 2.1.1 Major
Date Issued	01/11/2018	Due Date	29/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/01/2019
Statement of Nonconformity:	Evidence of compliance with Malaysian Standard for Air Pollution Control, MS1596:2003 is not available during the audit.		
Requirement Reference:	Evidence of compliance with relevant legal requirements shall be available.		
Objective Evidence:	In 2017, Melalap POM only conducted Dust Emission Measurement once a year as per report no UJES/MALALAP O1/ 2017-01 dated 20/4/2017. Second Dust Emission Measurement for 2017 was not conducted which not comply with 'Malaysian Standard for Air Pollution Control, MS1596:2003' which required the management to conduct the Dust Emission Measurement twice a year.		
Corrective Actions:	<p>Mill to prepare checklist of mill monitoring programme which include stack sampling.</p> <p>On-site verification: The second stack sampling for 2018 has been conducted on 21/11/2018 for both chimney #1 and #2 [ref. report # SAHEN/Melalap-01/18-02 and #SAHEN/Melalap-02/18-02]. For 2019, the first stack sampling for chimney #2 has been conducted on 23/1/2019 (ref.: PTW #0714 dated 23/1/2019) and pending for the report by the consultant. Chimney #1 was not in operation then and therefore it was scheduled to be stack sampled in February 2019 [ref.: Contract Form (PO) #4300452594 dated 16/1/2019. Based on the monitoring checklist, the second stack sampling for 2019 is scheduled to be conducted in June 2019.</p>		
Assessment Conclusion:	<p>ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following: Monitoring done by SAHEN Engineering Sdn. Bhd. as following:</p> <ul style="list-style-type: none"> - Dust Emission Monitoring Report – Chimney # 1 KKS Melalap; Report ref. # SAHEN/Melalap-01/19-01; Date: 7/3/2019; Source of identification: Chimney # 1, SB PMD 2092. Result of dust emission load: 0.2064 g/Nm³ @ 12% CO₂. Previous monitoring was conducted on 21/11/2018 with result of dust emission load: 0.1750 g/Nm³ @ 12% CO₂. 		

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	<p>- Dust Emission Monitoring Report – Chimney # 2 KKS Melalap; Report ref. # SAHEN/Melalap-02/19-01; Date: 5/3/2019; Source of identification: Chimney # 2, SB PMD 2868. Result of dust emission load: 0.2060 g/Nm³ @ 12% CO₂. Previous monitoring was conducted on 21/11/2018 with result of dust emission load: 0.1750 g/Nm³ @ 12% CO₂.</p> <p>Thus, this major NCR remained closed.</p>
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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1701917-201810-M5	Clause & Category (Major / Minor)	Indicator 6.5.2 Major
Date Issued	01/11/2018	Due Date	29/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/01/2019
Statement of Nonconformity:	Extension contract for the workers who worked more than 2 years were not available.		
Requirement Reference:	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.		
Objective Evidence:	<p>Workers who workers more than 2 years (Indonesian) and 3 years (other nationalities) have not signed an extension contract (version: EMP04/INDO/2017/01) as below:</p> <ul style="list-style-type: none"> a. Employee No.: 54400 (SE) b. Employee No.: 87454 (SE) c. Employee No.: 99331 (SE) d. Employee No.: 119331 (SE) e. Employee No.: 46668 (SE) f. Employee No.: 82957 (SE) 		
Corrective Actions:	<p>Estate management will appoint PIC to monitor the renewal of workers employment contract.</p> <p>On-site verification: The following workers were interviewed:</p> <ul style="list-style-type: none"> 1) Employee No.: 54400 (SE) 2) Employee No.: 87454 (SE) 3) Employee No.: 99331 (SE) 4) Employee No.: 46668 (SE) <p>The following workers were not available for interview:</p> <ul style="list-style-type: none"> 1) Employee No.: 119331 (SE) (reason: resigned on 30/6/2017) 2) Employee No.: 82957 (SE) (reason: on leave to Indonesia since 14/12/2018 until 14/2/2019) <p>Based on interview, the workers understood the contents of the contract and confirm that all the conditions were well delivered by the employer. Mechanism to monitor so that the extension of contract is given to the foreign workers is done by Mdm Rosneh (admin clerk) by having the "Senarai Nama Permit" (Workers</p>		

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	Permit Name List) where information about permit expiry and year of service is available.
Assessment Conclusion:	<p>ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following:</p> <ul style="list-style-type: none"> - Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and a copy of the contract is made available to them. Employment contracts for all the sampled as listed in 6.5.1 reviewed. - For foreign workers, their contracts are issued in dual language at Sapong Estate; English and foreign language. Although Melalap Estate contract sighted in English, however the condition of the contracts are explained to them by the management during the orientation training. Interview conducted with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. <p>Thus, this major NCR remained closed.</p>

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1701917-201810-M6	Clause & Category (Major / Minor)	Indicator 4.4.2 Major
Date Issued	01/11/2018	Due Date	29/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/01/2019
Statement of Nonconformity:	Appropriate riparian buffer zones was not demarcated.		
Requirement Reference:	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.		
Objective Evidence:	<p>Melalap Estate</p> <p>Sighted during site visit at Sg. Makaniton, the river buffer zone was not demarcated. There are evidence of chemical application at the buffer zone area. It was not comply with Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p>		
Corrective Actions:	<p>1) Riparian Zone at Block 02K to be included in the HCV monitoring record. 2) Briefing to all sprayers on the area of spraying activities to be avoided. HCV training to be done for all workers.</p> <p>On-site verification: At Melalap Estate, Block 01MB riparian zone for Pegalan River was visited where circle spray for the field was carried out somewhere in Dec 2018 according to the information given by workers. It was observed that the palm trunks at the buffer zone were belt painted with red as demarcation and no trace of chemical spray observed at the riparian zone. The riparian zone at block 02K was also clearly demarcated. The checking of riparian zone has been included in the HCV Monitoring Checklist. Based on interview with spraying workers, they were able to demonstrate the understanding on no agrochemical application at buffer</p>		

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	zone.
Assessment Conclusion:	<p>ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following:</p> <ul style="list-style-type: none"> - Sighted during site visit at Sg. Pegalan & Sg. Makaniton, the buffer zone was demarcated with red color stick. Additionally, palms along the buffer zone was painted with red color rings. There were no spraying activity along the river buffer zone and the vegetation along are well preserved. Thus, the previous major non conformance raised been closed effectively. - River water testing was done by Sime Darby Research Sdn Bhd. Tested parameters includes pH, TDS, Turbi. Chloride, Al+. Sampling frequency is 3 months once. Seen the following test reports & result: <ul style="list-style-type: none"> • September 2019 –Seen report no. IE980/2019 dated 12/09/2019, result – e.g. pH, TDS, Turbi. Chloride, Al+ were within the allowable limit. • June 2019 – Seen report no. IE704/2019 dated 24/06/2019, result – e.g. pH, TDS, Turbi. Chloride, Al+ were within the allowable limit. <p>Thus, this major NCR remained closed.</p>

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1701917-201810-N1	Clause & Category (Major / Minor)	Indicator 6.8.3 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	11/10/2019
Statement of Nonconformity:	The recruitment process of the foreign workers is not fully implemented.		
Requirement Reference:	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.		
Objective Evidence:	Document reviewed on the permit in Sapong Estate found that one of the worker (Employee No.: 82957) who joined on 1/9/2012 is holding Visit Pass (Social) which valid until 8/7/2019 where the employee is prohibited to employ in a form of employment as clearly stated in the visit pass. Thus, the company could not demonstrate the recruitment process is accordance to the General Process – Recruitment of Foreign Workers (Sabah) Procedure which not comply with the regulations.		
Corrective Actions:	1) Estate to establish list of workers with status of passport and permit (expiry date, date for renewal) for easy monitoring. 2) Estate management to ensure recruitments of workers to follow the procedure.		
Assessment Conclusion:	<p>ASA1_4 verification: Verified that the corrective action has been effectively implemented & there was no repetitive of similar issued during this assessment visit. Sighted the following:</p> <ul style="list-style-type: none"> - The company has developed General Process – Recruitment of Foreign Workers (Sabah) Procedure. The recruitment process flowchart has clearly stated in the procedure where the recruitment needs to go through approval of authorities, medical fitness and interview with the workers for capabilities requirements. The recruitment / hiring is based on work experience, skill, minimum age, 		

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	<p>medical fitness and etc. There is no any discrimination based on religion, gender, nationality and etc. during their recruitment.</p> <ul style="list-style-type: none"> - Based on masterlist presented, the said worker (Emp No.: 82957) left the company since Oct 2018. <p>Thus, this minor NCR has been closed on 11/10/2019.</p>
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Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1387085M1	Major	6.5.1	27/10/2016	Closed on 26/12/16
1529814-201709-N1	Minor	4.7.3	28/09/2017	Closed on 01/11/2018
1529814-201709-N2	Minor	4.7.5	28/09/2017	Closed on 01/11/2018
1529814-201709-N3	Minor	4.6.10	28/09/2017	Closed on 01/11/2018
1701917-201810-M1	Major	4.7.1	01/11/2018	Closed on 28/1/2019
1701917-201810-M2	Major	4.7.2	01/11/2018	Closed on 28/1/2019
1701917-201810-M3	Major	4.7.5	01/11/2018	Closed on 28/1/2019
1701917-201810-M4	Major	2.1.1	01/11/2018	Closed on 28/1/2019
1701917-201810-M5	Major	6.5.2	01/11/2018	Closed on 28/1/2019
1701917-201810-M6	Major	4.4.2	01/11/2018	Closed on 28/1/2019
1701917-201810-N1	Minor	6.8.3	01/11/2018	Closed on 11/10/2019
1834696-201906-M1	Major	6.1.1	11/10/2019	Closed on 09/01/2020
1834696-201906-M2	Major	6.5.1	11/10/2019	Closed on 09/01/2020
1834696-201906-M3	Major	2.1.3	11/10/2019	Closed on 09/01/2020
1834696-201906-N1	Minor	4.7.3	11/10/2019	"Open"
1834696-201906-N2	Minor	4.7.5	11/10/2019	"Open"
1834696-201906-N3	Minor	4.7.6	11/10/2019	"Open"
1834696-201906-N4	Minor	5.3.3	11/10/2019	"Open"

3.5. Stakeholders Consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Melalap Palm Oil Mill Certification Unit’s (SOU 27) environmental and social performance, legal and any known dispute issues.

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

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


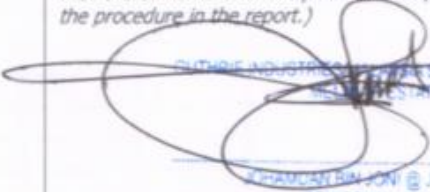
List of Stakeholders Contacted	
Internal Stakeholders Field workers Mill workers SPIEU (Union) representatives Gender committee General workers	Union/Contractors/Local Communities Local Community’s Representative (Kg. Makaniton, Kg. Paal, Kg. Sungai Api, Kg. Mansasoh, Kg. Sapong, Kg. Napengging) Contractor/vendor
Government Departments Nil	NGO Nil

IS #	Description
1	<p>Feedbacks: Neighbouring Village Representative (Kg. Makaniton, Kg. Paal, Kg. Sungai Api, Kg. Mansasoh) & Chairperson MPKK (Kg. Sapong, Kg. Napengging) – Estate management is supportive and responded to request made promptly. No complain received so far from any of the villager, except clarifications made during the consultation process; i.e. land ownership and request for additional space for their church / religious car parking. No land encroachment. Have good relationship with the estate management and always receive invitation for stakeholder meeting. Clarification made by the stakeholder after the consultation process found satisfactorily explained with both parties agrees to same ownership based on the evidences presented to the stakeholder.</p> <p>Management Responses: The management acknowledged good relationship with the village representative and recently meet up with stakeholder. Will continue to support the villager and assist on any request made to the best they can</p> <p>Audit Team Findings: No further action. Clarification made by the stakeholder and request were sighted being handled amicably. Stakeholder / village representative and estate management communication found in satisfactory condition.</p>
	<p>Feedbacks:</p>

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<p>2</p>	<p>Gender committee – well verse with the procedure to lodge complain if there is any case of sexual harassment. No sexual issue raised or received from any of their members and workers. They were treated equally disregards of gender. Meeting held with the committee regularly (quarterly) to discuss on any potential issues, activities, briefing on company policies and sexual harassment policy and reporting channels. Management is supportive and provided necessary support to make the activities a success. The Chairperson commented as well that the management is supportive and provide full cooperation for all activities proposed by the committee.</p> <p>Management Responses: Will continue to support the gender committee. Received no complain. Grievance and sexual abuse / harassment complain from the gender committee.</p> <p>Audit Team Findings: No further issue.</p>
<p>3</p>	<p>Feedbacks: Sabab Plantation Industry Employee Union (SPIEU) representative – Good respond from estate management. Issues raised during management and union committee meeting are rectified by the management promptly. So far, no issue received from the workers/members. Generally workers are in satisfactory condition without any issue surfaced.</p> <p>Management Responses: The management will continue to support union activities and work along with the representative to ensure workers issues are settled amicably.</p> <p>Audit Team Findings: Meeting minutes review confirmed that both, union representative and the estate/mill management communicate to each other regularly. All issues discussed are followed up and closed.</p>
<p>4</p>	<p>Feedbacks: Suppliers – They have informed that payment was made promptly once invoice is issued. They have good relationship with the management and has been invited to attend stakeholder meeting.</p> <p>Management Responses: Have being dealing with the company for years and will continue to ensure payment is made promptly.</p> <p>Audit Team Findings: Payment records reviewed and confirmed they are made promptly.</p>
<p>5</p>	<p>Feedbacks: Contractors: They signed service contract agreement and understood the terms and condition outlined in the agreement including payment terms. Payment made promptly and accurately according to the invoices issued; from 2nd to 8th of the month. They have good relationship with the estate / mill management and received invitation for stakeholder meeting.</p> <p>Management Responses: The management will continue to ensure payment made promptly.</p> <p>Audit Team Findings: Verified the payment record and confirmed it is made promptly. Service contracts are in place, signed by both parties and remain valid.</p>

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Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Melalap Palm Oil Mill Certification Unit has complied with the RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Melalap Palm Oil Mill Certification Unit is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Hafriazhar Mohd. Mokhtar	Name: JOHAMDAN B. JONI
Company Name: BSI Services Malaysia Sdn. Bhd.	Company Name: GUTHRIE INDUSTRIES MALAYSIA SDN. BHD. MELALAP ESTATE
Title: Lead Auditor	Title: SENIOR MANAGER
Signature: 	Signature: <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>  GUTHRIE INDUSTRIES MALAYSIA SENDIRIAN BERHAD MELALAP ESTATE JOHAMDAN B. JONI @ JONI TETEI SENIOR MANAGER
Date: 9/2/2020	Date: 20/2/20

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	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. 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 & Continuous Improvement Plans and company policies are available.	Complied

Criterion / Indicator		Assessment Findings			Compliance	
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	Records of requests for information and the SOU's responses are filed and maintained at the respective estate/mill offices. Sighted the following records among others as following samples:			Complied	
		Melalap POM				
		Date	Details	Inquirer		
		1	19/11/18	Annual Inspection		DOSH
		2	02/12/18	House repair		Staff
		3	20/12/18	House repair		Staff
		Melalap Estate				
		Date	Details	Inquirer		
		1	28/5/19	House repair		Workers
		2	19/6/19	Request to sell fish		External hawker
		3	19/6/19	Housing light replacement		Workers
		Sapong Estate				
		Date	Details	Inquirer		
		1	20/4/19	House repair		Staff
		2	20/4/19	House repair		Staff
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.						

Criterion / Indicator	Assessment Findings	Compliance	
1.2.1	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>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. Procedure for complaints and grievances were available through Sime Darby Plantation Bhd website: http://www.simedarbyplantation.com/Sustainability.aspx</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>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>			

Criterion / Indicator	Assessment Findings	Compliance
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p> <p>Written policy in place as documented in Kod Etika Kerja (Code of Ethic) handbook under Section 7 – Manangani Gejala Rasuah dan Sogokan (Handling Bribery and Corruption), Section 8 – Pemberian Hadiah, Hiburan dan Penajaan Perjalanan (Gift, entertainment and Transportation Sponsorship) & Section 9- Pemberian Derma (donation) Page 13~17. Policies states company’s commitment to strictly prohibits to have any bribery related in the business processes. Workers are also required to sign the Pematuhan Kepada / Compliance with Code of Business Conduct – COBC.</p> <p>Policies noted communicated to all level of workforce and operations through muster ground and class training :- Melalap Estate – 29.08.2019 Sapong Estate – 18.09.2019 Melalap POM – 15.08.2019 & 01.08.2019</p>	Complied
Principle 2: Compliance with applicable laws and regulations		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		

<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>SOU27 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. SOU27 has obtained and renewed license and permits as required by the law. Sample of license checked as follows:</p> <p>Melalap Estate:</p> <ul style="list-style-type: none"> a) Diesel Permit, ref# B.PGK.SB(KGU) 05/05 (PBKB), S/N# P: S00077 approved quantity: 13,500 liter, permit valid until 9/8/20 b) Petrol Permit, ref#B.PGK.SB(KGU)104/18(PK), S/N#PK: Q000032-KGU approved quantity: 200 liter (once per week), permit valid until 14/11/19 c) Lesen Menggaji Pekerja Bukan Pemastautin (Seksyen 118, Ordinan Buruh, Sabah Bab 67), Worker coverage: Indonesia: 61, Philippine: 22 and valid until 11/6/20, license no.: JTK.H.TNM:600-4/1/92112/577 d) MPOB license: 531977002000 valid until 31/8/20 e) Permit for Salary Deduction, Section 113(4), Labour Ordinance (Sabah Bab 67), permit valid until 23/4/20, S/N# 600-1/2/12/2(11/TNM/2018-01138) f) Lesen Berniaga - Ordinan Perlesenan Perdagangan 1948 (Ordinan No.16 Tahun 1948) Borang B, ID License: TNM/2017/957, valid until 31/12/19 g) Pembantu Perubatan Renewal – Akta Pembantu Perubatan 1977, S/N#17013/2019,valid until 31/12/19. <p>Sapong Estate:</p> <ul style="list-style-type: none"> a) Surat Akujanji as per Seksyen 12E(1), Enakmen Perlindungan Alam Sekitar 2002 for Proposed Replanting of Oil Palm Plantation on Part of PL.166290044 and CL.165309866 (970.35 Hectares) at Sapong Estate, Tenom District, Sabah available dated 16/11/18. a) Diesel Permit, ref# B.PGK.SB(KGU) 27/07 (PBKB), S/N# : S011205 approved quantity: 18,200 liter, permit valid until 26/10/19 b) Petrol Permit, ref#B.PGK.SB(KGU)63/18(PK), S/N#PK: Q000028-KGU approved quantity: 200 liter (once per week), permit valid until 5/11/19 	<p>Complied</p>
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		<p>c) Lesen Menggaji Pekerja Bukan Pemastautin (Seksyen 118, Ordinan Buruh, Sabah Bab 67), Worker coverage: Indonesia: 91, Philippine: 3, Semenanjung Malaysia:3 and valid until 10/6/20, license no.: JTK.H.TNM:600-4/1/92112/63</p> <p>d) MPOB license: 5322977002000 valid until 31/8/20</p> <p>e) Permit for Salary Deduction, Section 113(4), Labour Ordinance (Sabah Bab 67), permit valid until 23/4/20, S/N# 600-1/2/12/2(11/TNM/2018-01138)</p> <p>f) Lesen Berniaga - Ordinan Perlesenan Perdagangan 1948 (Ordinan No.16 Tahun 1948) Borang B, ID License: TNM/2017/951, valid until 31/12/19</p> <p>g) Pembantu Perubatan Renewal – Akta Pembantu Perubatan 1977, S/N#15864/2019,valid until 31/12/19.</p> <p>Melalap POM:</p> <p>a) DOE License No. 003562, Compliance Schedule ref# ASSH(B)31/152/000/145, validity period 1/7/19-30/06/20, method of discharge: land application and composting, BOD = 20 mg/l</p> <p>b) MPOB license no.: 535146004000 valid until 31/12/19. Approved possessing capacity: 96,000 mt</p> <p>c) Latest boiler inspection, SB PMD 2868 valid until 30/06/20.</p> <p>d) Permit Sekatan Kerja Lebih Masa, Seksyen 104(7), Ordinan Buruh (Sabah Bab 67) valid until 9/2/20.</p> <p>e) Permit Potongan daripada Gaji Pekerja, Seksyen 113(4), Ordinan Buruh (Sabah Bab 67), serial no.: 600-1/3/12/1(11/TNM/2018-01138) valid until 23/4/20.</p> <p>f) MPOB FFB Grader S/N: 02560 & S/N#03260</p> <p>g) NIOSH Authorised Entrant and Standby Person for Confined Space Refresher, S/N# NW-NSBH-AE-R-0240-P valid until 15/2/21.</p> <p>List of letter received from Labour office authorizing deduction on workers salary and waiver to exceed maximum overtime hours to 120 as below.</p> <ul style="list-style-type: none"> - Letter series no.: 600-1/2/12/1(11/TNM/2018-0139) that is valid from 24.04.2018 until 23.04.2020 for Melalap Estate and 	
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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Letter series no.: 600-1/2/12/2(11/TNM/2018-0141) that is valid from 24.04.2018 until 23.04.2020 for Sapong Estate and - Letter Series no.: 600-1/2/12/1(11/TNM/2018-0138) that is valid from 24.04.2018 to 23.04.2020 for Melalap POM. - Letter Series no.: 600-1/2/12/1(08/TNM/2018-012) that is valid from 09.02.2018 to 09.02.2020 for Melalap POM - DOE compliance schedule ref: ASSH(B)31/152/000/145; license #003562 validity period 1/7/2019 - 30/6/2020). POME final discharge BOD limits @ 20 mg/l. Disposal method: compost and land irrigation. FFB processed maximum capacity @ 25 mt/hr. <p>DOE extended compliance schedule for EQ (Clean Air) Reg. 2014 contravene license ref: ASSH(B)31/152/000/145; license #005133 validity period (29/8/2019 - 29/8/2020). Particulate matter (PM) emission limits <400mg/m³; Black smoke emission < No. 2 Colour of Ringelmann Chart.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.2</p>	<p>A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p> <p>List of applicable legal and other requirements was made available during the assessment and compiled in the QSHE/04/5.2.4 folder. Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Sapong Estate: Latest Legal Register available with review dated 20/08/19. The Legal Register includes Environmental Protection Enactment 2002 (Sabah), Electrical Supply Act 1990, Occupational Safety and Health Act 1994, Pesticide Act 1974, Environmental Quality Act 1974, Factories and Machinery (Noise Exposure) (Revocation) 2019, Occupational Safety and Health (Noise Exposure) Regulations 2019 and etc.</p> <p>Melalap POM: Latest Legal Register available with review dated 8/08/19. The Legal Register includes Environmental Protection Enactment 2002 (Sabah), Electrical Supply Act 1990, Occupational Safety and Health Act 1994, Pesticide Act 1974, Environmental Quality Act 1974, Factories and Machinery (Noise Exposure) (Revocation) 2019, Occupational Safety and Health (Noise Exposure) Regulations 2019 and etc.</p> <p>Melalap Estate: Latest Legal Register available with review dated 9/2/19. The Legal Register includes Electrical Supply Act 1990, Occupational Safety and Health Act 1994, Pesticide Act 1974, Environmental Quality Act 1974 and etc.</p>	<p>Complied</p>

<p>2.1.3</p>	<p>A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>Ineffective mechanism in ensuring compliance of law in regards to foreign worker’s work permit and work hours.</p> <p><u>Melalap Estate</u> Sighted 13 expired work permit for foreign workers as listed below. Renewal is in progress but no evidence that renewal is carried out in advance to prevent lapses.</p> <p>Emp. No.: 68853, work permit: PE0651953, expired on 04.10.2019 Emp. No.: 85510, work permit: PE0651954, expired on 04.10.2019 Emp. No.: 85511, work permit: PE0651956, expired on 04.10.2019</p> <p>Emp. No.: 149856, 149860, 149861, 149862, 149863, 149864 expired on 04.04.2019 154407, PE0651484, expired on 26.09.2019, 154409, PE0651848, expired on 10.08.2019 154410, PE0651488, expired on 26.09.2019 154411, PE0651490, expired on 26.09.2019 Note: 10 out of 13 Indonesian workers are approved by the immigration to reduce the cooling-off period based on the letter Ref.: IM.101/S-SD/UBA/1130/489()17 dated 30.11.2018.</p> <p><u>Sapong Estate</u> 1 randomly selected contractor’s worker (JutaMas Kekal for replanting work) at line-site found without a valid work permit. The subjected foreign worker is not being documented by the estate management since the list provided by the contractor is not updated. Further investigation sighted, his work permit is issued to another plantation company – IJM Plantation Berhad, Sandakan instead of Jutamas Kekal and expired on 16.05.2018. Interview confirmed that he is assigned to chipping task and stay in the housing provided by Sime Darby.</p>	<p>Major nonconformance</p>
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		<p><u>Melalap POM</u> 6 out of 9 selected workers from various department sighted worked more than 12 hours / day not in accordance to the waiver approved by the labour office letter series no.: 600-1/2/12/1(08/TNM/2018-012) which is valid from 09.02.2018 until 09.02.2020, clause 1.3 e.g. Emp: 133180 – 14.06.2019 worked from 1000~0432 (18.5 hours) Emp: 126278 – 17.06.2019 worked from 1524~0621 (15 hours) 19.06.2019 worked from 1526~0621 (15 hours) 20.06.2019 worked from 1505~0500 (13.5 hours) 21.06.2019 worked from 1523~0554 (14.5 hours) 11.06.2019 worked from 1923~1537 (20 hours) Emp: 147900 - 19.06.2019 worked from 0725~0100 (17.5 hours) Emp: 143783 - 04.01.2019 worked from 1518~0741 (16 hours) 05.01.2019 worked from 1515~0750 (16 hours) 14.01.2019 worked from 1509~0525 (14 hours) 16.01.2019 worked from 1512~0747 (16 hours) 17.01.2019 worked from 1458~0524 (14 hours) 18.01.2019 worked from 1508~0632 (15 hours) Emp: 34811 - 17.06.2019 worked from 1526~0736 (16 hours) 18.06.2019 worked from 1529~0746 (16 hours) 19.06.2019 worked from 1522~0627 (15 hours) 20.06.2019 worked from 1516~0455 (13.5 hours) Emp: 76964 17.06.2019 worked from 1523~0635 (15 hours) 18.06.2019 worked from 1553~0728 (16 hours) 19.06.2019 worked from 1520~0628 (15 hours) 20.06.2019 worked from 1519~0500 (13.5 hours) 21.06.2019 worked from 1518~0600 (14.5 hours)</p> <p>Mechanism for ensuring compliance through internal audit. Based on the latest updated register dated 9/02/19, no non-compliance recorded and checked by the internal audit team.</p>	
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Criterion / Indicator		Assessment Findings	Compliance
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 through head office, website information and the information are communicated from the Group's Head Office.	Complied
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
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 -	Sighted a total of 6 land titles for Melalap Estate lease # 835 (New title # 16500835), 17553 (16517553), 17554 (16517554), 28934 (16528934), 29759 (16529759) & 31464 (16531464). Latest quit rent paid on 31/1/2019 to Majlis Daerah Tenom receipt # GL001291, GL001294, GL001296, GL001297, GL001298 & GL001299. Mill located inside the Melalap estate land. The area statement i.e. all field – division master listing; ZCKRLM06; dated 8/10/2019 shown total area: 2,120.27 ha; planted (cultivated) area: 1,251.22 ha. Sighted for Sapong Estate, 8 land titles were verified under district of Tenom lease # 16628305, 16629004, 16629008, 16628301, 16628308, 16628302, 16629119 and 16530986. Area Statement – 3417.27 ha updated 30/5/2017 – data from R&D GPS Team from latest survey. Latest quit rent paid on 11/2/2019 to Majlis Daerah Tenom a/c code # 9001011161.	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	During the field visit it was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill located inside Melalap Estate and sharing the estate boundary. Boundaries are clearly demarcated with either security trenches and/or boundary peg depends on the physical layout of the area. Sample boundary of Boundary with Kg Sawang and Melalap Estate at field number P01M was verified its GPS coordinate i.e. Latitude: 05.2121° N; 115.9689° E.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
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 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents such as land titles. Interviewed with the neighbouring villagers during stakeholder consultation confirmed that no encroachment of land by the company. Any unclear and clarification raised during the stakeholder consultations were clarified, cross-checked and closed in satisfactorily condition.	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 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation 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 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation 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 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation 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.			

Criterion / Indicator		Assessment Findings	Compliance
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	There is no land dispute in the SOU 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation confirmed that no encroachment of land by the company.	Complied
2.3.2	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 -	There is no land dispute in the SOU 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation confirmed that no encroachment of land by the company.	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	There is no land dispute in the SOU 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation confirmed that no encroachment of land by the company.	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	There is no land dispute in the SOU 27 Melalap as at the time of audit. The land belongs to Sime Darby Plantation Berhad verified through land ownership documents. Interviewed with the neighbouring villagers during stakeholder consultation confirmed that no encroachment of land by the company.	Complied
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1:			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	SOU 27 has documented annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Melalap POM: Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, OPEX, CAPEX etc. Seen the budgeting for 2019-2023. Sapong Estate and Melalap Estate: Sighted the projection of 5-year business plan from 2019 - 2023. The plan contains the provision for FFB production and expenditure for Mature upkeep, Manuring, harvesting and collection, Transport, Replanting, General Expense and etc.	Complied

Criterion / Indicator	Assessment Findings	Compliance
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 -	Replanting plan included in the MPLAN Budget (Management Plan) – 5 years shown total area planned for replanting in 2019 is 250.67 ha which has been completed for existing field P02K (PR19A) and P02KA (PR19B). The current replanting program was planned until year 2024. Sapong Estate LRRP 2019 total area is 442.58 ha for existing fields OP02B to OP18A; OP02BA (OP18B); OP02B2 (OP18C); OP02B2A (OP19C); OP02B1A (OP19B) & OP00A (OP19A).	Complied
Principle 4: Use of appropriate best practices by growers and millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		

Criterion / Indicator	Assessment Findings	Compliance
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: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill.</p> <p>Estates have a separate SOP (Sime Darby SOP issued 2/1/2008 and Agricultural reference Manual) covers land preparation, planting material, upkeep, harvesting, transport etc. Noted updated procedure under SOP for water analysis and RSPO SCCS procedure:</p> <p>i) SPMS, Appendix 7: SOP for water quality monitoring, issue: 2 dated 1/6/16. SOP for sampling guideline</p> <p>ii) Water and Wastewater Sampling Guideline, issue: 1 dated 1/6/16.</p> <p>- RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB under Appendix 15, version: 2 issue: 2 dated October 2016.</p> <p>For mill, good manufacturing practices were implemented based on the group mill quality management system (MQMS). The MQMS contained specific processes Standard Operating Procedures (SOP) from FFB received, extraction process, utilities operation up to Crude Palm Oil (CPO) & Palm Kernel (PK) despatches.</p>	Complied
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	<p>Plantation Advisory Department, Performance Monitoring Unit, Quality Management Unit (PSQM) inspect and report to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.3</p> <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>Sime Darby has established a system to monitor the mill and estate operation. The Structured Oil Recovery Assessment (SORA) (for Mill) / Structured Crop Recovery Assessment (SCRA) (for estates) and Planning and Monitoring Unit visited the operating units quarterly. Their reports cover on all aspect of operation. In addition, visit by agronomist was made yearly. The report focusing on rainfall, yield [performing and under-performing], palm nutrition status, field observation agronomic matters and fertilizer recommendation has been included in the report. All the reports of monitoring were available at estate and mill office for references.</p> <p>Melalap Estate: Latest Plantation Advisor visit was conducted on 8/8/2019 by Chief Agronomist II, Plant Nutrition & Protection, Sime Darby Plantation-Sabah Region. Seen report dated 20/8/19. Several recommendations were raised for solving the RB pollution in field. Verified that the action plan based on the agronomist recommendations has been progressively conducted.</p> <p>Sapong Estate: Latest Argonomic and Fertiliser assessment was conducted on 23/5/19 by Senior Executive –Plant Nutrition & Protection, Sabah Region. Seen the Agronomic and Fertiliser Recommendation Report dated 11/6/19. Several recommendations were raised. Verified that the action plan based on the agronomist recommendations has been progressively conducted.</p> <p>Melalap POM: Structured Oil Recovery Assessment (SORA) latest visit to Melalap POM was conducted on 13/7/19-17/7/2019. The report covering on process control/safety, process losses, product quality, housekeeping/upkeep/environment and security. Issue raised from the visit report has been progressively addressed and replied back to the GSQM.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance																																	
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	The mill recorded the origins of all its third-party sourced FFB as per List of Non-Certified FFB Supplier (OCP) updated 2019 as following: <table border="1" data-bbox="981 459 1816 831"> <thead> <tr> <th>No.</th> <th>Supplier</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ladang Cepat – KPD Sdn. Bhd.</td> <td>Smallholder</td> </tr> <tr> <td>2</td> <td>Wong Millenium Enterprise</td> <td>Collection Centre</td> </tr> <tr> <td>3</td> <td>JN Agriculture</td> <td>Collection Centre</td> </tr> <tr> <td>4</td> <td>EK Hong Agriculture Sdn. Bhd.</td> <td>Smallholder</td> </tr> <tr> <td>5</td> <td>EHK Enterprise</td> <td>Collection Centre</td> </tr> <tr> <td>6</td> <td>Nge Wah Hwa</td> <td>Smallholder</td> </tr> <tr> <td>7</td> <td>Ladang Paal Sdn. Bhd.</td> <td>Smallholder</td> </tr> <tr> <td>8</td> <td>Yong Kee Chiang</td> <td>Smallholder</td> </tr> <tr> <td>9</td> <td>Goh Plantation Services Sdn. Bhd.</td> <td>Collection Centre</td> </tr> <tr> <td>10</td> <td>Johan Sawit</td> <td>Collection Centre</td> </tr> </tbody> </table>	No.	Supplier	Category	1	Ladang Cepat – KPD Sdn. Bhd.	Smallholder	2	Wong Millenium Enterprise	Collection Centre	3	JN Agriculture	Collection Centre	4	EK Hong Agriculture Sdn. Bhd.	Smallholder	5	EHK Enterprise	Collection Centre	6	Nge Wah Hwa	Smallholder	7	Ladang Paal Sdn. Bhd.	Smallholder	8	Yong Kee Chiang	Smallholder	9	Goh Plantation Services Sdn. Bhd.	Collection Centre	10	Johan Sawit	Collection Centre	Complied
No.	Supplier	Category																																		
1	Ladang Cepat – KPD Sdn. Bhd.	Smallholder																																		
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10	Johan Sawit	Collection Centre																																		
Criterion 4.2:																																				
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 -	For estates, good agriculture practices according to the group agriculture reference manual (ARM) and estate quality management system (EQMS) contained SOP to ensure soil fertility is managed to a level that ensures optimal and sustained yield has been implemented. Sighted the evidence that the implementation includes fertilizer programs, EFB manuring and etc.	Complied																																	

Criterion / Indicator	Assessment Findings	Compliance
4.2.2	<p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizer application was based on Melalap Estate FY19/20 Agronomic & Fertilizer Recommendations Report (Oil Palm) by Agronomist In-Charge (Abdullah Abdul Rahman). Agronomist visit was conducted on 24/5/2019 for the purpose of formulating the FY19/20 fertilizer program. Sighted sampled recommendation for Division: 1-Main Mature Field P02K and P02KA No Manuring since both fields were fall under Long Range Replanting Program (LRRP) 2019. For Division: 2-Pegalan Immature Field 2018A & 2018B, total area of 71.13 ha and 42.10 ha respectively, identical quantity (kg/palm) were recommended to be applied as following:</p> <ul style="list-style-type: none"> - Sep 2019: Comp 45 (12:12:17:2) @ 1.75 kg/palm - Dec 2019: Comp 45 (12:12:17:2) @ 2.00 kg/palm; Kiesrite (27% MgO) @ 0.50kg/palm; Borate (48% B₂O₃) @ 0.10 kg/palm - Mar 2020: Comp 45 (12:12:17:2) @ 2.25 kg/palm - Apr 2020: RP (28% P₂O₅) @ 2.00 kg/palm <p>Records of fertilizer application (Store Bin Card) shown all recommended program up to Sep 2019 has been completed.</p> <p>Based on Sapong Estate FY19/20 Agronomic & Fertilizer Recommendations Report (Oil Palm) by Agronomist In-Charge. No manuring recommended for Field OP 00A due to planned replanting on FY19, 02AC (LRRP 2021), 03A (LRRP 2020), 03A1 (LRRP 2020). For field OP 02AA Section 1 & 2 (77.06 ha) was applied with 1.75 kg/palm of AC (25% N) & 2.50 kg/palm of MOP (60%K₂O). Application records match the recommendation tonnage.</p>

Criterion / Indicator		Assessment Findings	Compliance
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	For Melalap Estate, leaf sampling were done by agronomist during the visit on 24/5/2019 and analysis result was reported on 12/6/2019 while Sapong Estate was visited on 23/5/2019 and analysis report was dated 11/6/2019. Last soil sampling for both Melalap Estate and Sapong Estate was conducted on 19/6/2019 as per Soil Analysis Test Report # S7/2019 dated 20/9/2019 conducted by Sime Darby Research Sdn. Bhd., Chemical Lab R&D Centre, Bombalai, Sabah.	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 -	Agronomist recommended the POME application through the establishment of Cascading Furrow System on Gentle Undulating Terrain at Field OP02MA which located nearby the mill and >2km away from Pegalan River stream. Melalap Estate planned to commence the recommendation during replanting on Dec 2019. Recommended POME application rate (evapotranspiration) @ 360L/palm/day.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			

Criterion / Indicator	Assessment Findings	Compliance
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	<p>Maps available through study conducted on February 2013 as per report Soils of Melalap Estate – Sime Darby Estates Melalap Sub-District, Tenom District & Interior Residency, Sabah, Malaysia. Characteristics of soil map units shown the soil series, slope classes and extents as following:</p> <ul style="list-style-type: none"> - Local Alluvium (Level 0-4°) @ 3.76 ha (0.24%) - Koyah (Level 0-4°) @ 324.7 ha (20.8%) - Kelawat (Rolling 12-24°) @ 586.44 ha (37.56%) - Talisai (Hilly 24-38°) @ 547.55 ha (35.07%) - Antulai (Somewhat steep 38-50°) @ 55.77 ha (3.57%) - Luasong (Somewhat steep 38-50°) @ 43.13 ha (2.76%) <p>Sapong Estate Soil Series maps prepared by R&D – Precision Agriculture Unit (VS) dated 27/4/2015 sighted available. Soil characteristics for Sapong Estate shown the soil series, slope classes and extents as following:</p> <ul style="list-style-type: none"> - Bangawat (Class II: Flat 0-2°) @ 161.29 ha (7.09%) - Kelawat (Class II: Undulating 3-10°) @ 483.00 ha (21.24%) - Talisai (Class III: Hilly 10-20°) @ 1307.59 ha (57.52%) - Antulai (Class III: Steep 20-24°) @ 230.80 ha (10.14%) - Luasong (Class IV: Very Steep >25°) @ 91.30 ha (4.01%) 	Complied
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	<p>Management strategy in place for plantings on slopes above >10°. Planting terraces had been constructed where slope >10°. Melalap estate is flat to undulating while Sapong have slope >25° planted through terracing.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Sapong Estate Road Maintenance Program Year 2019 dated 21/7/2019 planned and implemented as following: - Grading: All fields – Jan, Apr, Jul & Oct 2019 - Resurfacing: All fields – Feb, Mar, Jun, Jul, Nov & Dec 2019 - Roadside pruning: All fields - Jan, Apr, Jul & Oct 2019 For Melalap Estate, road maintenance programmed was conducted continuously throughout the year for specific field blocks roads maintained monthly basis on Jan, Feb, Mar, Apr, Aug, Sep, Oct & Nov 2019.	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
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

<p>4.4.1</p>	<p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Melalap Estate: Water management plan has been established and documented as per in Identification & Management of Wastewaters for Financial Year 2019, Action Plan to Reduce Fresh Water Usage for Financial Year 2019 & Contingency Plan during Water Shortage for Financial Year. The management plan has identified issue of concern, mitigation plan, person responsible and time frame. The management has conducted monitoring program for the management plan. E.g. sampled for Rain water collection – action plan was rain harvesting tank containers to be placed at strategic locations to collect rainwater on weekly basis by the workshop attendance/tractor driver.</p> <p>Sapong Estate: Water management plan has been established and documented as per in Identification & Management of Wastewaters for Financial Year 2019, Action Plan to Reduce Fresh Water Usage for Financial Year 2019 & Contingency Plan during Water Shortage for Financial Year. The management plan has identified issue of concern, mitigation plan, person responsible and time frame. The management has conducted monitoring program for the management plan. E.g. sampled for Water Shortage during Dry Spell – Action Plan – To deepen the catchment by tightening the slop bunds and removing debris during heavy down pour.</p> <p>Melalap POM: Water management plan has been established and documented in “Action Plan to Reduce Fresh Water Usage” FY 2019. The management plan has identified issue of concern, mitigation plan, person responsible and time frame. The management has conducted monitoring program for the management plan. Issue: High water usage for cleaning purpose Mitigation plan: Continue wet cleaning program using water jet installed at involve station.</p>	<p>Complied</p>
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<p>4.4.2</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p> <p>Melalap Estate: Sighted during site visit at Sg. Pegalan & Sg. Makaniton, the buffer zone was demarcated with red color stick. Additionally, palms along the buffer zone was painted with red color rings. There were no spraying activity along the river buffer zone and the vegetation along are well preserved. Thus, the previous major non conformance raised been closed effectively. River water testing was done by Sime Darby Research Sdn Bhd. Tested parameters includes pH, TDS, Turbi. Chloride, Al+. Sampling frequency is 3 months once. Seen the following test reports & result: a) September 2019 –Seen report no. IE980/2019 dated 12/09/2019, result – e.g. pH, TDS, Turbi. Chloride, Al+ were within the allowable limit. b) June 2019 – Seen report no. IE704/2019 dated 24/06/2019, result – e.g. pH, TDS, Turbi. Chloride, Al+ were within the allowable limit.</p> <p>Sapong Estate: Sighted during site visit at Sg. Bunut, the buffer zone was demarcated with red color stick. Additionally, palms along the buffer zone was painted with red color rings. There are no spraying activity along the river buffer zone and the vegetation along are well preserved. River water testing was done by Sime Darby Research Sdn Bhd. Tested parameters includes pH, TDS, Turbi. Chloride, Al+. Sampling frequency is 3 months once. Seen the following test reports & result: a) July 2019 –Seen report no. IE842/2019 dated 31/07/2019, result – e.g. pH, TDS, Turbi. Chloride, Al+ were within the allowable limit. b) May 2019 – Seen report no. IE627/2019 dated 29/05/2019, result – e.g. pH, TDS, Turbi. Chloride, Al+ were within the allowable limit.</p> <p>Melalap POM:</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance								
		Monitoring of upstream and downstream Sungai Melalap and Sungai Pegalan was done on monthly basis as stipulated under "Jadual Pematuhan". Sampled the water sampling result conducted on 18/9/2019 for report no. IE1038/2019. The result was not conforming the standard of class IIA/IIB of INWQS for natural waterways. Investigation was conducted regarding the water sample result on 7/10/2019.									
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 -	Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan" 001870. Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l for land irrigation. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance. Sampled the 3 rd Quarter Report (1 July 2019 until 30 September 2019) on the 1 st Schedule (Regulation 10 (2)) Quarterly Return Form Ref No. ASSH/SPT(B)31/152/000/005, License Bo. 087302146. Verified that BOD discharge level was within the approved limit of 20mg/l.	Complied								
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	The mill water source for processing is from the owned water reservoir. In POM, the water usage monitoring for FFB/tonne. Following samples were taken: <table border="1" data-bbox="981 1027 1704 1227"> <thead> <tr> <th>Month</th> <th>Water consumption/FFB</th> </tr> </thead> <tbody> <tr> <td>Jul-19</td> <td>1.26</td> </tr> <tr> <td>Aug-19</td> <td>1.30</td> </tr> <tr> <td>Sept-19</td> <td>1.32</td> </tr> </tbody> </table>	Month	Water consumption/FFB	Jul-19	1.26	Aug-19	1.30	Sept-19	1.32	Complied
Month	Water consumption/FFB										
Jul-19	1.26										
Aug-19	1.30										
Sept-19	1.32										
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.											

Criterion / Indicator		Assessment Findings	Compliance
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. Sighted the IPM plan includes the following: - Chemical control: Rat Baiting 2019 for each field 50% of palm stand/pc bait pallet. 2 times annually completed on Jan and Aug 2019. - Chemical control: Spraying – circle & spot to maintain soft vegetation - Biological control: Undergrowth (Nephrolepis) establishment – mainly slope area - Biological control: Beneficial plant (Cassia, Tunera & Antigonon) planting	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Melalap Estate latest IPM implementation training conducted on 29/8/2019 for Rat Baiting at Field OP01KA. Sprayer training completed on Feb, Apr and Jul 2019. One more training planned to be conducted on Nov 2019.	Complied
Criterion 4.6:			
Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The written justification in Standard Operating Procedure (SOP) of all agrochemical are available the Agricultural Reference Manual (ARM), SOP and in the Safety Pictorial Book prepared by Sime Darby Plantation Sdn Bhd. Refer to Sime Darby Agricultural Reference Manual, issue:1 version:3 dated 1/7/2011. Selected products are specific to the target pest, weed and disease. Some of recommended pesticides are: Immature planting (sample) - General weeds : Glyphosate - Legume & broad leave : Metsulfuron Methyl - Stenochlaena palustris : Sodium chlorate Mature planting - VOPs : glyphosate & sodium chlorate The selection is also evaluated by the agronomist during his visit to the estates.	Complied

Criterion / Indicator		Assessment Findings	Compliance																
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	<p>Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate. Summary sampled of Ai/Ha for estate visited for year 2019 as per below:</p> <p>Melalap Estate:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Ai/Ha (kgs)</th> </tr> </thead> <tbody> <tr> <td>Jul-19</td> <td>0.191</td> </tr> <tr> <td>Aug-19</td> <td>0.045</td> </tr> <tr> <td>Sept-19</td> <td>0.08</td> </tr> </tbody> </table> <p>Sapong Estate</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Ai/Ha (kgs)</th> </tr> </thead> <tbody> <tr> <td>Jul-19</td> <td>0.013</td> </tr> <tr> <td>Aug-19</td> <td>0.018</td> </tr> <tr> <td>Sept-19</td> <td>0.013</td> </tr> </tbody> </table>	Month	Ai/Ha (kgs)	Jul-19	0.191	Aug-19	0.045	Sept-19	0.08	Month	Ai/Ha (kgs)	Jul-19	0.013	Aug-19	0.018	Sept-19	0.013	Complied
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Jul-19	0.013																		
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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																

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.4</p> <p>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.</p> <p>- Minor compliance -</p>	<p>Paraquat was eliminated. Alternatives such as Glyphosate were used with the elimination of Paraquat. Only class III and class IV chemical was used in the estates.</p>	<p>Complied</p>
<p>4.6.5</p> <p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Pesticides operators for all estates visited has been provided with proper Personal Protective Equipment. Observed during site visit, the PPE provided to the operators such as google, half face respirator, nitril hand glove, rubber boot and apron. Additional, the operators has been given training regarding the usage safety and health issue and proper way for chemical application by the plantation executives, manager, and asst. manager and chemical supplier with knowledge on chemical handling and applications. All chemical applicator attend monthly medical check-up done by the Medical Assistant. Observed the implementation during site visit and workers interview in following estate:</p> <p>Melalap Estate The latest training for pesticides operators as follows: a) Refresher training for sprayer training dated 22/05/2019 b) Rat Baiting training dated 29/8/19</p> <p>Sapong Estate a) Refresher Sprayer Briefing by Field Staff dated 24/7/19 b) Refresher Manuring Training dated 12/3/19</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	All estates continued to ensure all new and requiring balance of remaining solution to be kept under lock and key. Special designated storage area is provided if there is any class 1A and 1B used in the estate. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Most of the empty pesticides containers are used for pre-mixing. Disposal only will be made through DOE licensed contractor.	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 SOU 27.	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 -	Verified that no associated smallholders at SOU 27. Employees demonstrate knowledge and skills on pesticide handling. MSDS/SDS was displayed in local Bahasa Malaysia language at the agrochemical store for each chemical stored as well as the use of safety pictorial poster for the easy understanding of the agrochemical handlers.	Complied

Criterion / Indicator	Assessment Findings	Compliance
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 -	<p>Disposal method of all identified waste was already included in the pollution prevention plan and waste management plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within mill and estates. Interviewed the workers in workshop, line site and store and they aware of the proper waste handling method.</p> <p>The estate visited has conducted awareness training on 3R (Reduce, reuse and recycle) to the workers.</p> <p>Sighted the latest training records at the estate visited as follows:</p> <ul style="list-style-type: none"> i. Sapong Estate – Muster briefing records on 3R (Reduce, reuse and recycle) dated 20/6/2019 ii. Melalap Estate – Awareness on 3R (Reduce, reuse and recycle) dated 25/9/2019 Sighted during site visit at Melalap Estate, 3R bin was provided at linesite area. 	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>Sapong Estate: Medical surveillance was last done on 19/12/18 for workers from chemical sprayer, mixer, store keeper and workshop operator by OHD DOSH Reg. No. JKPP HQ/08/DOC/00/695 under Klinik Mansor. Verified that that based on the medical surveillance report all workers send for medical surveillance are fit to work with no detrimental of health.</p> <p>Melalap Estate: Medical surveillance was last done on 19/12/18 for workers from chemical sprayer, mixer, storekeeper and workshop operator by OHD DOSH Reg. No. JKPP HQ/08/DOC/00/695 under Klinik Mansor. Verified that that based on the medical surveillance report all workers send for medical surveillance are fit to work with no detrimental of health.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Women workers were present working as chemical mixers and sprayers. Monthly check was carried out to check pregnancy status using UPT. Based on the monthly check-up result, there was no pregnant woman reported working as pesticides handler. Verified also that there were no breast-feeding women working as chemical mixers and sprayers.	Complied
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

<p>4.7.1</p>	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>SOU27 has maintained an approved Health and Safety Policy dated January 2015 that is displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the onsite safety officers and monitored by OSH Manager from Head Office.</p> <p>Medical Surveillance Programme Annual medical surveillance was last carried out on 15/04/19 under Klinik Mansor, OHD reg. no. HQ/08/DOC/00/695 for e.g. Effluent worker, Kernel Plant Worker, Workshop. Overall medical surveillance report indicates that all 32 workers were fit to work.</p> <p>Chemical Hazard Risk Assessment (CHRA) CHRA at Melalap POM was last carried out on 30 April 2019 by DOSH registered assessor, Registration No. HQ/10/ASS/00/277. Relevant work units were assessed and related recommendation report under from F of the report. All necessary action has been progressively implemented based on recommendation by assessor.</p> <p>Annual Audiometric Testing Annual audiometric testing was carried out on 15/4/2019 by noise competent person, HQ/14/PEB/00/128 under Klinik Mansor. Seen the summary audiometric report with total 35 total worker tested. Overall result indicate that no hearing impairment cases identified. Verified that for 1 case on Standard Threshold Shift, the retest was conducted on 23/9/19 with resulting no hearing impairment noted in both ears.</p> <p>Local Exhaust Ventilation Inspection and Testing Seen the Sime Contract Form No. 4300481354 dated 23/9/19 for LEV Inspection to Contractor Sahen Engineering Sdn Bhd. As per letter from contractor Sahen Engineering Sdn Bhd dated 25/9/19, it was written that</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>the site inspection for the 2 LEV unit will be carried out on 17/10/19. This will be further verified in the next audit.</p> <p>Personal Chemical Exposure Monitoring Personal Chemical Exposure Monitoring latest conducted on 13/12/18 by DOSH Registered Industrial Hygiene Technician No. HQ/16/JHI/00/211. Monitoring report available dated 12/2/19. Based on sample results for n-Hexane, Potassium Chromate, Calcium Carbonate, Iron Oxide dust and fume were below permissible exposure limit.</p>	

<p>4.7.2</p>	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p>	<p>SOU27 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>Melalap POM - HIRARC was reviewed accordingly on 19/09/2019 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>CHRA at Melalap POM was last carried out on 30 April 2019 by DOSH registered assessor, Registration No. HQ/10/ASS/00/277. Relevant work units were assessed and related recommendation report under from F of the report. All necessary action has been progressively implemented based on recommendation by assessor.</p> <p>At the Melalap Estate & Sapong Estate, among the HIRARC carried out covered activities like handling waste, replanting, electricity work, weeding, pruning & raking and workshop.</p> <p>Melalap Estate: The HIRARC for Melalap Estate was reviewed overall on 10/07/2019. 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.</p> <p>CHRA at Melalap Estate was last carried out on 21/10/14 by DOSH registered assessor, JKKP HIE 127/171-2(257). Relevant work units were assessed and related recommendation report under from F of the report.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>All necessary action has been implemented based on recommendation by assessor.</p> <p>Sapong Estate: The HIRADC for Sapong Estate was reviewed overall on 24/07/2019. 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 accident case on Harvesting process.</p> <p>CHRA at Sapong Estate was last carried out on 11 & 12 August 2015 by DOSH registered assessor, JKPP HIE 127/171-2(358). Relevant work units were assessed and related recommendation report under from F of the report. All necessary action has been implemented based on recommendation by assessor.</p>	

Criterion / Indicator	Assessment Findings	Compliance
4.7.3	<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 28/9/19 for Dust Mask, dated 15/3/19 for Safety Shoe and 17/6/19 for Semi Leather Gloves.</p> <p>ii. Field workers (sprayer, manure & harvester) – N95 respirator, anti-mist goggles, wellington boots, apron and sickle cover. Sampled PPE issuance record dated 8/10/19, 7/10/19 & 15/7/19.</p> <p>Verified that the mill & estates chemical store was found to be adequately organized, properly labelled, secured and person in charge understands the OSH procedures. Safety Data Sheet was placed at the chemical stores and is available. The person in charge understands the information written in Safety Data Sheet.</p> <p>Thus, a minor NC has been raised.</p>	<p>Minor nonconformance</p>

Criterion / Indicator	Assessment Findings	Compliance
<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.</p> <p>- 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>Melalap POM: OSH/ESH meeting conducted on quarterly basis. The OSH meeting minutes available and seen the meeting minutes conducted on 8/1/19, 5/4/19 & 3/7/19 has been adequately covered. Verified that the OSH Committee Members chart and the appointment letters has been issued accordingly.</p> <p>Melalap Estate: OSH/ESH meeting conducted on quarterly basis. The OSH meeting conducted on 8/03/19, 07/06/19 & 18/09/2019 and the meeting has been adequately covered. Verified that the OSH Committee Members chart and the appointment has been issued accordingly.</p> <p>Sapong Estate: OSH/ESH meeting conducted on quarterly basis. The OSH meeting conducted on 7/03/19, 7/06/19 & 6/09/2019 and the meeting has been adequately covered. Next Verified that the OSH Committee Members chart and the appointment letters has been issued accordingly.</p>	<p>Complied</p>

<p>4.7.5</p>	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Melalap POM: Fire evacuation drill was last conducted on 29/08/2019 to test the state of readiness during emergency situation.</p> <p>POM Mill: The Fire Alarm Panel at the Main Entrance Security House was found with LED error lights indication e.g. Main Fail & Charge Fail. Interview with the Auxiliary Police in the Security Room found that he was not fully aware of the Fire Alarm Panel LED Indicators function. Thus, a minor conformance been raised.</p> <p>2. Melalap Estate – Fire evacuation drill was last conducted on 14/09/2018 to test the state of readiness during emergency situation. Emergency fire drill for year 2019 has been rescheduled to be conducted by end October 2019 due busy schedule by BOMba to the haze condition during the month of September 2019.</p> <p>3. Sapong Estate – Fire evacuation drill was last conducted on 5/10/2018 to test the state of readiness during emergency situation. Emergency drill for year 2019 will be conducted by end October 2019.</p> <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> <p>1. Training for First Aid is conducted in annually. Sufficient first aiders trained. E.g. First Aid Refresher Training at Melalap Estate was conducted on 07/06/19. At Sapong Estate the first aid training was conducted on 09/08/19. As for the Melalap POM, the First Aid Training was conducted on 4/10/19.</p>	<p>Minor nonconformance</p>
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		<p>2. First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition.</p> <p>3. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date.</p> <p>4. Portable emergency eye wash facility available at chemical store, workshop, mixing area and laboratory and are in good working condition.</p> <p>Melalap POM: 1 first aid injury incident at Boiler Operation reported on 7/8/19 without LTI. Verified that the Incident Investigation Report been raised according including review of existing HIRADC dated 22/8/19 for Boiler Operation. JKPP 8 was sent to DOSH accordingly on 29/01/2019. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 27/06/19 and comments highlighted by DOSH was noted and action taken accordingly.</p> <p>Melalap Estate: 1 Accident recorded with 1 day LTI dated 25/1/19. Verified that that proper accident investigation was made and on the issues including review of the existing HIRADC. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 3/1/19 and comments highlighted by DOSH was noted and action taken accordingly. JKPP 8 was sent to DOSH on 18/01/2019.</p> <p>Sapong Estate: Verified that for accidents occurred since the last assessment audit, appropriate Incident Detailed Report been issued accordingly for taking the investigation, root cause analysis, correction and corrective action. E.g. sampled the Incident Detailed Report dated 15/6/19. Verified that appropriate root cause analysis, correction & corrective action been taken accordingly with review of existing HIRADC. JKPP 8 was sent to DOSH on</p>	
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Criterion / Indicator		Assessment Findings	Compliance
		24/01/2019. DOSH visit been recorded in the DOSH log book. Seen the latest DOSH visit recorded dated 3/01/19 and comments highlighted by DOSH was noted and action taken accordingly.	
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. Workers are covered under SOCSO scheme. Seen the Sosco scheme payment schedule at mill/estates as follows: a) Melalap POM: Sampled Sosco Jadual Caruman for July 2019 and August 2019 & September 2019. b) Sapong Estate: Sampled Sosco Jadual Caruman for January 2019, June 2019 and August 2019. Above Sosco submission were done using the Borang 8A. Details of the Employer and worker's details been available. c) Melalap Estate Not all workers were provided with medical care and covered by accident insurance. There was no SOCSO contribution evidence for the following sampled employee since July 2019 until September 2019: a) Employee No. 0000151652, Designation - Loose Fruit Collector b) Employee No. 0000152132 – Designation - FFB Carrier Thus, a minor NC been raised.	Minor nonconformance
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. JKKP 8 been submitted to DOSH annually as follows: Melalap POM: JKKP 8 submitted for year ending 2018 to DOSH on 29/1/19. Melalap Estate: JKKP 8 for year ending 2018 was sent to DOSH accordingly on 18/01/2019. Report Ref. No. JKKP 8/28195/2018 Sapong Estate: JKKP 8 for year ending 2018 was sent to DOSH accordingly on 24/01/2019. Report Ref. No. JKKP 8/22674/2019	Complied
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.			

Criterion / Indicator		Assessment Findings	Compliance
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 2019 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 -	Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&C requirement. Samples of training record as follows: Melalap POM: a) Chemical Spillage Training dated 29/8/19. b) Process Refresher Training dated 1/8/19 c) Fire Extinguisher Handling dated 24/7/19 d) First Aid Training dated 4/10/19 Sapong Estate: a) Refresher Sprayer Briefing by Field Staff dated 24/7/19 b) First Aider Refresher Training dated 9/8/19 c) Accident/Incident Investigation and Reporting Training dated 20/12/18 d) Refresher Manuring Training dated 12/3/19 e) Briefing for Contractor Replanting dated 8/7/19 f) Harvesting Refresher Training dated 5/6/19 Melalap Estate: a) First Aid Refresher Training dated 07/06/19 b) Awareness on 3R (Reduce, reuse and recycle) dated 25/9/2019	Complied
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			

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

<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Melalap POM: Environmental Aspect and Impact Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated annually with latest done on 8/08/2019. Sampled the Environmental Aspect and Impact Identification (EAI) for activities such as Desludging Anaerobic Pond, Boiler and FFB Ramp.</p> <p>Melalap Estate: Environmental Aspect and Impact Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated annually with latest done on 7/01/2019. Sampled the Environmental Aspect and Impact Identification (EAI) for activities such as Chemical Store, Workshop Area, Diesel Tank.</p> <p>Sapong Estate: Environmental Aspect and Impact Identification (EAI) and Environmental Evaluation (EIE) reviewed and updated annually with latest done on 20/07/2019. Sampled the Environmental Aspect and Impact Identification (EAI) for activities such as Dispensary, Creche, Field –FFB Transportation, Petrol/Diesoline and replanting process. Verified that the EAI & EIE recommendation were reviewed accordingly from time to time. Environmental monitoring & compliance audit report for replanting project was done by engaging a EIA consultant Chemsain Konsultant Sdn Bhd to carry out Proposed Mitigation Measure (PMM) on every 6 months. Seen the Environment Compliance audit report Ref. No. CK/Mo411/1158-2/18, period covered September 2018 – February 2018 and Environment Compliance Report No. CK/MO411/1158-1/19, period covered March 2019 – August 2019.</p> <p>The mitigation measures for the above environmental aspects were recommended by the consultant and can be seen in the report. The recommendation then translated onto the estate’s management action plan and reviewed during meeting from time to time. Most of the action plans</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		were adequately implemented. The same consultant was appointed to conduct the evaluation of compliance against the conditions stipulated in the approval letter of the EIA once in every 6 months.	
5.1.2	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 -	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.	Complied
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -	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.	Complied
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.			

Criterion / Indicator	Assessment Findings	Compliance
5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	Information of HCV collated in the HCV Re-Assessment for Strategic Operating Unit (SOU) 27 – Melalap by PSQM Department Sime Darby Plantation Sdn. Bhd. Final Report (Version II); January 2016. Summary of assessment shown as following: Melalap Estate total HCV area: 88.2945 ha - HCV 4: Water catchment (P01KA @ 3.67 ha) & River (Pegalan) reserve (84.25 ha) - HCV 6: Aki Tampulan Stone (0.0045 ha) & Old Cemetery (P01MA @ 0.37 ha) Sapong Estate total HCV area: 45.72 ha - HCV 4: Ampat, Bunut & Biah rivers buffer zone (41.89 ha) & Slope (Ant Hill) area (P03AA @ 0.40 ha) HCV 6: Old Cemetery (P02A & P02BA @ 3.43 ha) Total HCV 134.0145 ha.	Complied
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 -	Appropriate measures of biodiversity, HCV and RTE maintenance and monitoring tabled in the Estate HCV Monitoring Plan 4/2/2019. Implementation includes the following: - Water catchment (P01KA) – signboard, patrolling of tress-passers - River (Sg. Pegalan) buffer zone – signage, demarcation (red paint at palm ring), no chemical - River (Sg. Makaniton) buffer zone (Block 02K) – signage, demarcation (red paint at palm ring), no chemical - Aki Tampulan Stone - signboard, patrolling of tress-passers - Cemetery (P01MA) - signboard, patrolling of tress-passers	Complied

Criterion / Indicator		Assessment Findings	Compliance
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Regular programs for HCV, RTE and biodiversity education were conducted periodically to all employees of mill and estate. Educations were provided through daily muster briefing in estate and weekly assembly in mill. Sighted the sample for Melalap Estate latest HCV Refresher Briefing conducted was on 29/8/2019.	Complied

Criterion / Indicator		Assessment Findings				Compliance																				
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>On-going management and monitoring plan of HCV, RTE and Biodiversity were tabled in the Biodiversity FY 2019 Action Plan. Sighted the sample plan included the following:</p> <table border="1"> <thead> <tr> <th>Issue</th> <th>Strategies</th> <th>PIC</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Maintain all remnant forest patches area >25° slope: Sapong Estate: Ant Hill (P03AA)</td> <td> <ul style="list-style-type: none"> - Patrolling to ensure no logging & hunting - Update HCV info in map - No chemical spraying - Communication with employee, vendors and local stakeholders - Signage erection </td> <td>AP & HCV PIC</td> <td>On-going</td> </tr> <tr> <td>Identification of Riparian Reserved Buffer zone (Stream –Ampat, Bunut & Biah rivers)</td> <td> <ul style="list-style-type: none"> - Buffer zone establishment - Hydrology map update - Buffer zone maintenance - Tree planting </td> <td>AM</td> <td>On-going</td> </tr> <tr> <td>Awareness</td> <td> <ul style="list-style-type: none"> - Soft grass at inter rows maintenance - Zero spraying in riparian and buffer zones </td> <td>AM & RSPO staff</td> <td>On-going</td> </tr> <tr> <td>HCV area maintenance</td> <td> <ul style="list-style-type: none"> - Upkeep and signage </td> <td>HCV PIC</td> <td></td> </tr> </tbody> </table>				Issue	Strategies	PIC	Status	Maintain all remnant forest patches area >25° slope: Sapong Estate: Ant Hill (P03AA)	<ul style="list-style-type: none"> - Patrolling to ensure no logging & hunting - Update HCV info in map - No chemical spraying - Communication with employee, vendors and local stakeholders - Signage erection 	AP & HCV PIC	On-going	Identification of Riparian Reserved Buffer zone (Stream –Ampat, Bunut & Biah rivers)	<ul style="list-style-type: none"> - Buffer zone establishment - Hydrology map update - Buffer zone maintenance - Tree planting 	AM	On-going	Awareness	<ul style="list-style-type: none"> - Soft grass at inter rows maintenance - Zero spraying in riparian and buffer zones 	AM & RSPO staff	On-going	HCV area maintenance	<ul style="list-style-type: none"> - Upkeep and signage 	HCV PIC		Complied
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5.2.5	<p>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.</p> <p>- Minor compliance -</p>	<p>There's no HCV set-aside that needs any negotiation process with the local communities. However there's old cemetery, identified as HCV 6 presence within Melalap Estate that has been set-aside, maintained and enhance by the management.</p>				Complied																				

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Visits made to Mill together with Melalap Estate and Sapong 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. Sampled seen 6 th schedule consignment note S/N# A033443 dated 19/09/19 for SW 409 & consignment note S/N# A033444 dated 19/9/19 for SW 102 at Melalap Estate, consignment note no. A 033424 dated 19/9/19 for SW 410 at Sapong Estate and consignment note no A033436 dated 19/9/19 for SW 410 at Melalap POM. Collection was done by DOE licensed contractor – Legenda Buminas Sdn Bhd. Appropriate secondary containment with necessary spill kits for the diesel skid tanks, chemical and scheduled waste storage areas was adequately maintained.	Complied
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	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.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Segregation of wastes i.e. general wastes and scheduled wastes including clinical waste was verified in the mill/estates. 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). Environmental Improvement Plan/Pollution Prevention Plan for year 2019 been established accordingly e.g. for Leaking of pesticide during chemical mixing and washing and leaking of lubricant/oil from servicing/parking tractor.</p> <p>Melalap POM: Waste management and disposal plan was not effectively implemented. i) Scrap metals parts from Effluent Treatment Plant was found laid in the neighbouring plantation land of Melalap Estate. ii) Plastic wastes was found mixed with metal scrap metal parts at the mill scrap iron yard. Thus, a Minor NC been raised.</p>	<p>Minor nonconformance</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

<p>5.4.1</p>	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>The mill has its own renewable energy fuel power generation facility i.e. steam turbine engine that received steam generated from boiler with mesocarp fibres and kernel shells used as boiler fuels. The mill keep on improving its strategy to maintain the operational up-time to ensure power consumption sourced from steam turbine engine as diesel genset mostly run during down-time or start-up of process. Records of monitoring i.e. <i>Penyata Statistik Penjanaan Persendirian</i>; a monthly report to Energy Commission Monitored efficiency of generation and consumption of both source of power sighted shown as following:</p> <table border="1" data-bbox="981 683 1809 970"> <thead> <tr> <th>Power source</th> <th>Capacity</th> <th>Average monthly generation & consumption</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Diesel genset</td> <td>300 kW</td> <td>300 kWh</td> <td>0.20%</td> </tr> <tr> <td>Steam turbine 1</td> <td>1,000 kW</td> <td rowspan="2">148,340 kWh (alternate operation)</td> <td rowspan="2">99.80%</td> </tr> <tr> <td>Steam turbine 2</td> <td>800 kW</td> </tr> <tr> <td>Total</td> <td>2,200 kW</td> <td>148,640 kWh</td> <td>100%</td> </tr> </tbody> </table> <p>Monitored biomass fuels consumption record for FY 2018 and FY 2019 as of 30/9/2019 sighted as following: Total CPO produced: 11,787.49 mt Total fibre usage: 7,545.14 mt Total shell usage: 1,902.27 mt Total biomass usage/CPO produced = 0.80 Total diesel usage: 13,561.65 mt Total diesel usage/CPO produced = 1.15</p> <p>Sapong Estate SOU 27 Energy Management Action Plan FY 2019: - Create awareness among staff/workers regarding importance of saving electricity</p>	Power source	Capacity	Average monthly generation & consumption	Ratio	Diesel genset	300 kW	300 kWh	0.20%	Steam turbine 1	1,000 kW	148,340 kWh (alternate operation)	99.80%	Steam turbine 2	800 kW	Total	2,200 kW	148,640 kWh	100%	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Do labelling /awareness sticker to switching off the main switch for facilities/equipment after being used or not being used - Replacing the fluorescent lamp into LED lamp which consume less electricity 	
Criterion 5.5:			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Zero open burning policy as per SOP Section B2 -Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. No open burning noted during the field visit and facility visit.	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	Company have policy on no use of fire for land preparation during replanting. During the assessment there were no replanting.	Complied
Criterion 5.6:			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			

Criterion / Indicator		Assessment Findings	Compliance								
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	<p>Assessment of all polluting activities was conducted under Environmental Aspect Impact for identifying activities that contributes significant impact to environment. Pollution prevention plan FY2019 has been established with the mitigation measures for those activities. Source of pollution from mill processes and related activities in the premise were described as follows:</p> <table border="1"> <thead> <tr> <th>Mill Processes/Activity</th> <th>Source of pollution</th> </tr> </thead> <tbody> <tr> <td>Boiler and genset operation</td> <td>Clinkers @ soot, smoke and particulate emission</td> </tr> <tr> <td>POME (palm oil mill effluent)</td> <td>POME liquor and solid</td> </tr> <tr> <td>Composting</td> <td>Composting leachate</td> </tr> </tbody> </table>	Mill Processes/Activity	Source of pollution	Boiler and genset operation	Clinkers @ soot, smoke and particulate emission	POME (palm oil mill effluent)	POME liquor and solid	Composting	Composting leachate	Complied
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Boiler and genset operation	Clinkers @ soot, smoke and particulate emission										
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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	Significant pollutants and greenhouse gas (GHG) emissions were identified includes methane from effluent, smoke and fertilizer usage have been documented. It was noted that the PSQM Department from HQ have established plans for implementation and monitoring of GHG emissions.	Complied								

Criterion / Indicator	Assessment Findings	Compliance	
5.6.3	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p>	<p>Monitoring done by SAHEN Engineering Sdn. Bhd. as following:</p> <ul style="list-style-type: none"> - Dust Emission Monitoring Report – Chimney # 1 KKS Melalap; Report ref. # SAHEN/Melalap-01/19-01; Date: 7/3/2019; Source of identification: Chimney # 1, SB PMD 2092. Result of dust emission load: 0.2064 g/Nm³ @ 12% CO₂. Previous monitoring was conducted on 21/11/2018 with result of dust emission load: 0.1750 g/Nm³ @ 12% CO₂. - Dust Emission Monitoring Report – Chimney # 2 KKS Melalap; Report ref. # SAHEN/Melalap-02/19-01; Date: 5/3/2019; Source of identification: Chimney # 2, SB PMD 2868. Result of dust emission load: 0.2060 g/Nm³ @ 12% CO₂. Previous monitoring was conducted on 21/11/2018 with result of dust emission load: 0.1750 g/Nm³ @ 12% CO₂. 	Complied
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</p>			
<p>Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	<p>Social Impact Assessment has been carried out on 19-21.05.2015 by Social & Environment Projects Unit, PSQM Department for SOU 27 Melalap complex which covered Melalap POM, Melalap Estate and Sapong Estate. The objectives of the assessment is to identify the existing social issues and to develop management plan for respective studied area. Methodology of the assessment was through interviewed, site observation and reviewed of documentation. Stakeholders such as local communities, government authorities and contractors have participated in the assessment process.</p> <p>However, sighted social impacts identified in a participatory way, and plans to mitigate the negative impacts not fully documented in SIA report. i.e. Social issues presence related to worker's dependents was not fully identified in the SIA assessment (refer SIA report 19-21 May 2015 & Sapong Estate action plan review dated 28 August 2019) Thus, major non-compliance raised.</p>	Major nonconformance
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	<p>List of Attendance dated 20.05.2015 (Melalap Estate), 19.05.2015 (Melalap POM) & 21.05.2015 (Sapong Estate) of the relevant stakeholders that participated in the assessment sighted where stakeholder such as local communities, contractors and government authorities have been involved / participated in the assessment process. The SIA report sighted that covers the feedback from stakeholders and issue of concern raised.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
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 -	Action plan developed for avoidance and mitigation of negative impacts and monitoring of the impacts identified, through participation / consultation with affected parties and documented in the action Plan Social Impact Assessment Melalap Estate & POM. Last review sighted done on 04.09.2019, which includes issues as raised through the internal & external complain logbook and SPIEU meeting. The action plan has included the action to be taken, person in charge and the time frame. Positive impacts have been promoted and mitigation of negative issues were recorded in the plan. Issues identified were progressively made and completed such as repair of gravity pipe as requested by the village representatives, use of SDPB entrance to delivery and transport villager’s farming crops, repair of drainage, etc. For Sapong Estate, the last review is conducted annually and last done on 28.08.2019. that covers issues identified through the stakeholder meeting such as stray dogs, road repair @ kg laman sentang, etc.	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 social action plan was reviewed on yearly basis and the last review was conducted on 04.09.2019 in Melalap POM and Melalap Estate, 28.08.2019 in Sapong Estate.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	There is no smallholder scheme involved in the certification unit.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			

Criterion / Indicator		Assessment Findings	Compliance
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Documented procedure in place as per Standard Operation Manual (SOM). Procedure for External Communication, Appendix 5.5.3.2, Version 2, Year 2015, Issue 0, Issue date: 25.05.2015. The purpose of the procedure is to put in place a system to effectively communicate with external & internal interested parties, and adopting to the time frame providing feedback within two weeks from the date of receipt of communication and within one week of the completion of the investigation.</p> <p>Melalap Estate has maintained the Internal and External Complaint Book that details the communication and complaints received from both internal and external interested parties. Records sighted dated 19.08.2019 where request for repair of pipe, drainage and opening gate for village usage. Sapong Estate has maintained the internal and external communication through 2 documented file; i.e. RSPO/MSO CSR that contain all communication, request for information and complains & Laporan Kerosakan Electric and Perumahan Pekerja. Latest records sighted includes dated 17.02.2019, request to repair and maintenance of religious class and 03.09.2019 and request for repair of workers house lighting.</p>	Complied
6.2.2	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>Management official responsible for handling issues related to social is nominated to representative from each site as listed below.</p> <ul style="list-style-type: none"> - Appointment Letter dated 10.07.2018; Senior Assistant Manager of Melalap Estate – Mr. Muhamad Shahid Bin Mohd Shahir appointed by the Senior Manager as the responsible person for social in Melalap Estate. - Appointment Letter dated 27.08.2018; Senior Assistant Manager of Sapong Estate – Mr. Mohd Farid Bin Mohd Sharip appointed by the Senior Manager as the responsible person for social issue in Sapong Estate - Appointment Letter dated 01.01.2019 sighted. Mill Assistant II – Mr. Izzul Fahmi Bin Azuddin is appointed by the Mill Manager as the responsible person for social issue in Melalap POM. 	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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 -</p>	<p>Stakeholder list is in place, maintained by the mill and estate and updated as listed below. The stakeholder list covers external interested parties from school, government agencies / authorities, local heads community, contractor, suppliers, etc.</p> <p>Melalap Estate updated on 19.09.2019, Sapong Estate dated September 2019 and Melalap POM dated 06.08.2019.</p> <p>A combine stakeholder meeting for Melalap POM and Melalap Estate was carried out on 19.08.2019 with the participation of stakeholders such as local communities, government authorities, contractors and internal workers. No issue was reported during the meeting. The stakeholders have expressed their gratitude to the management for the kind support and assistance. Meeting minutes was sighted. The stakeholders have made requests to the management and the requests have been incorporated into action plan and actions have been taken accordingly.</p> <p>Stakeholder meeting for Sapong Estate sighted being last carried out dated on 26.08.2019 and participated by 14 stakeholders from local communities, village representative, school, supplier, contractor and government agency.</p>	<p>Complied</p>
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>		
<p>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 -</p>	<p>Sime Darby Plantation Berhad has implemented Flowchart and Procedure on Handling Social Issues, version 1 and dated 1/11/2008. Initial negotiation between the management and the dispute parties should be taken within two weeks after outbreak of issue. Details of the process were outlined in the flowchart and negotiation process is required if needed.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	<p>Melalap POM has implemented Complaint/ Suggestion Form for Internal and External (Borang Cadangan Penambahbaikan di KKD Melalap) to record any complaints by the internal and external stakeholders. Most of the documented suggestion were related to request for activities, request for information and and clarification, housing repair, etc.. The suggestion & complains have been responded and rectified accordingly. The complainant acknowledged on the complaint form once the issue has been resolved. Besides, stakeholders will lodge complaint during stakeholder meeting if there is any issue or through the 'Stakeholder-PCO/Supplier/Contractor/DLL' logbook located outside the office area.</p> <p>Complaint on Electricity and Defect of Housing logbook was implemented in Sapong Estate to record any defects related to housing by the internal workers. Sampled of the complaint and evidence of action taken as below: a. House No.: A78 dated 13/8/2018 Issue: Light bulbs in the house were not function. Action: The management has replaced the light bulbs on 14/8/2018 and seen the tax invoice # IV-15345 dated 20/7/2018 for the purchased of light bulbs.</p>	Complied
<p>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</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 -	Sime Darby Plantation Berhad has developed Flowchart and Procedures on Handling Land Disputes, version 2 and issue date: 1/11/2008 – Procedures for Handling boundaries Disputes & Procedure for Handling Squatters Disputes. 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.	Complied

Criterion / Indicator	Assessment Findings	Compliance
6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>- Minor compliance -</p>	<p>SOP as per indicator 6.4.1.</p> <p>Complied</p>
6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance -</p>	<p>No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the local communities. Boundary stone and trenches were available to demarcate the boundary of land.</p> <p>Complied</p>
<p>Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		

<p>6.5.1</p>	<p>Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>Estates and Mill employed local and foreign workers (mainly from Philippines and Indonesia) that is hired based on permanent employment basis. They are paid with minimum wage based on piece rated, daily rates and monthly rated according to the task they assigned to. Workers are paid once a month, before 7th day of the month and provided with payslip, that details their monthly earned wage, deduction, allowance, overtime pay and rate of pay. Payslip, attendance record for January, June and August 2019 was sampled based on the crop summary as below</p> <p>Melalap Estate</p> <table border="0"> <tr> <td>Emp. No.: 33553</td> <td>Emp. No.: 33582</td> <td>Emp. No.: 72981</td> </tr> <tr> <td>Emp. No.: 33496</td> <td>Emp. No.: 68853</td> <td>Emp. No.: 72222</td> </tr> <tr> <td>Emp. No.: 85510</td> <td>Emp. No.: 85511</td> <td>Emp. No.: 116800</td> </tr> <tr> <td>Emp. No.: 151652</td> <td>Emp. No.: 152132</td> <td></td> </tr> </table> <p>Sapong Estate</p> <table border="0"> <tr> <td>Emp. No.: 74494</td> <td>Emp. No.: 143370</td> <td>Emp. No.: 143124</td> </tr> <tr> <td>Emp. No.: 99325</td> <td>Emp. No.: 33822</td> <td>Emp. No.: 138956</td> </tr> </table> <p>Melalap POM</p> <table border="0"> <tr> <td>Emp. No.: 34811</td> <td>Emp. No.: 76964</td> <td>Emp. No.: 126276</td> </tr> <tr> <td>Emp. No.: 143783</td> <td>Emp. No.: 134050</td> <td>Emp. No.: 147900</td> </tr> <tr> <td>Emp. No.: 148458</td> <td>Emp. No.: 114378</td> <td>Emp. No.: 126197</td> </tr> <tr> <td>Emp. No.: 133180</td> <td></td> <td></td> </tr> </table> <p>Deduction applied to worker's salary are statutory deduction such as Employee Provident Fund, SOSCO and Employment Insurance Scheme. Other deduction as per worker's request are Union fee, electricity & advance pay. Written approval obtained from the labor office for such deduction sighted as per letter series no.: 600-1/2/12/1(11/TNM/2018-0139) that is valid from 24.04.2018 until 23.04.2020 for Melalap Estate and series no.: 600-1/2/12/2(11/TNM/2018-0141) that is valid from 24.04.2018 until</p>	Emp. No.: 33553	Emp. No.: 33582	Emp. No.: 72981	Emp. No.: 33496	Emp. No.: 68853	Emp. No.: 72222	Emp. No.: 85510	Emp. No.: 85511	Emp. No.: 116800	Emp. No.: 151652	Emp. No.: 152132		Emp. No.: 74494	Emp. No.: 143370	Emp. No.: 143124	Emp. No.: 99325	Emp. No.: 33822	Emp. No.: 138956	Emp. No.: 34811	Emp. No.: 76964	Emp. No.: 126276	Emp. No.: 143783	Emp. No.: 134050	Emp. No.: 147900	Emp. No.: 148458	Emp. No.: 114378	Emp. No.: 126197	Emp. No.: 133180			<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>23.04.2020 for Sapong Estate and Series no.: 600-1/2/12/1(11/TNM/2018-0138) that is valid from 24.04.2018 to 23.04.2020 for Melalap POM.</p> <p>EPF, EIS and SOCSO contributions from both, the employer and employee sighted being performed according to the legal mandated requirement and submitted to the local authority promptly.</p> <p>Melalap Estate EPF account – 3000591 Melalap Estate SOCSO account – F9400000077F Sapong Estate EPF account – 3000346 Sapong Estate SOCSO account – F940000061W Melalap POM EPF account – 601615754 Melalap POM SOCSO account – F9400003231Z</p>	
6.5.2	<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 a copy of the contract is made available to them. Employment contracts for all the sampled as listed in 6.5.1 reviewed.</p> <p>For foreign workers, their contracts are issued in dual language at Sapong Estate; English and foreign language. Although Melalap Estate contract sighted in English, however the condition of the contracts are explained to them by the management during the orientation training.</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract.</p>	Complied

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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 –	Housing is provided to workers that is equipped with basic amenities including water supplied through gravity flow water from river and electrical supply by SESB – Sabah Energy Sdn Bhd, that is charged to workers on monthly basis. Line site inspection found carried out on weekly basis by nominated responsible person for Melalap POM and Melalap estates (i.e. Medical Assistant); and documented in "Housing Complex/ Nest/ Community Hall Inspections" form. Seen the inspection report which is consistently being carried out on weekly basis. Each individual report generated by the inspector represent all the houses available. Inspection report sighted and last conducted on 27.09.2019.	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 –	Interviewed with the workers confirmed that they are easily access to adequate and affordable foods. There are sundry shops in the estates' compound and price was displayed at the goods and foods.	Complied
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Sime Darby Plantation Berhad has implemented Social Policy dated January 2015 in local language 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 policy was conducted on 29.08.2019 for workers during muster ground at Melalap Estate, 18.09.2019 at Sapong Estate & 15.08.2019 for workers in Melalap POM. Besides, policy is displayed at the notice board in office area. Sime Darby Plantation and Sabah Plantation Industry Employees Union (SPIEU) have made a collective agreement for field/ oil palm harvester/ oil mill and other general employees which is valid thru 31.12.2019. The agreement has clearly stated the benefits of the employees such as annual leave, overtime rate, medical leave and allowances.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	SPIEU meeting was carried once a year and the last meeting was carried out on 28.08.2019 between the SOU 27 Melalap managements (Melalap POM, Melalap Estate and Sapong Estate) and the employees representatives. Meeting minutes sighted, attended by 7 management representatives and 11 workers representatives and issue raised during the meeting was recorded in the minutes. Actions to be taken was in progress. Issues sighted includes hospitalization fee, electrical charges by SESB, annual leave entitlement, etc.	Complied
Criterion 6.7: Children are not employed or exploited.			

Criterion / Indicator		Assessment Findings	Compliance
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Documented policy in place as per Polisi Perlindungan Kanak-Kanak (Child Protection Policy) & Polisi Sosial, Para 6 (Social Policy), signed by the Managing Director – Mr. Datuk Franki Anthony Dass dated January 2015. The policy states company’s commitment to protect children and ensuring all hiring of workers is scrutinized to prevent hiring of child labor. Briefing of the policy was conducted on 29.08.2019 for workers during muster ground at Melalap Estate, 18.09.2019 at Sapong Estate & 15.08.2019 for workers in Melalap POM. Besides, policy is displayed at the notice board in office area. Personal files review confirmed that all workers age are verified against government issued photo ID and passport during interview. Employee master list presented confirmed that youngest workers is 18 years old as at time of hiring.	Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Sime Darby Plantation has implemented Social Policy, 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 policy was conducted on 29.08.2019 for workers during muster ground at Melalap Estate, 18.09.2019 at Sapong Estate & 15.08.2019 for workers in Melalap POM. Besides, policy is displayed at the notice board in office area.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	Interviewed with the workers consisted of different nationalities and different gender confirmed that they are treated equally without any discrimination. The workers were provided with standard treatment such as free medical treatment, fair overtime offered to all the workers whoever want to work and free housing to everyone.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	The company has developed General Process – Recruitment of Foreign Workers (Sabah) Procedure. The recruitment process flowchart has clearly stated in the procedure where the recruitment needs to go through approval of authorities, medical fitness and interview with the workers for capabilities requirements. The recruitment / hiring is based on work experience, skill, minimum age, medical fitness and etc. There is no any discrimination based on religion, gender, nationality and etc. during their recruitment.	Complied
Criterion 6.9: 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 -	Documented in Social & Humanity Management Policy, Gender Policy and Social Policy dated January 2015, which states management’s commitment to prevent sexual harassment and other forms of violence against women and to protect their reproductive rights. Policies sighted communicated to all level of workforce during the muster ground session, COBC and gender committee meeting. i.e. Melalap Estate – Gender committee meeting - 06.09.2019, COBC – 12.09.2018, muster ground – 29.08.2019 18.09.2019 at Sapong Estate & 15.08.2019 for workers in Melalap POM. Besides, policy is displayed at the notice board in office area.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	As per Social & Humanity Management Policy, signed by the MD dated January 2015, that states company's commitment in preventing sexual harassment and other forms of violence against women and protect their reproductive rights. The policies sighted posted at the main notice board and communicated during the gender committee training.	Complied

<p>6.9.3</p>	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -</p>	<p>Documented reporting mechanism is in place as per "Tatacara Aduan Gangguan Seksual", stated that all the complaints and complainants will be investigate in confidential manner and prohibited any form of retaliation against employees for reporting genuine complaints or providing information about harassment.</p> <p>Gender committee for Melalap Estate established chaired by the Sprayer – Pn. Arbayah Bt Sail, and have conducted 3 meeting throughout the year. Last meeting was held on 06.09.2019 and attended by 9 participants. Meeting minutes (dated 13.02.2019, 06.09.2019 & 24.06.2019) sighted covers discussion on activities such as cooking class, workshop on responding to gender based violence and independent day celebration. Interview with gender committee secretary (Pn. Aridah Julaini) confirmed that no sexual abuse cases raised so far. The meeting held also covers briefing on type of sexual abuse / harassment and how to report the incident if any.</p> <p>Gender Committee for Sapong Estate established chaired by Medical Assistant – Cik Nursyafawani Paul and conduct quarterly meeting. Last meeting was found held on 16.07.2019 with total of 25 participants. Sighted meeting minutes which also discussed about activities organized and briefing on company rule and policies. No harassment or sexual abuse cases raised so far.</p> <p>Gender committee for Melalap POM established and chaired by Chief Clerk – Miss Alice Seleng. Meeting held every quarterly; last meeting was found conducted on 27.07.2019 with total of 8 participants. Meeting minutes sighted, which include discussion pertaining to refreshment on sexual harassment policy briefing, method of reporting, maternity leave entitlement, sport activities and female work safety. Interview with the chairperson confirmed that there is no sexual harassment / abuse issue raised so far and they are aware of the method of reporting.</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Melalap POM receives outsider FFB from smallholders. Sighted the FFB price clearly displayed at the notice board next to the weight bridge station as MYR17.78/MT for month of September 2019 and RM17.48/MT for month of August 2019. Price displayed applies to all the smallholders consistently as evidenced in the weight bridge ticket & payment ticket.	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 -	10 independent smallholder found supply FFB to Melalap POM. Sighted Agreement of the smallholder which cover the pricing calculation mechanism at Third Schedule. - Agr No.: P/G/0119/FFB01368L (EHK Enterprise) valid thru 31.12.2019 - Agr No.: P/G/0119/FFB01367L (Ldg Paal) valid thru 31.12.2019 - Agr No.: P/G/0119/FFB01436L (Ldg Cepat KPD) valid thru 31.12.2019 - Agr No.: P/G/0119/FFB01394L (Wong Millennium) valid thru 31.12.2019 - Agr No.: P/G/0119/FFB01366L (Yong Kee Chiang) valid thru 31.12.2019 - Agr No.: P/G/0119/FFB01372L (Goh Plantation) valid thru 31.12.2019 - Agr No.: P/G/0110/FFB01369L (Johan Sawit) valid thru 31.12.2019 - Agr No.: P/G/0110/FFB01365L (Nge Wa Hwa) valid thru 31.12.2019 - Agr No.: P/G/0110/FFB01370L (JN Agri) valid thru 31.12.2019 - Agr No.: P/G/0110/FFB01371L (EK Hong Agri) valid thru 31.12.2019 The price of FFB paid to smallholders is in accordance with the price determined by MPOB.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<p>6.10.3</p>	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>Sampled contract made between Melalap Estate and FFB transport and immature work/planting contractor.</p> <ul style="list-style-type: none"> - Memorandum of Agreement with immature work / planting contractor – Tamin Budiman, dated 01.07.2019 valid thru 31.12.2019. - Agreement with FFB Transporter – Pemborong Ajuta, dated 01.11.2016 valid thru 31.10.2019. Payment term stated at para 5.3 – 30 days terms upon receipt of the invoice. <p>Sighted as well 10 contracts made with FFB independent smallholder as quoted in 6.10.2 and 2 contracts made with service provider / vendor as listed below which clearly states the payment terms, etc.</p> <ul style="list-style-type: none"> - Ref. MLM/OPEX/21081206/BY2019 dated 0102.2019 for Grass Cutting service with Shim Enterprise, valid thru 01.02.2020 - Ref. SOU27/Melalap Mill/Rental Machine /2019/01dated 028.02.2019 for Rental of Heavy Machineries that is valid thru 01.03.2020. <p>Presented contracts covers the terms of condition, payment term, period of contract validity, etc. and acknowledged by both the contractor and Sime Darby.</p> <p>Sample external FFB supplier (OCP) purchase agreements with Melalap POM sighted as following:</p> <ul style="list-style-type: none"> - Agreement # P/G/0119/FFB01368L between Guthrie Industries (Malaysia) Sdn. Bhd. (Melalap POM) and EHK Enterprise (Collection Centre); Effective date: 1/1/2019; Completion date: 31/12/2019 - Agreement # P/G/0119/FFB01367L between Guthrie Industries (Malaysia) Sdn. Bhd. (Melalap POM) and Ladang Paal Sdn. Bhd. (Smallholder); Effective date: 1/1/2019; Completion date: 31/12/2019 	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	<p>As per contract and payment records, all invoices issued by the selected contractor found paid accordingly within the same month for Melalap and Spong Estates.</p> <p>Tamin Budiman</p> <ul style="list-style-type: none"> - Inv.: MLE2019-08, date 31.08.2019, Payment voucher: 1600000886. Payment made on 06.09.2019. - Inv.: MLE2019-07, date 31.07.2019, payment voucher: 1600000798, payment made on 08.08.2019 - Inv. : MLE2019-09, date 30.09.2019, payment voucher: 1600000989, payment made on 08.10.2019 <p>Pemborong Ajuta</p> <ul style="list-style-type: none"> - Inv: IV-00616 & 615, date: 30.09.2019, payment voucher: 1600000984, payment made on 08.10.2019 - Inv.: IV-00590 589, date: 31.07.2019, payment voucher: 1600000793 payment made on 08.08.2019. <p>A per contract for FFB supplier; they are paid on weekly basis as per the agreement</p> <ul style="list-style-type: none"> - Inv. No: G/ADVCH-11423, dated 11.09.2019, Payment ref: 8400000241 payment date: 19.09.2019 - Inv. No.: G/ADVCH-11565, dated 17.09.2019, Payment ref: 8400000248 payment date: 26.09.2019 - Inv. No.: G/ADVCH-11628, dated 23.09.2019, Payment ref: 8400000261 payment date: 03.10.2019. <p>Stakeholder Consultation conducted on the 2nd day of the audit, which is participated by suppliers and contractors confirmed that their payment are made promptly in between 7~8th of the month.</p>	<p>Complied</p>
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</p>		

Criterion / Indicator		Assessment Findings	Compliance
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	<p>Contribution to local development are based on request received from time of time as well as results of consultation with local stakeholder / communities. Sapong Estate has maintained a documented RSPO CSR file that contains all request and communication received from the stakeholder and local communities. Sighted records and evidence of action taken: e.g. 17.02.2019 – request for maintenance of Al-Quran and Fardhu Ain class by JAKIM (evidence of work carried as per Purchase Requisition Serial No. 003252, 53 and 57 & Delivery order no. : 25245) & 08.02.2019 - request donation for funeral and wake of worker’s family. Other activities supported includes participation of job search event organized by the Tenom labor office dated 09.03.2019, blood donation program dated 17.06.2019 and football friendly match dated 01.08.2018.</p> <p>Melalap POM has maintained communication file with all external stakeholder communication and request, including CSR activities. Activities sighted includes participation of Melalap Mill representative in school invitations, contribution of remembrance plaque to school, lending of backhoe & lever block to workers, etc.</p> <p>Stakeholder consultation conducted during the audit with participation by village representative, workers representative, supplier, contractor, church representative, etc. confirmed that majority of the request made is responded and implemented by Sime Darby. E.g. Contribution such as lending heavy equipment/vehicles and monetary</p>	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 is no scheme smallholders involved in the certification unit.	Not applicable
<p>Criterion 6.12: No forms of forced or trafficked labour are used.</p>			

<p>6.12.1</p>	<p>There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -</p>	<p>Sime Darby Plantation does employ migrant / foreign workers from Philippines and Indonesian, and local workers from various area. These employees are found 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. Passport of foreign workers were found kept by the estate management in some cases if it is requested by the worker for security purposes, while others may have their passport kept at their own responsibility. Workers may request for passport at anytime by completing the "Borang Passport 1 – Borang Pengambilan Passport" or get an assistance from the office personnel. Passport handling process is documented in 'Prosedur Pengendalian Passport Pekerja Asing', Version 1, dated 01.07.2017. "Consent for Passport Safekeeping" is in place for foreign workers that choose to surrender them to estate management for safe-keeping purposes.</p> <p>Melalap Estate Emp. No.: 33346, visit permit: PE6999461, expiring on 07.10.2020, special pass Ref. : PLS/BVP/PLS/12161-59, valid thru 07.10.2020 Emp. No.: 0072222, work permit: PE7468627, expiring on 24.02.2020 Emp. No.: 1168000, work permit: PE6999392, expiring on 02.09.2020 However, sighted expired permit as at time of audit, where evidence sighted estate Chief Clerk is seeking for renewal; pending for payment. Emp. No.: 68853, work permit: PE0651953, expired on 04.10.2019 Emp. No.: 85510, work permit: PE0651954, expired on 04.10.2019 Emp. No.: 85511, work permit: PE0651956, expired on 04.10.2019 Noted as well, 10 migrant workers from Indonesia found worked more than 10 years period but obtained approval from immigration to reduced the cooling off period based on approval letter Ref.: IM.101/SD-UBA/1130/489()17 dated 30.11.2018. Emp. No.: 149856, 149860, 149861, 149862, 149863, 149864, exp.: 04.04.2019</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<p>154407, PE0651484, expired on 26.09.2019, 154408, PE0652281, expired on 10.11.2019, 154409, PE0651848, expired on 10.08.2019 154410, PE0651488, expired on 26.09.2019 154411, PE0651490, expired on 26.09.2019 (Refer to 2.1.3)</p> <p>Sapong Estate Emp. No.: 074494, PE6999000, expired on 08.03.2020 Emp. No.: 099325, PE6999437, expired on 19.08.2020 Emp. No.: 143370, PE6998345, expired on 20.03.2020 Emp. No.: 143124, PE6998341, expired on 20.03.2020</p> <p>Workers interview confirmed that there is no form of forced labour practised; all additional work hours (Overtime) are based on voluntary basis and workers may choose to refuse without being penalized.</p>	
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	Interviewed with the workers confirmed that no contract substitution reported. The job and terms & conditions offered in their home country was similar when they arrived in Malaysia.	Complied

Criterion / Indicator	Assessment Findings	Compliance
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Visit to operating units as following shown that some temporary or casual workers were employed as following: - Melalap Estate contractor’s (Tamin Budiman) workers - Melalap POM heavy machineries rental vendor’s (Entabuan Quarry) workers - Melalap POM retrofit of existing loading ramp contractor's (Kian Da Enterprise Sdn Bhd) workers - Melalap POM erection of ESP system contractor's (FCS Engineering Construction) workers - Melalap POM grass cutting contractor's (Shim Enterprise) workers However, no special labour category, policy and procedures were established and implemented for temporary and/or migrant workers employed by the mill and estate including of their contractors/vendors. Hence, a Major noncompliance has been raised on the matter.	Major nonconformance
Criterion 6.13: Growers and millers respect human rights.		
6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The 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 policy was conducted on 29.08.2019 for workers during muster ground at Melalap Estate, 18.09.2019 at Sapong Estate & 15.08.2019 for workers in Melalap POM. Besides, policy is displayed at the notice board in office area.	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.	No HUMANA school in the estates due to minimal number of children. However, Melalap Estate has established a study area for the children of local and foreign workers to attend classes. Interviewed with the teacher confirmed that all the fees are free and she was teaching basic knowledge to the children.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Principle 7: Responsible development of new plantings			
<p>Melalap Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment. The immature areas are replanted area.</p>			
Principle 8: Commitment to continual improvement in key areas of activity			
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			
<p>8.1.1</p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Continuous improvements effort through consistent implementation of RSPO were evidence within Melalap SOU. These including the IPM program, Pollution Prevention Plan, Social Management Plan and etc. implemented at each operating units as evidence. As sample, a project i.e. the Installation of Dust Collector System (Electrostatic Precipitator) under Capital Expenditure which was approved in 2017. Sime Darby has awarded the project to VT Corp Pvt. Ltd. As per Letter of Acceptance (LOA) Ref. # M2017/M203/00000144//Q2017/M203/00004302 dated 10/10/2018 Title: Design, Fabricate, Deliver, Install, Test, Commission And Guarantee For Twelve (12) Months, An Electrostatic Precipitators (ESP) Dust Collector System That Meets The Requirement Of Environmental Quality (Clean Air) Regulation 2014 For Biomass Boiler At KKS Melalap; Contract # ED/994/512/16-17/SP.</p>	<p>Complied</p>

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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 '11	6-Jul-21	CU-RSPO-815147, 18502206 001, 824 502 14020, MUTU – RSPO/091	N.A
11	Kerdau	Temerloh, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-819155, 18502207 001, 824 502 14019, MUTU-RSPO/094	N.A
12	Jabor	Kuantan, Pahang	7 Jul '11	6-Jul-21	CU-RSPO-819156, RSPO 928288, 824 502 16049, MUTU-RSPO/092	N.A
13	Labu	Nilai, Negeri Sembilan	30 Dec '11	29-Dec-21	CU-RSPO-855480	N.A
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May '10	18-May-20	RSPO 541905	

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

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SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
32	Rajawali	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819167, RSPO 0020	N.A
33	Derawan	Bintulu, Sarawak	30 Dec '11	29-Dec-21	CU-RSPO-819169, RSPO 0019	N.A
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

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NO	Name of PT	Name of Mill	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16-Mar-12	19-Nov-22	MUTU-RSPO/017	N.A
12	PT LAGUNA MANDIRI	RANTAU	Sungai Durian, Kotabaru, Kalimantan Selatan	30-Dec-11	30-Dec-16	MUTU-RSPO/009	N.A
13		BETUNG		1-April-14	1-April-19	MUTU-RSPO/035	
14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23-Nov-10	22-Nov-20	MUTU-RSPO/001	N.A
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16-Mar-12	15-Mar-17	MUTU-RSPO/015	Cert. discontinued – supply bases extended to Rantau POM
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11-Sep-12	28-Nov-22	MUTU-RSPO/020	N.A
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9-Sep-16	8-Sep-21	MUTU-RSPO/004	N.A
18	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	01-Dec-16	30-Nov-21	MUTU-RSPO/008	N.A
19		MANDAH		1 April 2014	1 April 2019	MUTU-RSPO/036	
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	8-Dec-16	7-Dec-21	MUTU-RSPO/007	N.A
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10-Jul-12	28-Dec-22	MUTU-RSPO/018	N.A
22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18-Jul-16	17-Jul-21	MUTU-RSPO/088	N.A
23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3-May-13	3-May-18	MUTU-RSPO/026	N.A
24	PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3-Jul-14	2-Jul-19	MUTU-RSPO/044	N.A
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab. Sanggau, Kalimantan Barat	NA	NA	NA	N.A

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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 **2018** for **Melalap 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 **2018** for **Melalap Palm Oil Mill** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.34
PKO	1.34

Extraction	%
OER	21.56
KER	5.20

Production	t/yr
FFB Process	54,838.91
CPO Produced	11,823.27
PKO Produced	2,851.62

Land Use	Ha
OP Planted Area	5,637.64
OP Planted on peat	-
Conservation (forested)	-
Conservation (non-forested)	-
Total	5,637.64

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	34,643.56	0.54	-	-	-	-	34,643.56	0.54
CO ₂ Emission from fertilizer	3,420.24	0.05	-	-	-	-	3,420.24	0.05
NO ₂ Emission	2,640.19	0.04	-	-	-	-	2,640.19	0.04
Fuel Consumption	543.72	0.01	-	-	-	-	543.72	0.01
Peat Oxidation	-	-	-	-	-	-	-	-
Sink								
Crop Sequestration	-32,837.49	-0.51	-	-	-	-	-32,837.49	-0.51
Conservation Sequestration	-	-	-	-	-	-	-	-
Total	8,410.22	0.13	-	-	-	-	8,410.22	0.13

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	18,593.74	0.22
Fuel Consumption	79.42	-
Grid Electricity Utilisation	590.55	0.01
Credit		
Export of Grid Electricity	-	-
Sales of PKS	-	-
Sales of EFB	-	-
Total	19,263.71	0.23

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	5,832.27
PK from other source	-
Fuel Consumptions	-
Total Crusher emissions	-

*This mill has no kernel crusher operation.

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

POME Diverted to Anaerobic Digestion:	
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

5.1 Applicability of the general chain of custody requirements for the supply chain									
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)						
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Sime Darby Plantation headquarter has the physically handle the RSPO Certified Sustainable oil palm products. All trading, contract and sales were managed by Global Trade Marketing department at Sime Darby Plantation, HQ and held the Palm Trace registration number for respective mill (Melalap Oil Mill: RSPO_PO1000000300)	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.	Melalap 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.	Company info available through RSPO IT Platform as following: <table border="1" data-bbox="1142 1013 1870 1173"> <tr> <td>Member Name</td> <td>Melalap Oil Mill</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000000300</td> </tr> <tr> <td>RSPO Membership Number</td> <td>1-0008-04-000-00 (Sime Darby Plantation Berhad)</td> </tr> </table>	Member Name	Melalap Oil Mill	Member ID	RSPO_PO1000000300	RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)	Yes
Member Name	Melalap Oil Mill								
Member ID	RSPO_PO1000000300								
RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)								
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	No processing aids needed and included within Melalap POM scope of certification.	N/A						
5.2 Supply chain model									

5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	The Palm Oil Mill receives and process both certified and non-certified 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.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Melalap Palm Oil Mill is certified with Mass Balance Module.	Yes
5.3. Documented Procedures			
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"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	<p>Procedure for supply chain has been established entitled "Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability" [appendix 15 of the Sustainable Plantation Management System (SPMS)], version 2, issue:5 dated Sept 2018.</p> <p>Among the subjects covered in the procedure are</p> <ul style="list-style-type: none"> • Responsibilities • control of documents & records • delivery of FFB from the estate • receiving FFB at the mill • process monitoring • CPO and PK dispatch • Non-conforming products and/or documents • Product claims • Outsourced contractor • Training • Reclassification of mill's supply chain model • Production volume 	Yes

		<ul style="list-style-type: none"> • Conversion factors • Internal audit • Complaints • Management review 	
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>Among the records included in the procedures are:</p> <ul style="list-style-type: none"> • Weighbridge tickets • Dispatch of CPO/PK – weighbridge ticket, delivery order, shipping document • Daily production report • Record and balance <p>All the records were found to be up-to-date.</p>	Yes
	<ul style="list-style-type: none"> • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization’s procedures for the implementation of this standard. 	<p>Addressed in the SOP for Sustainable Supply Chain and Traceability, clause 4.0. The assigned persons are the Head of Operating Unit where in this case the Mill Manager. Based on interview, the person in-charge was able to demonstrate the implementation of their procedures in accordance to the standard requirements. The mill assistant is appointed as person in charge to assist head of operating unit to monitor RSPO SCC implementation. Refer to letter dated 8/8/19.</p>	Yes
5.3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	<p>Addressed in the SOP for Sustainable Supply Chain and Traceability, clause 17.0. Based on the procedure, the internal audit is to be conducted annually in accordance to Internal Audit Procedure (SD/SDP/PSQM/IAP).</p>	Yes
	<p>ii) effectively implements and maintains the standard requirements within its organization</p>	<p>Internal audit for supply chain was last conducted on 18/9/2019 by 2 internal auditor sourced from other department (PSQM). There were 4 NCs and 3 OFIs raised as the results of the audit. All NCs were closed out on 4/10/19.</p>	Yes
5.4. Purchasing and goods in			

5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<p>When FFB delivered to the mill from the estates, the transporters presented Delivery Order (DO) to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g. of information available in the DO is as follows:</p> <ul style="list-style-type: none"> • Consignment note no. • Estate’s names • Date & time of delivery • Field No. • No. of bunches • Vehicle no. • Seal no. <p>E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> • Weighbridge ticket no.: • Name of estates • Field No. • Name of driver • Vehicle no. • Date & time in/out • Total bunches • Seal no. • Net weight 	Yes
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	The information was available in various documents such as delivery order and weighbridge tickets.	Yes
	<ul style="list-style-type: none"> • The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall 	The mill has a list of certified FFB suppliers which has the information about certificate number and validity period. This is applied to both second and third party FFB suppliers	Yes

	include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance.	[ref.: clause 7.2 of SOP for Sustainable Supply Chain and Traceability]	
	<ul style="list-style-type: none"> A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. 	A check of the validity of supply chain certification of supplier is done via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org).	Yes
	<ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. 	NA – this part is applicable for supply chain actor after refinery.	Yes
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Addressed in the SOP clause 10.0 Non-conforming Products and/or Documents. Based on the procedure, where there is contamination of RSPO certified material during receiving, processing, storage and dispatch, the mill shall downgrade the materials in such order: IP to MB to conventional.	Yes
5.5. Outsourcing activities			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	Ref.: Agreement between Sime Darby Plantation Bhd and Pengangkutan Bumi Sdn Bhd, with effective date 1/11/17 until 31/10/20. Requirement to adhere to RSPO Supply Chain Standard is stated in clause 3 Sustainability and Traceability of Product.	Yes

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

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	<ul style="list-style-type: none"> The loading or shipment/ delivery date; The date on which the documents were issued; A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); The quantity of the products delivered; Any related transport documentation; Supply chain certificate number of the seller; A unique identification number 	<ul style="list-style-type: none"> Buyer: Lahad Datu Edible Oils Sdn. Bhd.; Sales order: 171188; Contract # S/GGM/1907/CPO0038; Date: 23/7/2019; Commodity: Crude Palm Oil; Quantity: 110mt Buyer: KLK Premier Oils Sdn. Bhd.; Sales order: 170538; Contract # S/GGM/1907/CPO0036; Date: 8/7/2019; Commodity: Crude Palm Oil; Quantity: 500mt <p>PK MB (certified)</p> <ul style="list-style-type: none"> Buyer: Sandakan Edible Oils Sdn. Bhd.; Sales order: 171599; Contract # S/GGM/1908/RMPKO0039; Date: 29/7/2019; Commodity: RSPO Mass Balance Palm Kernel; Quantity: 250mt <p>PK (uncertified)</p> <ul style="list-style-type: none"> Buyer: KLK Premier Oils Sdn. Bhd.; Sales order: 170692; Contract # S/GGM/1907/PK0037; Date: 11/7/2019; Commodity: Palm Kernel; Quantity: 100mt 	
	<ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>A complete and detail information were presented in the transaction documents as per following:</p> <p>Sample dispatch of CPO (Conventional):</p> <ul style="list-style-type: none"> Buyer: Sandakan Edible Oils Sdn. Bhd.; W/bridge ticket # 006462; Date: 20/9/2019; DO # 3748; Nett weight: 31,350kg; Vehicle # SMA7128 <p>Sample dispatch of CSPK (Certified):</p> <ul style="list-style-type: none"> Buyer: Sandakan Edible Oils Sdn. Bhd.; W/bridge ticket # 006458; Date: 12/9/2019; DO # 3747; Nett weight: 33,780kg; Vehicle # SMA7128 	<p>Yes</p>
	<ul style="list-style-type: none"> For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements 	<p>Based on the SOP for Sustainability Supply Chain and Traceability; Version 2; Issue # 5; Dated April 2019, Clause</p>	<p>Yes</p>

	/ 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.	10.4 specified that Global Trading (GT) shall make necessary transactions of RSPO certified CPO and PK in the RSPO IT Platform per shipment or group shipments or the book and claim system (RSPO credits). The declaration time to do Shipping Announcement is at least within three-month period after the shipment or within the duration agreed by Mill's respective customers/buyers.	
5.7. Registration of transactions			
5.7.1	Supply chain actors who: <ul style="list-style-type: none"> are mills, traders, crushers and refineries and; take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	The registration of PalmTrace was carried out by the HQ Sales Department based in Ara Damansara, KL. All transactions were registered accordingly in the PalmTrace.	Yes
5.7.2	The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	Based on the announcement summary, all the registrations were found to be in order.	Yes
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. 	Not applicable. Products are not sold beyond refinery.	Not Applicable

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	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	Based on the accounting (Mass Balance Allocation Sheet), the removal of volumes was done correctly when the products were sold as conventional.	Yes
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	Based on the announcement summary, all the confirmations were found to be in order.	Yes
5.8. Training			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	Training plan for 2019/2020 were available which training for RSPO Supply Chain has been included.	Yes
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	<p>Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation such as Assistant Managers, staff and weighbridge operators.</p> <p>The latest RSPO training was carried out on 17/9/2019 attended by operating units representative. The refresher training was given by PSQM personnel from HQ. Latest RSPO training was carried out in 2018; RSPO SCCS and Mass Balance for CPO transporter, Pengangkutan Bumi Sdn Bhd on 2/5/19. Operation manager from was invited for training.</p>	Yes
5.9. Record Keeping			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible.	Yes
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	As spelt out in its supply chain procedure, Clause 5.4, records are to be maintained minimum of two years.	Yes

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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.	Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and noncertified products. Mass Balance Sheet for year 2019 from January 2019 to September 2019 available accordingly.	N/A
5.10. Conversion factors			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.	Conversion factor of CPO and PK production is depending on the actual OER and KER. Previous period under review's average were reported in earlier section of this report.	Yes
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.	Yes
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Yes
General corporate communications			
4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	No off-product claim made by MelalapPOM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc).	Yes
4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status	Not applicable as no off-product claim made by Melalap POM as to date.	N/A

	<p>b. Display the RSPO web address (www.rspo.org)</p> <p>c. State that the member supports the work of the RSPO</p> <p>d. State the member’s history with regard to the RSPO.</p> <p>e. Use the RSPO trademark to promote its membership of the RSPO.</p> <p>Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text ‘Check our progress at www.rspo.org’ where the link must lead to the member’s profile page.</p>		
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Not applicable as no off-product claim made by Melalap POM as to date.	N/A
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member’s own products.	Not applicable as no off-product claim made by Melalap POM as to date.	Yes
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	No evidence of RSPO corporate logo used by Melalap POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc).	Yes
Business to business communications			
5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Business to business communication was demonstrated via shipping documentation and invoices to the next supply chain actor or buyer.	Yes
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	As per interview with weighbridge operator, she said that the weighbridge ticket will be stated the info i.e: product/commodity with SCC model (Crude Palm Oil RSPO MB) and RSPO certificate number. Verified the documents	Yes

		found that the supply chain model and certificate number were stated on the ticket.	
5.3	<p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <ul style="list-style-type: none"> a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2. 	Melalap POM was not under distributor or wholesaler category. Thus, this requirement is not applicable.	N/A
5.4	<p>A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification.</p> <p>For example, a retailer or food service company may require a breakdown of all palm based ingredients within an end product and the certified status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim.</p>	Business to business communication was demonstrated via shipping documentation and invoices to the next supply chain actor or buyer.	n/A
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as ‘product-specific’ claims. Product-specific claims are voluntary.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A

6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A
6.5	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A
6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to	Melalap POM did not use business to consumer communication. Therefore, this requirement was not applicable.	N/A

	ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rspo.org .		
MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES			
Certified oil palm content (IP)			
	For IP, 95% or above of the oil palm content must be RSPO IP-certified.	Melalap POM only use MB supply chain model. Thus, this requirement was not applicable.	Yes
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	Melalap POM only use MB supply chain model. Thus, this requirement was not applicable.	Yes
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified oil palm products must be covered by the purchase of RSPO Credits of equivalent volume.	Melalap POM only use MB supply chain model. Thus, this requirement was not applicable.	Yes
Labelling and trademark (IP)			
	Members are allowed to use the RSPO label in one of the following ways: a. RSPO trademark which includes the tag 'CERTIFIED' or b. RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch).	Melalap POM only use MB supply chain model. Thus, this requirement was not applicable.	Yes

	In on-pack communications, the RSPO trademark can be printed anywhere on the pack.		
Messaging (IP)			
	<p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org • By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: www.rspo.org • RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. www.rspo.org • Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. www.rspo.org • The entire supply chain is monitored by independent, RSPO-accredited auditors. www.rspo.org • RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. www.rspo.org • References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records. 	Melalap POM only use MB supply chain model. Thus, this requirement was not applicable.	Yes
MODULE B – MASS BALANCE SPECIFIC RULES			
Minimum Mass Balance content (MB)			
	95% or above of the oil palm content must be RSPO MB-certified.	Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.	Yes
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the	Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.	Yes

	requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.		
Labelling and trademark (MB)			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • Surrounded by the text: 'Certified sustainable palm oil'. • The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim. • The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. • Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch). • In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications & Claims document. 	Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.	Yes
Messaging (MB)			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> • [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain. 	Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.	Yes

	<ul style="list-style-type: none"> • The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. • In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed. 		
	<p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <p>Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</p>	<p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p>	<p>Yes</p>
<p>MODULE C – PARTIAL PRODUCT CLAIMS</p>			
	<p>To increase awareness among consumers of the availability of sustainable oil palm products and to help accelerate the uptake, it is permissible to make a claim on product when the percentage of the oil palm content is less than 95% certified, but only when the following conditions have been met:</p> <ul style="list-style-type: none"> • The member making the claim is the end product manufacturer, is an RSPO member and is certified against the RSPO SCCS or is an RSPO retailer member authorized to use the trademark by the RSPO. • At least 50% of the oil palm content has been supplied through an RSPO certified supply chain as IP, SG or MB. • The remainder of the oil palm content that is not RSPO-certified is covered by the purchase of RSPO Credits to an equivalent volume. • The product-specific claim is limited to only the following phrase: 'This product contributes to the production of certified sustainable palm oil'. • The use of the RSPO label with this claim is mandatory and must include the tag '50% MIXED'. No other percentage is allowable within this claim. 	<p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p>	<p>N/A</p>
<p>MODULE D – COMBINED SUPPLY CHAIN MODELS SPECIFIC RULES</p>			

	<p>Where a mixture of inputs supplied through different RSPO supply chain models are present in a product, the following applies:</p> <p>75% IP + 20% SG => 95% SG claim is made 65% SG + 30% MB => 95% MB claim is made 55% MB + 40% B&C => 95% partial product claim can be made 45% SG + 55% B&C < 50% B&C claim can be made</p>	<p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p>	N/A
	<p>Where one supply chain model accounts for 95% of the oil palm content, the claim for this specific model may be made:</p> <p>95% IP + 5% MB => 95% IP IP claim can be made 95% SG + 5% MB => 95% SG SG claim can be made 95% MB + 5% C => 95% MB MB claim can be made</p>	<p>Site only apply MB model and the conventional CPO are downgraded from MB whenever demanded.</p>	N/A
5.12. Complaints			
5.12.1	<p>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	<p>Melalap POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered complaints element. So far, no complaint received.</p>	Yes
5.13. Management Review			
5.13.1	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.</p>	<p>Melalap POM has established SOP for Sustainable Supply Chain and Traceability, Issue No:5, Dated April 2019 which covered management review, which need to be conducted on annually at planned intervals. The management review for Melalap was conducted on 6/6/2019, chaired by the mill manager.</p>	Yes
5.13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. 	<p>The management review for Melalap POM was conducted on 8/8/2019, 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</p>	Yes

	<ul style="list-style-type: none"> • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	actions, Follow-up actions from management reviews, Changes that could affect the management system, Recommendations for improvement.	
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	The management review for Melalap POM was conducted on 8/8/2019, chaired by the mill manager. All the outputs have been discussed accordingly, eg: Improvement of the effectiveness of the management system and its processes and resource needs.	Yes

Appendix E : CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)

E.1 Definition			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
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 rd 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.	Melalap palm oil mill received certified FFB and uncertified FFB. Therefore qualifies for the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	Yes
E.2 Explanation			

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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&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.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.	Yes						
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>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:</p> <table border="1" data-bbox="1126 818 1865 962"> <tr> <td>Member Name</td> <td>Melalap Oil Mill</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000000300</td> </tr> <tr> <td>RSPO Membership Number</td> <td>1-0008-04-000-00 (Sime Darby Plantation Berhad)</td> </tr> </table>	Member Name	Melalap Oil Mill	Member ID	RSPO_PO1000000300	RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)	
Member Name	Melalap Oil Mill								
Member ID	RSPO_PO1000000300								
RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)								
E.3 Documented procedures									
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>Latest written documented procedures for the chain of custody is with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15, version:2, issue: 4 dated September 2018. This developed based on the RSPO SCCS July 2017. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive.</p>	Yes						
	<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</p>	<p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for</p>	Yes						

	able to demonstrate awareness of the site procedures for the implementation of this standard.	and authority over the implementation of these requirements and compliance with all applicable requirements.	
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The receiving and processing certified and non-certified FFBs procedure is addressed in the same procedure mentioned in E.3.1.	Yes
E.4 Purchasing and goods in			
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB. Records verified by internal and external audit. The accompanying documents of incoming FFB from own estate are estate's weighing bridge tickets which has the info about name of estate, RSPO certificate number, weighbridge ticket number, seal number, date of delivery, field number, number of bunches (e.g. C/N#ME 42650, C/N#ME42649). Upon arrival at the mill, the mill issues its weighbridge ticket as confirmation of receipt. The estate's ticket number is recorded in the mill's ticket number. For non-certified third party crop (e.g. supplier Wong Milenium, JN Agriculture), they presents their DO to the mill and mill's issues weighbridge ticket as confirmation of receipt.	Yes
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facility is aware of this procedure. There was no projected overproduction for the period under review.	Yes
E.5 Record keeping			
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.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB. Computerized system in place. Records verified by internal and external audit.	Yes

	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.	Computerized system in place with the delivery deducted accordingly.	Yes
	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.)	Based on verification of MB accounting which the mill opted for three-monthly basis recording, it was found that the certified CPO/PK was always delivered from positive stock. No negative stock recorded at the end of inventory period of 3 month.	Yes

Supply Chain Declaration *(Applicable For Appendix E)*

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Oct 2018-Sept 2019)				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	October 2018	4,294.55	1,017.48	5,312.03
2	November 2018	5,317.22	742.71	6,059.93
3	December 2018	5,572.52	760.81	6,333.33
4	January 2019	6,109.76	1,295.53	7,405.29
5	February 2019	5,529.16	1,965.49	7,494.65
6	March 2019	5,293.92	1,819.24	7,113.16
7	April 2019	5,764.01	866.73	6,630.74
8	May 2019	5,305.63	1,064.20	6,369.83
9	June 2019	4,068.46	780.98	4,849.44
10	July 2019	3,401.71	1,348.08	4,749.79
11	August 2019	2,650.14	1,779.47	4,429.61
12	September 2019	2,519.48	2,226.89	4,746.37
Total		55,826.56	15,667.61	71,494.17

B. Monthly Records of Certified CPO & PK since the last audit (Oct 2018-Sept 2019)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	October 2018	951.67	257.24
2	November 2018	1,124.76	276.87
3	December 2018	1,199.54	278.74
4	January 2019	1,364.64	318.31
5	February 2019	1,166.21	277.84
6	March 2019	1,190.75	333.61
7	April 2019	1,268.05	306.41
8	May 2019	1,178.21	303.61
9	June 2019	881.23	209.93
10	July 2019	749.74	177.91
11	August 2019	582.50	144.17
12	September 2019	535.64	143.61

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Total	12,192.94	3,028.25
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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (Oct 2018-Sept 2019)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	A	TR-221b3cf5-35c0	-	200.00
2	B	TR-221b3cf5-35c0	-	119.00
3	B	TR-30adb3a5-d85a	-	81.00
4	B	TR-a6d6d058-2f1c	-	200.00
5	B	TR-0ce441c1-6b2e	-	43.94
6	B	TR-88f3b3bb-146f	-	148.13
7	B	TR-298463af-2fba	-	7.93
8	B	TR-167f2e2c-fb35	-	198.98
9	B	TR-a9982339-be3b	-	1.02
10	B	TR-934d3cd1-2ab1	-	177.06
11	B	TR-8bdd4996-cfe9	-	22.94
12	B	TR-6f4cfef6-97c8	-	246.42
13	B	TR-432817dc-41ad	-	3.58
14	B	TR-27d591ac-a2e1	-	233.95
15	B	TR-162e88e7-7779	-	16.05
16	B	TR-06f9458e-0a03	-	225.46
Total			-	1,925.46

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (Oct 2018-Sept 2019)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
Nil	N/A	N/A	N/A	N/A

E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (Oct 2018-Sept 2019)			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
1	A	11,292.56	1,050.00
Total		11,292.56	1,050.00

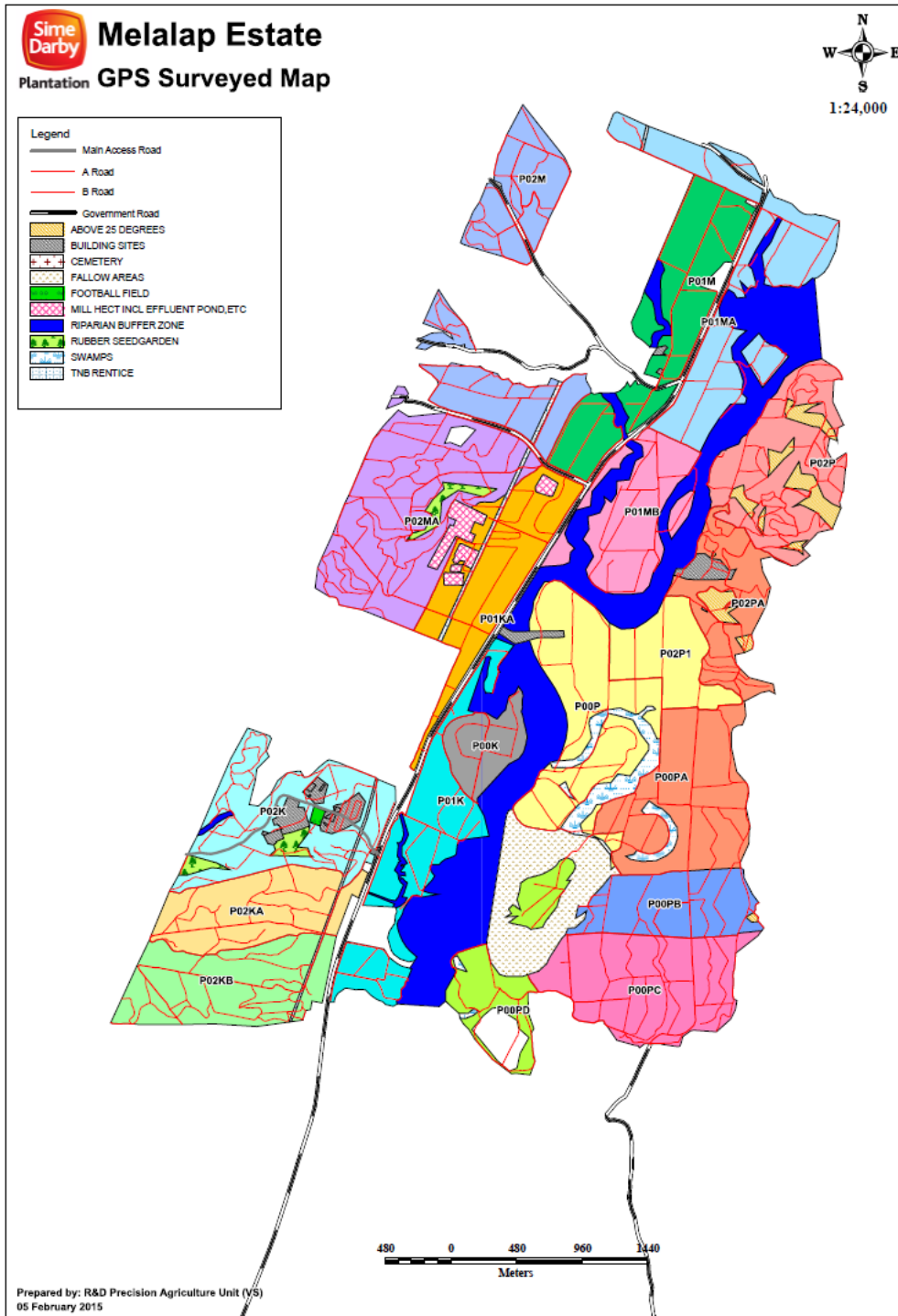
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F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (Oct 2018-Sept 2019)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
Nil	N/A	N/A	N/A

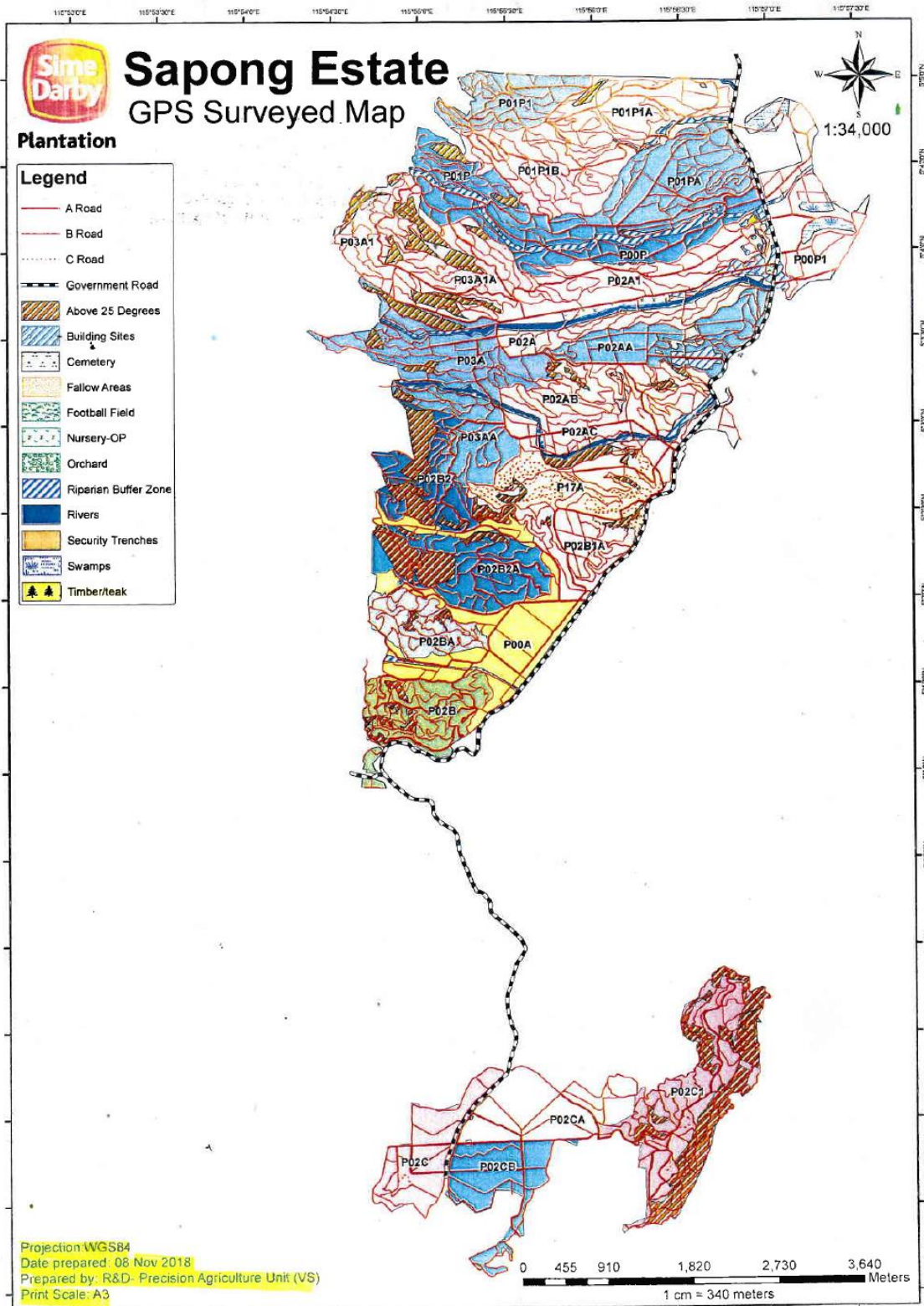
Appendix F: Location Map of Melalap Palm Oil Mill and Supply bases



Appendix G: Melalap Estate Field Map



Appendix H: Sapong Estate Field Map



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

Not applicable

Appendix J: List of Abbreviations

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