

**MALAYSIAN SUSTAINABLE PALM OIL  
ANNUAL SURVEILLANCE ASSESSMENT 2  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Client company Address: Level 3, Main Block, Plantation Tower No 2, Jalan PJU 1A/7, Ara Damansara 47301 Petaling Jaya, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 26) - Sandakan Bay Palm Oil Mill & Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate and Tunku Estate  Location of Certification Unit: Locked Bag 39, Suanlamba District, 90009 Sandakan, Sabah, Malaysia

**Report prepared by:**  
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**Report Number: SMO 9674135**

**Assessment Conducted by:**  
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## Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Sandakan Bay POM: 508777804000	30/11/2020	
	Segaliud Estate: 528339002000	31/03/2021	
	Sentosa Estate: 530353002000	31/03/2021	
	Tigowis Estate: 528342002000	31/03/2021	
	Tun Tan Estate: 531250002000	31/07/2021	
	Tunku Estate: 528340002000	31/03/2021	
Address	Locked Bag 39, Suanlamba District, 90009 Sandakan, Sabah, Malaysia		
Certification Unit	Strategic Operating Unit (SOU 26) - Sandakan Bay Palm Oil Mill		
Contact Person Name	1) Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) 2) Ms Nor Azian Anuar (Sandakan Bay Palm Oil Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com nor.azian.anuar@simedarbyplantation.com
Telephone	+603-78484379 (Head Office) +6089-622276/247225 (Mill)	Facsimile	+603-78484363 (Head Office) +6089-622276 (Mill)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682050 Estate: MSPO 689878		
Issue Date	09/02/2018	Expiry date	08/02/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 and MS 2530-4:2013		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	04/12/2017 - 07/12/2017		
Continuous Assessment Visit Date (CAV) 1	08/01/2019 - 11/01/2019		
Continuous Assessment Visit Date (CAV) 2	04/08/2020 - 07/08/2020		
Continuous Assessment Visit Date (CAV) 3	-		

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Continuous Assessment Visit Date (CAV) 4	-
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**Other Certifications**

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 714122	MSPO Supply Chain Certification Standard	BSI Services Malaysia Sdn. Bhd.	05/11/2024
RSPO 537872	RSPO P&C MYNI 2019	BSI Services Malaysia Sdn. Bhd.	30/09/2023

**1.3 Location of Certification Unit**

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Sandakan Bay Palm Oil Mill	Locked Bag 39, Suanlamba District, 90009 Sandakan, Sabah, Malaysia	5° 38' 26" N	118° 10' 03" E
Segaliud Estate	WDT 250, 90009 Sandakan, Sabah, Malaysia	5° 43' 33" N	117° 45' 20" E
Sentosa Estate	Locked Bag 39, Suanlamba District, 90009 Sandakan, Sabah, Malaysia	5° 43' 44" N	118° 10' 21" E
Tigowis Estate		5° 44' 57" N	118° 13' 03" E
Tun Tan Estate		5° 38' 29" N	118° 10' 45" E
Tunku Estate		5° 42' 31" N	118° 10' 48" E

**1.4 Certified Area**

Estates	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Segaliud Estate	4,252.75	261.19	306.19	4,820.13	88.23
Sentosa Estate	3,208.73	74.64	262.17	3,545.54	90.50
Tigowis Estate	1,879.99	9.93	184.10	2,074.02	90.64
Tun Tan Estate	2,775.05	4.74	363.44	3,143.23	88.29
Tunku Estate	2,891.48	30.00	281.57	3,203.05	90.27
TOTAL	15,008.00	380.50	1,397.47	16,785.97	89.41

**1.5 Plantings & Cycle**

Estates	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Segaliud Estate	1,390.65	2,388.27	473.83			2,862.10	1,390.65

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Sentosa Estate	1,109.57	1,508.78	-	-	590.38	2,099.16	1,109.57
Tigowis Estate	518.64	1,015.38	155.05		190.92	1,361.35	518.64
Tun Tan Estate	683.93	1,598.21	-	-	492.91	2,091.12	683.93
Tunku Estate	1,066.20	1,189.45			635.83	1,825.28	1,066.20
Total (ha)	4,768.99	7,700.09	628.88	-	1,910.04	10,239.01	4,768.99

### 1.6 Certified Tonnage of FFB

Estates	Tonnage / year		
	Estimated (Dec 2018 - Dec 2019)	Actual (Nov 2018 - Jul 2020)	Forecast (Nov 2019 - Oct 2020)
Segaliud Estate	68,384.49	100,940.94	63,446.38
Sentosa Estate	48,454.00	65,976.98	37,941.97
Tigowis Estate	58,902.76	44,508.02	24,050.35
Tun Tan Estate	34,255.40	65,317.06	39,188.57
Tunku Estate	32,000.00	56,002.56	32,512.09
Maishang Holding Sdn.Bhd.	-	17,181.91	7,694.39
SG Harvest	-	15,429.86	6,088.97
Maju Jaya Plantations Sdn. Bhd.	-	8,969.65	3,505.13
Nicoraya Sdn.Bhd.	-	4,851.50	2,207.52
Felcra Estate Pertama	-	7,661.64	5,724.97
Harimaju Plantation Sdn.Bhd.	-	3,524.51	1,364.70
Novel Borneo Sdn.Bhd.	-	3,804.63	1,576.39
Golden Forefront Sdn.Bhd.	-	2,129.33	1,162.64
Bacho Jansie	-	1,289.45	568.66
Styleland Sdn.Bhd.	-	577.20	492.61
Total	241,996.65	398,165.25	227,525.34

### 1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Dec 2018 - Dec 2019)	Actual (Nov 2018 - Jul 2020)	Forecast (Nov 2019 - Oct 2020)
Sekona Cocoa Sdn.Bhd.	NA	973.08	NA
Amity Legion Sdn.Bhd.	NA	623.28	NA
Liew Syn Nyn	NA	425.26	NA
Agriculturists Incorporate	NA	443.38	NA

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Total		2,465.00	
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<b>1.8 Certified Tonnage</b>			
	<b>Estimated (Dec 2018 - Dec 2019)</b>	<b>Actual (Nov 2018 - Jul 2020)</b>	<b>Forecast (Nov 2019 - Oct 2020)</b>
<b>Mill Capacity: 60 MT/hr</b>	FFB	FFB	FFB
	241,996.65	398,165.25	227,525.34
<b>SCC Model: MB</b>	CPO (OER: 22.16%)	CPO (OER: 22.40%)	CPO (OER: 22.11%)
	53,626.46	89,192.26	50,300.16
	PK (KER: 5.00%)	PK (KER: 5.00%)	PK (KER: 4.92%)
	12,099.83	19,930.12	11,198.13

<b>1.9 Actual Sold Volume (CPO) (Nov 2018 - Jul 2020)</b>				
<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
	<b>ISCC</b>	<b>RSPO</b>		
0	0	37,497.82	52,652.56	<sup>1</sup> 90,150.37

Note: <sup>1</sup>Variance of 958.11 mt with total production due to balance was brought forward from previous period.

<b>1.10 Actual Sold Volume (PK) (Nov 2018 - Jul 2020)</b>				
<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
	<b>ISCC</b>	<b>RSPO</b>		
0	0	13,993.31	5,576.78	19,570.09

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 4-7/8/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the SOU 26 Sandakan Bay Palm Oil Mill as an MSPO Certification Unit and its five (Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate and Tunku Estate) FFB supply bases as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, 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. MS 2530-3:2013 and MS 2530-4:2013 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 estates or smallholders sample were determined based on formula  $S = r\sqrt{n}$  where  $n$  is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula  $(r\sqrt{n})$ ; where  $r$  is the risk factor (may defers 1, 1.5 and 2 depending on risk), where  $n$  is total number of group members. The sampled smallholder listed in Appendix C.

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

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

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Sandakan Bay POM	✓	✓	✓	✓	✓
Segaliud Estate	✓	✓		✓	
Sentosa Estate	✓		✓		✓
Tigowis Estate		✓	✓		✓
Tun Tan Estate		✓		✓	
Tunku Estate	✓		✓	✓	✓

**Tentative Date of Next Visit: August 2, 2021 - August 5, 2021**

**Total No. of Mandays: 8**



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**2.1 BSI Assessment Team**

Team Member Names	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Valence Shem (VSH)	Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45001 Lead Assessor Course in 2019. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. Able to communicate in Bahasa Malaysia and English. During this assessment he covered the elements of social, employees' welfare and stakeholders' affair.
Vijay Kanna Pakirisamy (VKP)	Team Member	He holds a bachelor's degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10 year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. He is fluent in Bahasa Malaysia and English languages. During this assessment he covered the best practice, occupational safety & health and environmental elements.

**2.2 Accompanying Persons**

No.	Name	Role
	NA	

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**2.3 Assessment Plan**

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

Date	Time	Subjects	VSH	VKP
Tuesday 4/8/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> <li>Opening presentation by audit team leader</li> <li>Confirmation of assessment scope and finalize audit plan (including stakeholder’s consultation)</li> </ul>	✓	✓
	0830-1230	<b>Sentosa Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	<b>Sentosa Estate</b> Document review P1 – P7 (MSPO Part 3): 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.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Wednesday 5/8/2020	0900-1230	<b>Tun Tan Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	<b>Tun Tan Estate</b> Document review P1 – P7 (MSPO Part 3): 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.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Thursday 6/8/2020	0900-1230	<b>Tunku Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		

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Date	Time	Subjects	VSH	VKP
	1330-1630	<b>Tunku Estate</b> Document review P1 – P7 (MSPO Part 3): 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.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Friday 7/8/2020	0900-1130	<b>Sandakan Bay POM</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
	1000-1130	Stakeholder consultation	✓	-
	1130-1330	Lunch break & Friday prayer		
	1330-1600	<b>Sandakan Bay POM</b> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓
	1630-1700	Closing meeting	✓	✓

### Section 3: Assessment Findings

#### 3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major, one (1) Minor nonconformities and one (1) OFI raised. The SOU 26 Sandakan Bay 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 Non-conformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
<b>Ref:</b> 1938604-202008-M1	<b>Area/Process:</b> Tunku Estate	<b>Clause:</b> MS 2530:2013 Part-3: 4.5.5.1
	<b>Issue Date:</b> 7/8/2020	<b>Due Date:</b> 5/11/2020
<b>Requirements:</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:  d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	
<b>Statement of Nonconformity:</b>	Protection of Waterways was not adequately implemented.	
<b>Objective Evidence:</b>	During the site visit at the Chemical Premix Area at Tunku Estate, it was sighted that the bunded Chemical Premix area has an outlet that leads to a Water Sump that then leads to the Monsoon Drain. Therefore, the excess of water and washing residues from the chemical premix area flow through the drain into the water sump and straight into the Monsoon Drain. Protection of waterways was not adequately maintained. Therefore, a major nonconformance was raised.	
<b>Corrections:</b>	Estate management will desilt the sump regularly to allow maximum retention of water from residue and to close the outlet that lead to monsoon drain. Estate management will manually collect the residual water from existing sump until new sump is built.	
<b>Root cause analysis:</b>	Faulty design of the water sump whereby there was no adequate mechanism to collect excess of water and washing residues from the chemical premix area.	

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Corrective Actions:	Estate management will consult relevant department (Engineering and SQM) to design and build a feasible sump that enables collection of residual water for recycling back to chemical pre-mix.
Assessment Conclusion:	<p>It was found that the correction and corrective action has been implemented effectively for the Major NC.</p> <ol style="list-style-type: none"> <li>1. Estate management have desilted the clogged sump and ensured to maintain the sump regularly.</li> <li>2. Chemical Sump new design was verified, and it will avoid overflow of excess water and washing residues from the chemical premix area to flow through the drain into the water sump and straight into the Monsoon Drain.</li> <li>3. Sighted the communication between the management and Regional Engineer on the proposed design of the new chemical sump at the premix area.</li> </ol> <p>Based on the above evidence, the major NC is closed effectively on 22/10/2020. Continuous implementation will be further verified in the next assessment.</p>

<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1938604-202008-N1	<b>Area/Process:</b> Mill	<b>Clause:</b> MS 2530:2013 Part-4: 4.4.4.2
	<b>Issue Date:</b> 7/8/2020	<b>Due Date:</b> Next assessment visit
Requirements:	The occupational safety and health plan should cover the following: b) The risk of all operations shall be assessed and documented	
Statement of Nonconformity:	The risk assessment was not completely implemented on timely manner.	
Objective Evidence:	Audiometric Assessment was conducted by a registered practitioner for the mill workers that are exposed to noise level at or above the action level. For the audiometric test dated 25th November 2019, 89 workers were assessed where 79 workers were resulted to having normal hearing, 9 workers with Mild Hearing Impairment and 2 workers with Standard Threshold Shift. The 2 workers with Standard Threshold Shift were required to go for a retest 3 months from the date of the initial audiometric assessment. The workers were due to be retested on 25th February 2020, but the retest was delayed till 18th June 2020 taking into account the MCO 2020 (18th March 2020 – 9th June 2020). Nonetheless the retest could have been done earlier within the 3 months period or before the MCO, 18th March 2020. (35 days)	
Corrections:	Mill Management have followed up with the consultant for re-test report and received on 10 August 2020. As per the recommendation in the report, the workers will be provided with hearing protection equipment and will be sent to re-test on 18/6/2021.	
Root cause analysis:	Mill conducted Audiometric assessment on 25 November 2019 and received the assessment report on 12 February 2020 which is 79 days later from the assessment conducted day. Mill had made an arrangement to send 2 workers with Standard Threshold Shift (STS) to do Audiometric retest on 25 February 2020 after review the assessment report. Unfortunately, the appointed consultant unable to carry out the retest within the remaining of 11 days (against first assessment date) and we're scheduled to attend Audiometric retest on 23 March 2020 which is exceeded 90 days. Government had announced of Movement Control Order (MCO) in conjunction of pandemic COVID-19 on 18 March 2020 until 9 June 2020. Appointed consultant ceased operation during the MCO period and rescheduled our audiometric retest. Mill only able	

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	to conduct the retest at appointed consultant on 18 June 2020 when Malaysian Government allowed all businesses to operate as usual with new norm culture.
Corrective Actions:	<ol style="list-style-type: none"> <li>1) Mill to detail up the scope of work in request proposal quotation to ensure mill receive the report within 45 days for our next immediate action.</li> <li>2) Mill to improve follow up communication with an appointed consultant if there is any delay in producing audiometric assessment report to ensure that we are able to send any workers to retest within stipulated period of 90 days as mentioned in regulation.</li> <li>3) Establish process checklist for Audiometric assessment for easy reference on following up matters.</li> <li>4) Mill will identify other DOSH certified Audiometric Assessment consultant as an alternative in any event our appointed consultant unable to conduct retest within the stipulated period. This will ensure mill not exceeding the 90 days allowable limit to send for retest any workers with STS.</li> </ol>
Assessment Conclusion:	The correction and corrective action plan are accepted. The evidence of effective implementation shall be verified in the next assessment.

**Opportunity for Improvement**

<b>Ref:</b> 1938604-202008-I1	<b>Area/Process:</b> Plantation	<b>Clause:</b> MS 2530:2013 Part-3: 4.4.5.11
Objective Evidence:	The quantifying method of water supply to workers housing can be further improved in order to have convincing evidence that the management is meeting the employment contract terms and conditions, Clause 6.3, which reads "You will enjoy free water up to 35 gallons per employee per day....."	

**Noteworthy Positive Comments**

1	Good cooperation by management team/staff/sustainability team
2	Good documentation upkeep and retrieval
3	Good housekeeping at working places e.g. workshop, storage, mill operation areas, etc.

**3.3 Status of Nonconformities Previously Identified and OFI**

Major Nonconformities:	
<b>Ref:</b> 1728218-201901-M1	<b>Area/Process:</b> Plantation  <b>Clause:</b> MS 2530:2013 Part-3: 4.3.1.1  <b>Issue Date:</b> 11/01/2019  <b>Due Date:</b> 10/3/2019
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.
Statement of Nonconformity:	Some of the legal requirements are not implemented effectively.
Objective Evidence:	<p>1. JTK approval for salary deduction: Siri No 11(0322) KBN already expired on 13 December 2018. The renewal application has been submitted on 30.10.2018 to Pejabat Tenaga Kerja Kota Kinabatangan however, it is yet to be approved. Tun Tan Siew Sin Estate has made salary deduction on electricity and mosque in December 2018 for worker id: 126106, 60079 and 58373 in December 2018 salary. Further confirmation with Mr. Mohd Mansur bin Yahya (JTK Officer) through telephone, the management should not make salary deduction after 13 December 2018 since it is not yet approved.</p> <p>2. There is no approval from Suruhanjaya Tenaga for electrical fencing installation in Tigowis Estate and Tun Tan Siew Sin Estate as per "Akta 447, AKTA BEKALAN ELEKTRIK 1990", Sebagaimana pada 1 Mac 2013 - BAHAGIAN IV: PEPASANGAN BERLESEN DAN BERDAFTAR: Lesen dikehendaki bagi penggunaan pemasangan: terma, syarat dan kandungan lesen no 9. (1) Tertakluk kepada apa-apa pengecualian yang ditetapkan, tiada seorang pun, selain pihak berkuasa bekalan, boleh—            (a) menggunakan, mengerjakan atau mengendalikan atau membenarkan diguna, dikerja atau dikendalikan apa-apa pemasangan; atau            (b) membekalkan elektrik daripada mana-mana pemasangan kepada atau bagi kegunaan mana-mana orang lain, kecuali di bawah dan mengikut terma sesuatu lesen yang membenarkan dengan nyata pembekalan atau penggunaan itu, mengikut mana-mana yang berkenaan.            Apart from that, further clarification been made through Suruhanjaya Tenaga Cawangan Sandakan with Mr. Fahmi (Officer in charge for electrical fencing) on 14.01.2019 through phone and confirmed that the electric fences must get the Suruhanjaya Tenaga approval prior to the installation and must be inspected by the officer after the installation to get the written approval.</p> <p>3. In Tigowis Estate, diesel permit (Ruj No: PPDNKK.SDK.07/2011 (SK) for 20,000 liter diesel was expired in 05.06.2018. The application of renewal only made on 08.01.2019 and yet to be approved. However, during the period after expiry, the diesel consumption is sighted as per Diesel consumption record although the diesel permit is yet to be received.</p>
Corrections:	<u>Tun Tan Siew Sin Estate</u> 1. Estate to stop salary deduction until received the approval for salary deduction renewal. 2. Estate to re-imburse the amount that have been deducted (13-31 Dec 2018) to the involved workers.  <u>Tigowis Estate &amp; Tun Tan Siew Sin Estate</u>

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	<p>1. To check and collect information on the electric fencing installation (Specification &amp; layout).                  2. To send submission of notification to Suruhanjaya Tenaga.</p> <p><u>Tigowis Estate</u>                  1. Estate to follow up with KPDNKK on the renewal status.</p>
Root cause analysis:	<p><u>Tun Tan Siew Sin Estate</u>                  1. Approval for salary deduction permit renewal from JTK required longer time due to the application need to be processed by JTK headquarters Kota Kinabalu.</p> <p><u>Tigowis Estate &amp; Tun Tan Siew Sin Estate</u>                  1. During the installation of electric fencing take place by previous management. There is miss-understanding on the legal requirement (not cover East Malaysia).</p> <p><u>Tigowis Estate</u>                  1. Change of Person In Charge of permit renewal (Newly transferred chief clerk).                  2. No list of permit with expiry date and renewal target date.</p>
Corrective Actions:	<p><u>Tun Tan Siew Sin Estate</u>                  1. Estate to renew earlier at least 3 months before permit expiry.                  2. Estate to establish list of permit with expiry and target renewal.</p> <p><u>Tigowis Estate &amp; Tun Tan Siew Sin Estate</u>                  1. AKTA BEKALAN ELEKTRIK 1990 will be updated in the Legal Requirement Register (LORR) by SQM.</p> <p><u>Tigowis Estate</u>                  3. Estate to renew earlier at least 3 months before permit expiry.                  4. Estate to establish list of permit with expiry and target renewal.</p>
Assessment Conclusion:	<p>Audit team have reviewed the evidence submitted and the major NC is satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 10.03.2019. Evidence reviewed: New payslip in January 2019 without salary deduction, refund acknowledgement of salary deduction in December 2018, Permit &amp; license renewal schedule, Labour department follow up letter, submission of notification electric fencing installation to Energy Commission, updated legal and other requirements register (LORR) and KDNKK Diesel Permit approval.</p>
Verification Statement	<p>Based on verification of sampled pay slips, pay deduction were made under valid deduction permit from JTK at all the visited operating units. The diesel permits at all the visited operating units were also found to be valid. Thus, there was no recurrence of non-conformity and the Major NCR remains closed.</p>

**Minor Nonconformities:**

<b>Ref:</b> 1728218-201901-N1	<b>Area/Process:</b> Plantation	<b>Clause:</b> MS 2530:2013 Part-3: 4.3.1.4
	<b>Issue Date:</b> 11/01/2019	<b>Due Date:</b> 7/8/2020
<b>Requirements:</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	



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Statement of Nonconformity:	The monitoring of the legal compliance is not effectively demonstrated.
Objective Evidence:	In Tun Tan Siew Sin Estate, the monitoring of compliance was made through internal audit by SQM team annually however, the monitoring is not effective as it was found that the contractor's workers for Ooi Trading Sdn Bhd in Tun Tan Siew Sin Estate are having different work permit as below: 1. Sahalim bin Dohan (Passport no: B7318510) – multiple entry visa valid until 29 July 2019. 2. Sumardi bin Arifuddin (Passport no: At697835) – Garden worker for Chung Chok Fen valid until 29.09.2019.
Corrections:	<u>Tun Tan Siew Sin Estate</u> 1. Estate to issued warning letter to the contractor. 2. Estate to discuss with contractor on the status of their workers. 3. Contractors to replace the 2 workers with other workers with valid document.
Root cause analysis:	<u>Tun Tan Siew Sin Estate</u> The contractor not following agreement to supply workers with valid document.
Corrective Actions:	<u>Tun Tan Siew Sin Estate</u> Estate management to monitor the validity of contractor’s workers passport and work permit at regular interval or as and when. The monitoring outcome will be discussed at least on quarterly basis during estate management meeting (i.e. OSH meeting).
Assessment Conclusion:	Audit team have reviewed and accept the Corrective Action Plan (CAP) submitted and the minor NC CAP implementation will be further verified in the next assessment visit.
Verification Statement	The work permits for the following employees of Ooi Trading Sdn Bhd were verified: 1) Sukri B. Hassan-AU125610, permit valid until 3/2/2021, employment under Ooi Trading as Plantation worker 2) Mohd Nazri B. Hj Rajip-B2127797, just applied for permit on 28/5/2019 and pending for approval from Immigration Dept. 3) Masrin Amirul-B5845857, just applied for permit on 28/5/2019 and pending for approval from Immigration Dept. 4) Jamil Hassan-AU294982, just applied for permit on 28/5/2019 and pending for approval from Immigration Dept. Based on the evidence, the corrective action was found to be effective. Thus, the minor NCR is closed during this assessment.

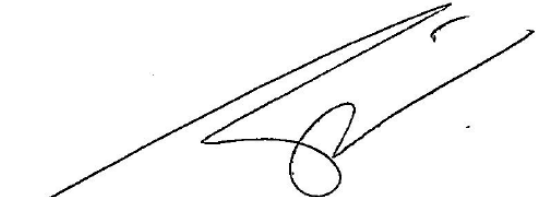

**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1563646-201712-M1	Major	7/12/2017	Closed
1563646-201712-N1	Minor	7/12/2017	Closed
1563646-201712-N2	Minor	7/12/2017	Closed
1728218-201901-M1	Major	11/01/2019	Closed
1728218-201901-N1	Minor	11/01/2019	Closed
1938604-202008-M1	Major	7/8/2020	Closed on 22/10/2020
1938604-202008-N1	Minor	7/8/2020	Open

**3.5 Issues Raised by Stakeholders**

IS #	Description
<p><b>1</b></p>	<p><b>Feedback:</b>  <u>Neighbouring Smallholder/villagers</u>            No land encroachment and the border were clearly marked. They have a good relationship with Sandakan Bay estates.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            NA</p>
<p><b>2</b></p>	<p><b>Feedback:</b>  <u>Contractors, vendors &amp; suppliers</u>            There is no late payment issue from Estate to contractors. Agreement is valid and signed by both parties. Contractor workers' pay slip were kept in office.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            NA</p>
<p><b>3</b></p>	<p><b>Feedback:</b>  <u>Gender Committee</u>            No sexual harassment case reported. New mother's need assessment was conducted concurrently during the gender committee meeting. Meeting and activities were actively conducted and participated by the members.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            NA</p>
<p><b>4</b></p>	<p><b>Feedback:</b>  <u>Foreign &amp; Local Workers</u>            No discrimination practice in workplace. They were treated fairly. During the COVID-19 lockdown, they are still working, and some are not working still get paid to the minimum wage. No other complaints.</p> <p><b>Management Responses:</b>            Noted on the information.</p> <p><b>Audit Team Findings:</b>            NA</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment, SOU 26 Sandakan Bay Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 26 Sandakan Bay Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b>	<b>Name:</b> Valence Shem
<b>Company name:</b>	<b>Company name:</b> BSI Services Malaysia Sdn Bhd
<b>Title:</b>	<b>Title:</b> Lead Auditor
<b>Signature:</b>   MOHD SYAFRIE BIN ASIS SENIOR MANAGER SEGALIUD ESTATE	<b>Signature:</b>  
<b>Date:</b> 6/11/2020	<b>Date:</b> 4/11/2020

**Appendix A: Summary of the findings by Principles and Criteria**

**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders**

Criterion / Indicator	Assessment Findings	Compliance	
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	SDPB has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> <li>- Promoting good governance and transparency</li> <li>- Contributing to a better society</li> <li>- Minimising environmental harm</li> <li>- Delivering sustainability quality</li> <li>- The policy is guided by three main documents i.e.:</li> <li>- Responsible Agriculture Charter</li> <li>- Human Rights Charter</li> <li>- Innovation &amp; Productivity Charter</li> </ul> All of the above documents and the policy statement are made available on Sime Darby's website.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for	The SQM Sabah region have conducted Internal Audits for the estates visited based on the Internal Audit Procedures stated in the Sime Darby	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	further improvement. <b>- Major compliance -</b>	Plantation; Plantation Sustainability and Quality Management (PSQM); Internal Audit Procedure; Document ID: SD/SDP/PSQM/IAP; Rev 2 dated 01.11.2017. The internal audit is conducted annually and when required as stated in the procedure.	
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. <b>- Major compliance -</b>	<p><u>Sentosa Estate</u> The latest Internal Audit was conducted on 27<sup>th</sup> June 2020 by the SQM Sabah Region for MSPO &amp; RSPO. During the audit the SQM team raised Zero non-conformance and 3 Opportunity for Improvements (OFI). All OFI were addressed and closed on 15<sup>th</sup> July 2020. Sighted the internal audit report and the evidence of OFI closure. The management have identified root cause of the OFI raised and the corrective action plan to ensure the issues are not repeated once again.</p> <p><u>Tun Tan Siew Sin Estate</u> The latest Internal Audit was conducted on 26<sup>th</sup> June 2020 by the SQM Sabah Region for MSPO &amp; RSPO. During the audit the SQM team raised 1 minor non-conformance and 3 Opportunity for Improvements (OFI). The non-conformance and OFI was addressed and sighted the internal audit report and the evidence of NC and OFI closure. The management have identified root cause of the NC and OFI raised and the corrective action plan.</p> <p><u>Tunku Estate</u> The latest Internal Audit was conducted on 25.06.2020 by the SQM Sabah Region for MSPO and RSPO. During The audit the SQM team raised 4 Opportunities for Improvements. All the OFI were addressed by the management with the Root Cause, Corrective Action Plan and Correction stated in the report.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.1.2.3</b>	Report shall be made available to the management for their review. <b>- Major compliance -</b>	The Internal Audit Reports are made available to the management and discussed in the annual Management Review. Sighted the Internal Audit Report for all the estates for verification.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	<p>The procedure for Management Reviews (SOM, Sub-Section 5.6, Version 2:2015 dated 25.05.2015) was established. The frequency for management review needs to be carried out at least once a year.</p> <p>All the agenda such as review on operational input and output, sustainability management, Objectives/ Management program, Resource evaluation, needs and plan, results from internal audits and customers/ stakeholder’s feedback/complaints were discussed accordingly.</p> <p><u>Sentosa Estate</u> The estate conducted the Management Review on 10.07.2020 chaired by the Manager.</p> <p><u>Tun Tan Siew Sin Estate</u> The estate conducted the Management Review on 29.06.2020 chaired by the Manager.</p> <p><u>Tunku Estate</u> The estate conducted the Management Review on 30.07.2020 chaired by the Manager.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p><b>- Major compliance -</b></p>	<p>The action plan for continual improvement was available in various Management Plans in the estates.</p> <p>Social Assessment Action Plan.</p> <ul style="list-style-type: none"> <li>• To identify lorries that drive above the speed limit that may lead to accident. Conduct Spot Check by Auxiliary Police at the Main Road.</li> <li>• To ensure no Chemical Spraying is conducted at the linesite</li> <li>• Unregistered Marriages which cause the stateless children to be registered with authority.</li> <li>• To ensure transparency in handling social issues of workers where the estate management allows the Ketua Kaum to report directly to the Estate Manager.</li> </ul> <p>Waste Management Plan</p> <ul style="list-style-type: none"> <li>• To comply with Environment Quality (SW) Regulation 2005.</li> <li>• Ensure landfill area is 3km away (minimum) from natural waterways and residential area.</li> <li>• Conduct Awareness Programme on 3R (Reduce, Recycle &amp; Reuse)</li> </ul> <p>Biodiversity Management Action Plan</p> <ul style="list-style-type: none"> <li>• To establish water management plan.</li> <li>• To conduct water sampling for water quality monitoring.</li> <li>• To demarcate Riparian Buffer Zone areas with poles/signage.</li> <li>• To ensure no chemical interventions and manuring shall be carried out in the riparian reserve. Only Manual Weeding or slashing is allowed.</li> </ul>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		Pollution Prevention Plan <ul style="list-style-type: none"> <li>To ensure there is a tray used when issuing lubricants to avoid spillage. To ensure containers are not over filled.</li> <li>To ensure a tray is used when any tractor is under repair.</li> </ul>	
<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	Where new technology or systems are introduced, awareness briefings are provided to the employees at all levels prior to the implementation. This is evidenced via the Regional & SOU meetings and the training plan for Financial Year. The training identified including operations, understanding of MSPO/RSPO requirements, human rights, company policies, health and safety, HIRARC, etc. The FY 2020 OPEX budget has included training budget and operations improvement including environmental improvement, worker welfare, OHS etc. Interview with workers confirmed trainings are provided by the management on regular basis.	Complied
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. <b>- Major compliance -</b>	The action plan to provide the necessary resources was available in the Kaizen Project Charter. Kaizen Project Charter are the projects that are approved by the top management by providing special budgets to address the needs for continuous improvement in the estate that have been planned out by the management. For example the construction of Food Stall/ Shop at Tunku Estate.	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate	Complied



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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	
<b>4.2.1.2</b>	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - <b>Major compliance</b> -	Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at <a href="http://www.simedarbyplantation.com/Sustainability.aspx">http://www.simedarbyplantation.com/Sustainability.aspx</a>	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. - <b>Major compliance</b> -	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - <b>Minor compliance</b> -	As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management.	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - <b>Major compliance</b> -	List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 18/6/2020 (Sentosa), 18/6/2020 (Tun Tan)	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		and 14/7/2020 (Tunku). Minutes of meeting were available for verification. The objective of the meeting to discuss the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	<p>All the three visited estates send their FFB to Sandakan Bay POM. The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> <li>• Product (FFB or Loose fruit)</li> <li>• Delivery note from estates stating the weight and fruit grade (A or B).</li> <li>• D.O Number</li> <li>• Date of the shipment</li> </ul> <p>The Sustainable Plantation Management System Appendix 15 dated March 2016 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate.</p> <p>The procedure had identified critical control points to prevent contamination of non-certified FFB.</p> <p>The current traceability system is Sime Weigh System.</p> <p>The responsible personal for the traceability is the Estate Manager.</p>	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	The method of inspection is by conducting MSPO internal audit. The last audits were conducted on 27/6/2020 (Sentosa), 26/6/2020 (Tun Tan) and 25/6/2020 (Tunku). Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.	Complied

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<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the estate managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	The delivery records of the FFB are kept at the operating units and will be retained for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents. Verification of FFB Consignment Note, Weighbridge Tickets, Crop Book and FFB dispatch in SAP and Check-roll System (CRS) system showed that the recording of FFB delivered to the mill is accurate.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	<p>Sime Darby have established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU26.</p> <p>PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Sime Darby Plantation, ESH Management System Manual, ESH Legal &amp; Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision:0. Date: 01.07.2012.</p> <p>Among the license and Permits sampled were: <u>Sentosa Estate</u></p> <ol style="list-style-type: none"> <li>1. MPOB License; License Number: 530353002000; Valid from 01.06.2020 till 31.05.2021</li> </ol>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>2. Air Compressor License; License Number: PMT-SB/19 20920; Valid till 16.08.2020</p> <p>3. Permit Barangan Kawalan Berjadual (Diesel Euro 2M 18,000 Litres); Serial Number: S 002268; Valid from 18.12.2019 till 17.12.2020</p> <p><u>Tun Tan Siew Sin Estate</u></p> <p>1. Air Compressor License; License Number: PMT-SB/19 21485; Valid Till 15.09.2020</p> <p>2. License to Employ Non-Resident Workers (Jabatan Tenaga Kerja Sabah); License Number: JTK.H.KBN.600-4/1/1/01261/ 0415; Valid from 01.08.2020 till 31.07.2021</p> <p>3. MPOB License; License: 531250002000; Valid from 01.08.2020 till 31.07.2020.</p> <p>4. Permit Barangan Kawalan Berjadual (Diesel Euro 2M - 20,000 Litres); Serial Number: S 002242; Valid from 01.11.2019 till 31.10.2020.</p> <p><u>Tunku Estate</u></p> <p>1. MPOB License (FFB); License Number: 528340-002000; Valid till 31.03.2021</p> <p>2. MPOB License (Nursery); License Number: 618146-011000; Valid till 30.04.2021</p> <p>3. License to Employ Non-Resident Workers (Jabatan Tenaga Kerja Sabah); License Number JTK.H.KBN.600-4/1/1/01261/ 0422; Valid till 23.08.2020</p> <p>4. Permit Barangan Kawalan Berjadual (Diesel Euro 2M – 20,000 Litres); Reference Number: PPDNKK.SDK.11/2012(SK); Valid till 14.11.2020.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.3.1.2</b>	The management shall list all laws applicable to their operations in a legal requirements register. <b>- Major compliance -</b>	<p>Documented Procedures have 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>All legal requirements were documented in Legal and Other Requirement Register available at the estates.</p> <p>Sentosa Estate latest review was conducted on 09.06.2020</p> <p>Tun Tan Siew Sin Estate latest review was conducted on 16.06.2020</p> <p>Tunku Estate latest review was conducted on 02.07.2020</p>	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	<p>Documented procedures have 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>All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the estates undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		(Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawalan Penyakit Berjangkit 1988.	
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. <b>- Minor compliance -</b>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented.</p> <p><u>Sentosa Estate</u>                      The management has appointed the Assistant Manager on 01.01.2019 as the PIC to monitor any changes on the LORR and update as and when necessary as stated in the job functions as the PIC for Legal Compliance/ Legal or Regulatory Requirements.</p> <p><u>Tun Tan Siew Sin Estate</u>                      The management has appointed the Senior Assistant on 06.01.2020 as the PIC to monitor any compliances on the LORR and update as and when necessary as stated in the job functions as the PIC for Legal Compliance/ Legal or Regulatory Requirements.</p> <p><u>Tunku Estate</u>                      The management has appointed the Assistant Manager on 01.03.2020 as the PIC to monitor compliances towards LORR as stated in the appointment letter as Official Officer Responsible for Legal Or Regulatory Requirements.</p>	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			

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4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The management ensure that their oil palm cultivation activities do not diminish the land use rights of other users by ensuring the legal boundary is correct through land survey during the development. There is no land dispute raised by any stakeholder at the point of this assessment.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	<p><u>Sentosa:</u> There are 8 land titles with a total of 4,675.61 Ha. At the moment, in progress of changing name to Sime Darby Plantations (Sabah) Sdn Bhd. SDPSB had settled the outstanding Land Cess with the Sandakan Town Council [ref.: ( )600-01/001/0000/048/63, dated 22/11/2017] on 21/2/2018 [ref.: receipt no. 971020, dated 21/2/2018]. One of the land titles (i.e. #CL075109545) with an area of 2,302.26 Ha is managed by Sentosa and Tun Tan where Tun Tan acquired 1,130.18 Ha.</p> <p><u>Tun Tan:</u> There are 2 land titles with a total of 4,315.36 Ha. At the moment, in progress of changing name to Sime Darby Plantations (Sabah) Sdn Bhd. SDPB had settled the outstanding Land Cess with the Sandakan Town Council [ref.: ( )600-01/001/0000/048/63, dated 22/11/2017] on 21/2/2018 [ref.: receipt no. 971020, dated 21/2/2018]. One of the land titles (i.e. #CL075109545) with an area of 2,302.26 Ha is managed by Sentosa and Tun Tan where Sentosa acquired 1,172.08 Ha</p> <p><u>Tunku:</u> - 4 land titles with a total of 3,203.11 Ha. At the moment, in progress of changing name from Consolidated Plantations Berhad to Sime Darby Plantations (Sabah) Sdn Bhd. The Land Management Department of Sime Darby Plantation Berhad is still in the midst of changing the name of owner and working closely with their</p>	Complied

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		solicitor [ref.: e-mail from Ms Nur Athirah (Land Management Dept.) to Ladang Tunku, dated 7/12/2017].	
<b>4.3.2.3</b>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>Legal perimeter boundaries were visibly maintained and clearly demarcated at all estates visited. The management demarcated the boundary with security trenches and electric fencing that were constructed along the boundary.</p> <p><u>Sentosa Estate</u> During the site visit at Field F15C, boundary with Palm Brothers Estate, the boundary stones was physically maintained. There were security trenches and electric fencing erected along the boundary as well.</p> <p><u>Tun Tan Siew Sin</u> During the Site visit at Field P14A boundary with Kebun Tani and Field P14C boundary with Harimaju Estate, it was noted that the boundary was clearly demarcated with security trenches and electric fences. The boundary markers were clearly maintained with erected GI Pipes coloured red and white.</p> <p><u>Tunku Estate</u> Sighted during site visit at P94A5 (005° 43'06"N, 118° 10'34"E) adjacent with Novel Borneo Estate, the boundary stone was visibly maintained. The legal boundary is clearly demarcated with electric fencing and security trenches.</p>	Complied
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	There was no land dispute at all visited estates. The company has the legal ownership documents as demonstrated by possessing land titles.	Complied



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- Minor compliance -			
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The Social Impact Assessment for SOU26 Sandakan Bay for all operating units (Segaliud, Tigowis, Tun Tan, Sentosa and Tunku) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team, now known as Group Sustainability Department based at Sime Darby Plantation Bhd HQ. The last SIA was conducted in July 2013. The impacts reported in category i.e. working condition, housing condition/living improvement, transportation and gender committee for internal. For external stakeholders, the impacts mainly were obtained from interview inputs. The recommendation from the SIA report was transferred to action plan. The latest Action Plans for Social Impact Assessment 2020 dated 2/1/2020 (Sentosa), 2/1/2020 (Tun Tan) and 8/1/2020 (Tunku) were available for	Complied

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		verification. The action plan identified the issues & strategies, action plan, responsible person and time frame. Action plan from the regular stakeholder consultation was also available.	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	System for dealing with complaints and grievances has been established and documented through: <ul style="list-style-type: none"> <li>• Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008)</li> <li>• Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.</li> </ul>	Complied
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	It was noted that the estates managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	All the visited estates are using a log book to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders.	Complied
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions to the management. There was no grievance recorded since the last assessment. Nonetheless, records of request for housing maintenance by workers were available at all the visited estates.	Complied
<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon	The previous complaints and requests records for the past 24 months were still available at all the visited estates.	Complied

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	request. <b>- Major compliance -</b>		
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	<p>Since the last assessment, among the contribution to local development were:</p> <p><u>Sentosa Estate</u></p> <ul style="list-style-type: none"> <li>- Monetary donation to Kelab Rekreasi dan Kebajikan Polis Kinabatangan for buildings and facilities renovation, dated 11/12/2019</li> <li>- Monetary donation to PIBG SMK Sukau Sandakan for annual dinner event, dated 5/9/2019</li> <li>- Monetary donation to IPD Kinabatangan for Covid-19 activities (roadblocks, patrolling, etc.), dated 25/3/2020</li> </ul> <p><u>Tun Tan Estate</u></p> <ul style="list-style-type: none"> <li>- Providing transport for Humana student for educational visit, dated 13/11/2019 &amp; 13/10/2019</li> </ul> <p><u>Tunku Estate</u></p> <ul style="list-style-type: none"> <li>- Providing First Aid training to a neighbouring estate, dated 10/10/2019</li> <li>- Providing potable water supply to a neighbouring estate due to drought season, dated 28/2/2020</li> </ul>	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 <sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates.	Complied

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		<p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p> <p>The policy has been briefed to all workers on: Sentosa Estate: 15.07.2020 Tun Tan Siew Sin Estate: 29.06.2020 Tunku Estate: 03.07.2020</p>	
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	<p>a) Sime Darby Plantation have established the Group Policy on Health, Safety &amp; Environment (HSE) Policy Statement signed by the CEO on 1<sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate. The policy has been briefed to all workers on:</p> <ul style="list-style-type: none"> <li>• Sentosa Estate: 15.07.2020</li> <li>• Tun Tan Siew Sin Estate: 29.06.2020</li> <li>• Tunku Estate: 03.07.2020</li> </ul> <p>b) The estates have conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as Harvesting, Spraying, Manuring, Grass</p>	Complied

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<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Cutting and Office Work among others.</p> <p><u>Sentosa Estate</u></p> <ul style="list-style-type: none"> <li>HIRARC was used to assess the risk of all operations within the estate. Sighted the HIRARC for replanting work, office work, transporting workers, etc. The latest review of HIRARC was conducted on 04.07.2020. The latest HIRARC was sighted dated 04.07.2020 for Covid 19 and FFB Transport from Platform to Mill.</li> <li>Medical Surveillance was conducted on 13<sup>th</sup> December 2019 for 32 workers including 30 workers involved with chemical handling. The purpose of the medical surveillance was to conduct a risk assessment to monitor the exposure to pesticide, manganese, chlorine and mineral oils. All 32 workers were certified fit to work with no traces of the substance mentioned above present in the test samples. The medical surveillance was conducted by registered DOSH Doctor (Reg No: HQ/13/DOC/00/315).</li> <li>CHRA has been conducted with the CHRA Report (Ref No: JKPP KIM127/453/6 (30) – 2017/003) available for verification dated 1<sup>st</sup> June 2020 by Registered DOSH Assessor (JKPP KIM127/453/6 (30)).</li> </ul> <p><u>Tun Tan Siew Sin Estate</u></p> <ul style="list-style-type: none"> <li>HIRARC was used to assess the risk of all operations within the estate. Sighted the HIRARC for gardening, manual loading of FFBEFB Mulching, Manuring Manual Application, etc. The latest review of HIRARC was conducted on 11.10.2019 due to an accident that occurred in the Gardening Work Section. Workers</li> </ul>	

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	<p>were retrained on the amended HIRARC.</p> <ul style="list-style-type: none"> <li>• Medical Surveillance was conducted on 13<sup>th</sup> December 2019 for 58 workers involved with Manuring, Pesticide handling, water treatment and workshop work. The purpose of the medical surveillance was to conduct a risk assessment to monitor the exposure to pesticide, manganese, chlorine and mineral oils. All 58 workers were certified fit to work with no traces of the substance mentioned above present in the test samples. The medical surveillance was conducted by Mabello Group of Clinics, registered DOSH Doctor (Reg No: HQ/13/DOC/00/315)</li> <li>• CHRA has been conducted with the CHRA Report (Ref No: JKPP HIE 127/171/-2 (364) – 2017/006) available for verification dated 20<sup>th</sup> June 2017 by Registered DOSH Assessor (JKPP HIE 127/171-2 (364)).</li> </ul> <p><u>Tunku Estate</u></p> <ul style="list-style-type: none"> <li>• HIRARC was available for all operations in the estate. The was reviewed for all operations in the estate on 9<sup>th</sup> March 2020. Sighted also the HIRARC review for Cutting of FFB and Fronds on 28.02.2020 due to a related accident that occurred in the estate on 27.02.2020.</li> <li>• Medical Surveillance was conducted on 12<sup>th</sup> December 2019 for 28 workers involved with Manuring, Pesticide Handling, Water Treatment and Workshop Work. The purpose of the medical surveillance was to conduct a risk assessment to monitor the exposure to pesticide, manganese, chlorine and mineral oils. All 28</li> </ul>	

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	<p>workers were certified fit to work with no traces of the substance mentioned above present in the test samples. The medical surveillance was conducted by Mabello Group of Clinics, registered DOSH Doctor (Reg No: HQ/13/DOC/00/315</p> <ul style="list-style-type: none"> <li>CHRA Report (Ref No: JKPP HIE 127/171/-2 (364) – 2017/006) was available for verification dated 19<sup>th</sup> June 2017 by Registered DOSH Assessor (JKPP HIE 127/171-2 (364).</li> </ul> <p>c) The estates have established a training program for employees exposed to chemicals used at the palm oil estates to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative form the chemical suppliers to the supervisors and operators. Sighted the training records as follows</p> <p><u>Sentosa Estate</u></p> <table border="1" data-bbox="1144 997 1874 1241"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Training Sprayer</td> <td>24.01.2020</td> </tr> <tr> <td>Training Sprayer and Mandore</td> <td>07.05.2019</td> </tr> <tr> <td>Chemical Premix and ERP (Chemical Spillage) Training</td> <td>22.07.2020</td> </tr> <tr> <td>Triple Rinse and Puncture Training</td> <td>23.07.2020</td> </tr> </tbody> </table> <p><u>Tun Tan Siew Sin Estate</u></p> <table border="1" data-bbox="1144 1305 1874 1377"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>P&amp;D and Spraying Training</td> <td>28.02.2020</td> </tr> </tbody> </table>	Training	Date	Training Sprayer	24.01.2020	Training Sprayer and Mandore	07.05.2019	Chemical Premix and ERP (Chemical Spillage) Training	22.07.2020	Triple Rinse and Puncture Training	23.07.2020	Training	Date	P&D and Spraying Training	28.02.2020	
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Criterion / Indicator	Assessment Findings	Compliance						
	<p><u>Tunku Estate</u></p> <table border="1" data-bbox="1144 512 1872 659"> <thead> <tr> <th data-bbox="1144 512 1630 552">Training</th> <th data-bbox="1630 512 1872 552">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="1144 552 1630 619">Spraying Training (Circle, Selective and P&amp;D)</td> <td data-bbox="1630 552 1872 619">20.01.2020</td> </tr> <tr> <td data-bbox="1144 619 1630 659">Chemical Mixing &amp; Pump Maintenance</td> <td data-bbox="1630 619 1872 659">10.01.2020</td> </tr> </tbody> </table> <p>d) The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17.03.2008.</p> <p>Sighted during site visit at the spraying gang, manuring gang and workshop, the workers were provided with leather gloves, nitrile gloves mask, respirator, safety helmet and wellington boots and others required by the operations. The workers acknowledged that they are entitled to appropriate PPE, free of charge by the management. The workers understand the importance of wearing the appropriate PPEs during work as they are regularly briefed by the management. Sighted the PPE issuance records documented in 'PPE Issuance Record' log book. The PPE issued recorded by workers and job designation.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26.02.2015.</p> <p>f) Sentosa Estate The Manager was appointed to be the Chairman of OSH Committee at the estate. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from</p>	Training	Date	Spraying Training (Circle, Selective and P&D)	20.01.2020	Chemical Mixing & Pump Maintenance	10.01.2020	
Training	Date							
Spraying Training (Circle, Selective and P&D)	20.01.2020							
Chemical Mixing & Pump Maintenance	10.01.2020							



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	<p>Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>Tun Tan Siew Sin Estate                      The Manager was appointed to be the Chairman of OSH Committee at the estate as stated in the Appointment letter dated 06.01.2020 undersigned by the Regional General Manager, Sabah North Zone. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>Tunku Estate                      The Manager was appointed to be the Chairman of OSH Committee at the estate as stated in the Appointment letter dated 15.02.2020 undersigned by the Regional General Manager, Sabah North Zone. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The management conducted regular OSH committee meetings on quarterly basis and when necessary due to accident occur. In the meeting discussed issue on employees' safety, health and welfare such as estate safety and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated as follows:</p>	

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	<ul style="list-style-type: none"> <li>• <u>Sentosa Estate</u> 25.05.2020 (02/2020), 17.02.2020 (01/2020), 12.11.2019 (04/2019), 24.08.2019 (03/2019)</li> <li>• <u>Tun Tan Siew Sin Estate</u> 16.06.2020 (02/2020), 17.01.2020 (01/2020), 26.10.2020 (04/2019), 25.07.2020 (03/2019)</li> <li>• <u>Tunku Estate</u> 08.07.2020 (02/2020), 25.03.2020 (01/2020), 19.12.2019 (04/2019), 26.09.2019 (03/2019).</li> </ul> <p>h) Accident and emergency procedures are available in the ESH Management System Manual; Emergency Preparedness &amp; Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01.07.2012.</p> <p>Sighted during site visit, the workstation also equipped with fire extinguishers and first aid kits. Noted during the interview with employees shows the understanding regarding emergency and evacuation procedures.</p> <p>The estates have established Emergency Response Team lead by the Estate Managers. Sighted during site visit, the ERT chart and Fire Extinguisher Map was displayed at several notice boards around the estate complex. Sighted the trainings as below:</p> <p>Tun Tan Siew Sin Estate</p> <ul style="list-style-type: none"> <li>• ERP Training (Fire &amp; Flood) – 19.02.2020</li> </ul>	

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	<ul style="list-style-type: none"> <li>• ERP Training (First Aid) – 19.02.2020</li> <li>• ERP Training (Search &amp; Rescue) – 19.02.2020</li> <li>• Fire Extinguisher Training – 12.07.2020</li> </ul> <p>Tunku Estate</p> <ul style="list-style-type: none"> <li>• Emergency Evacuation and Fire Drill – 12.09.2019</li> <li>• Fire Training – 08.11.2019</li> </ul> <p>i) First aiders were present at various work station at the estates. The first aiders were responsible for first aid box at each workstation assigned to them by the management. During the interview with the sprayers, manures and store clerk shows the awareness regarding the emergency procedure if accidents occur, person responsible of every first aid box and the location of the nearest first aid box. The first aid box was recently replenished with all stated items available in the box.</p> <p>Sentosa Estate – First Aid Training – 22.07.2020 Tun Tan Siew Sin Estate – 13.03.2020 Tunku Estate – 13.02.2020</p> <p>j) Records of accidents were maintained by all estates and updated to the HQ on a monthly basis. Accidents that occur are also discussed in the quarterly held JKPP Meetings.</p> <p><u>Sentosa Estate</u> Records of accidents were kept and maintained by the estate. The accidents are reviewed and discussed in the accident investigation meeting and also in the quarterly held OSH Meetings. For the year 2019 there were 1 minor accident case reported dated 19.06.2019. The</p>	

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	<p>accident was a minor accident involving a harvester who slipped and fell due to slippery conditions therefore was not required to be reported via the JKKP Form 6 (less than 3 days MC). Sighted the JKKP Form sent to JKKP on 04.14.2020 did not include the accident mentioned above. The accident was then separately informed to JKKP 8 through an email as the management found out that the accident cased was not reported to JKKP. The email dated 04.08.2020 was sighted. There were no accident cases reported for the year 2020.</p> <p><u>Tun Tan Siew Sin Estate</u> Records of accidents were kept and maintained at the estate. The accidents are reviewed and discussed in the accident investigation meeting and also in the quarterly held ESH Meetings. For the year 2019, there were a total of 10 accident recorded. The JKKP 6 and JKKP 8 Forms were sighted and available for verification. Total LTI for 2019 was 18 days. There were 3 minor accidents recorded by the estate for the year 2020 which required first aid treatments (Less than 3 days MC).</p> <p><u>Tunku Estate</u> Records of accidents were kept and maintained at the estate. The accidents are reviewed on a regular basis during the quarterly held OSH Meetings. There was no accident reported for the year 2019 in the estate. The JKKP 8 form was submitted with the submission report available for verification. There were 1 accident reported for the year 2020 classified as Class 5A – Medical Treatment Case with minor injury. There was no loss of man-days recorded for the mentioned accident case.</p>	

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Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - <b>Major compliance</b> -	SDPB has incorporated its policy on good social practices regarding human rights in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to respect, support and uphold fundamental human rights. It was communicated to the employees through various methods such as training, meeting and briefing.	Complied
<b>4.4.5.2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - <b>Major compliance</b> -	SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 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. Interview with the workers showed that there was no evidence of discrimination among the employees.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - <b>Major compliance</b> -	Collective agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Sabah Plantation Industry Employees Union (SPIEU) was available. The latest agreement was for the period of 1/1/2017 to 31/12/2019 and signed by the related representatives (i.e. Head, Plantation Upstream, Malaysia, Head of HR Operations, Director Industrial Relations, General Secretary of SPIEU and President of SPIEU). Based on the agreement, the living wage in the CA was found to be sufficient to meet basic needs for the employees.  Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the workers.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sampled workers ID number whose payslips for December 2019 and June 2020 were verified is as follows:</p> <p>Sentosa Estate: 60351, 95484, 128068, 141415, 147142, 151229            Tun Tan Estate: 60079, 52176, 95708, 141312, 152315, 122412            Tunku Estate: 156704, 32460, 102569, 120011, 148143, 153693</p>	
<b>4.4.5.4</b>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>The management obtains the payslip from the contractors and check the pay against the minimum standard. Payslips from Ooi Trading (FFB transport), Kian Da Enterprise Sdn Bhd (road maintenance) and Yih Construction (replanting) were available for verification. All the pay was found to be meeting the minimum standard requirements.</p>	Complied
<b>4.4.5.5</b>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.</p>	Complied
<b>4.4.5.6</b>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>Employees have been provided with employment contract which referred to the collective agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Sabah Plantation Industry Employees Union (SPIEU). The collective agreement for estates were available for verification.</p>	Complied
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>Time recording at the estates was implemented through recording of check-roll book. The records were updated on daily basis and attendance of workers was monitored regularly through field supervision from morning muster until the working time is over.</p>	Complied
<b>4.4.5.8</b>	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed</p>	<p>Working time found to be in accordance with legal requirement:            Working hours i.e.:            Daily rated workers (1 shift):</p>	Complied

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	and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. <b>- Major compliance -</b>	Working hours = 0530 to 1330 Break time = 1000 to 1130 (flexible)  Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Break time = 1200 to 1230  Shift 2 working hours = 1500 to 2300 Break time = 1800 to 1830  Shift 3 working hours = 2300 to 0700 Break time = 0400 to 0430	
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Interview with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements.	Complied
<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. <b>- Minor compliance -</b>	Among the benefits offered by the company: <ul style="list-style-type: none"> <li>• Productivity incentive</li> <li>• turn-out incentive</li> <li>• transport allowance</li> <li>• telephone allowance</li> <li>• motorcycle allowance</li> </ul>	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. <b>- Major compliance -</b>	The estate workers are provided with free housing facilities which includes water and electricity supply. Based on the visit to the labour quarters, it was noted that the housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Each house has a living room, 3 bedrooms, 1 bathroom, 1 toilet and a kitchen. The visits by Visiting Medical Office (VMO) to the housing were also well	Complied

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		organised by the management, where records of visits were maintained for reference. Nonetheless, the quantifying method of water supply to workers housing can be further improved in order to have convincing evidence that the management is meeting the employment contract terms and conditions, Clause 6.3, which reads "You will enjoy free water up to 35 gallons per employee per day....." (OFI).	
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.	Complied
<b>4.4.5.13</b>	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. <b>- Major compliance -</b>	SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they are allowed to join any trade union freely.	Complied
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.	SDPSB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.	Complied



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- Major compliance -																							
<b>Criterion 4.4.6: Training and competency</b>																							
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Estates visited have established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>Covid-19 training and briefings were sighted at the estates. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the estates as below:</p> <p><u>Sentosa Estate</u></p> <table border="1" data-bbox="1048 906 1872 1310"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>New Policy Training</td> <td>15.07.2020</td> </tr> <tr> <td>Sexual Harassment Training</td> <td>15.07.2020</td> </tr> <tr> <td>Recycling Waste Initiative (3R)</td> <td>15.07.2020</td> </tr> <tr> <td>Minimum Wages Training</td> <td>15.07.2020</td> </tr> <tr> <td>Endangered Species Training</td> <td>14.05.2020</td> </tr> <tr> <td>Emergency Respond Plan</td> <td>14.05.2020</td> </tr> <tr> <td>Training Sprayer</td> <td>24.01.2020</td> </tr> <tr> <td>Water Pump/ Treatment</td> <td>15.05.2019</td> </tr> <tr> <td>Covid 19 Training</td> <td>06.05.2020</td> </tr> </tbody> </table> <p><u>Tun Tan Siew Sin Estate</u></p>	Training	Date	New Policy Training	15.07.2020	Sexual Harassment Training	15.07.2020	Recycling Waste Initiative (3R)	15.07.2020	Minimum Wages Training	15.07.2020	Endangered Species Training	14.05.2020	Emergency Respond Plan	14.05.2020	Training Sprayer	24.01.2020	Water Pump/ Treatment	15.05.2019	Covid 19 Training	06.05.2020	<p>Complied</p>
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<b>4.4.6.2</b>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>The estates visited has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for the year 2020 for all estates.</p>		Complied																																		

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<b>4.4.6.3</b>	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. <b>- Minor compliance -</b>	A training programme has been developed and available in the Training Requirement for Operating Units (Estate) 2020. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby Plantation have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 <sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.  Sentosa Estate: 15.07.2020 Tun Tan Siew Sin Estate: 29.06.2020 Tunku Estate: 03.07.2020	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <b>- Major compliance -</b>	The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The 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.  <u>Sentosa Estate</u> • EAI was reviewed on 02.07.2020 and approved by the Estate Manager.	Complied

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		<ul style="list-style-type: none"> <li>EIE was reviewed on 02.07.2020 and approved by the Estate Manager.</li> </ul> <p><u>Tun Tan Siew Sin Estate</u></p> <ul style="list-style-type: none"> <li>EAI was reviewed on 01.02.2020 and approved by the Estate Manager.</li> <li>EIE was reviewed on 01.02.2020 and approved by the Estate Manager</li> </ul> <p><u>Tunku Estate</u></p> <ul style="list-style-type: none"> <li>EAI was reviewed on 09.03.2020 and approved by the Estate Manager.</li> <li>EIE was reviewed on 09.03.2020 and approved by the Estate Manager.</li> </ul>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>All the estates have established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was reviewed on annually basis.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>Environmental Impact Assessment for Proposed Replanting of Oil Palm Plantation on 4, 628.40 Ha at Sandakan Zone Estates, Sandakan and Kinabatangan Districts, Sabah was conducted by Chemsain Konsultant Sdn. Bhd. With the EIA Report (CK/EV403-4321/17) available dated May 2018 as a requirement for Sabah Estates that undergo replanting.</p> <p>Among other improvement plans were:</p> <ul style="list-style-type: none"> <li>To allow vegetation to grow at all-natural areas as per company policy</li> <li>To continue to inform and communicate to all employees &amp; stakeholders that encroachment and hunting are not allowed/permitted at conservation areas.</li> <li>To plant LCC at slope and at land slide prone areas</li> </ul>	Complied

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		To ensure all domestic wastes are dumped and buried. To ensure no water leakage from the rubbish disposal area. Radius between workers housing area is > 5km.	
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	All the estates visited has established the environmental management plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation.  All the estates continue to promote activities that gives positive impact to the environment by continuously provided awareness to the employee. The promotion was communicated through training, briefing and signage.	Complied
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. <b>- Major compliance -</b>	Training program is available in the estates Training Program updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training. Guidance was provided by the SQM prior to the approval and implementation by the estates. Trainings conducted in relation to environmental and its improvement plan are shown as follows;  <u>Sentosa Estate</u> <ul style="list-style-type: none"> <li>• Schedule Waste Store Management – 10.04.2017</li> <li>• Recycling Waste Initiative (3R) – 15.07.2020</li> <li>• Triple Rinse &amp; Puncture Training – 27.07.2020</li> </ul> Tun Tan Siew Sin Estate <ul style="list-style-type: none"> <li>• HCV Training – 05.08.2020</li> <li>• IPM Training – 12.02.2020</li> </ul> <u>Tunku Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>Scheduled Waste Training – 28.02.2020</li> <li>No Single Use Plastic Campaign – 07.02.2020</li> <li>IPM Species Invasiveness – Management Team Training – 30.07.2020</li> </ul>	
<b>4.5.1.6</b>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p><u>Sentosa Estate</u> The estate discusses environmental issues and performance concurrently with the OSH Meetings. The meetings are held on a quarterly basis as follows: 25.05.2020 (02/2020), 17.02.2020 (01/2020), 12.11.2019 (04/2019), 24.08.2019 (03/2019)</p> <p><u>Tun Tan Siew Sin Estate</u> The estate discusses environmental issues and performance concurrently with the OSH Meetings. The meetings are held on a quarterly basis as follows: 16.06.2020 (02/2020), 17.01.2020 (01/2020), 26.10.2020 (04/2019), 25.07.2020 (03/2019)</p> <p><u>Tunku Estate</u> The estate conducts Environment Performance Monitoring Committee Meetings on a yearly basis and as and when necessary to address the environmental issues and performance within the estate. The latest EPMC Meeting was conducted on 17.07.2020.</p>	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p><b>- Major compliance -</b></p>	<p>All the estates visited have established baseline for non-renewable energy base on average of last 5 years usage/FFB produce. The monitoring of non-renewable energy usage was conducted on annually basis.</p> <p>Sighted the sampled monitoring records for diesel, electricity and water usage for FY 2019 as follows:</p>	Complied

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		<u>Sentosa Estate</u>				
		Month	Diesel	Electricity	Water	
		Jan 2019	44,340	1893	45,857	
		Feb 2019	39,684	1893	46,852	
		Mar 2019	41,363	1680	47,944	
		Apr 2019	45,200	1800	48,983	
		May 2019	41,500	1860	50,159	
		June 2019	38,700	1800	51,528	
		Jul 2019	42,810	1860	39,443	
		Aug 2019	43,600	1850	40,474	
		Sept 2019	39,400	1812	41,555	
		Oct 2019	44,000	1860	42,618	
		Nov 2019	42,098	1860	43,687	
		Dec 2019	41,700	1860	44,773	
		<u>Tun Tan Siew Sin Estate</u>				
		Month	Diesel (Litres)	Electricity (kWh)	Water (m <sup>3</sup> )	

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		Jan 2019	6,283	22,514	15,994	
		Feb 2019	4,251	16,086	13,344	
		Mar 2019	3,568	18,144	14,149	
		Apr 2019	7,457	19,247	14,181	
		May 2019	9,716	22,122	14,209	
		June 2019	8,766	22,204	14,408	
		Jul 2019	9,959	21,412	14,870	
		Aug 2019	5,038	24,192	14,874	
		Sept 2019	10,108	22, 982	14,445	
		Oct 2019	10,770	25, 668	14,967	
		Nov 2019	9,928	18,731	14,458	
		Dec 2019	7,712	19,138	14,442	
				<u>Tunku Estate</u>		
	Month	Diesel	Electricity	Water		
	Jan 2019	33,333	60,992	62,901		
	Feb 2019	31,351	57,498	23,949		



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		Mar 2019	34,509	52,854	60,545	
		Apr 2019	32,056	55,975	57,945	
		May 2019	35,745	59,062	60,831	
		June 2019	30,323	63,414	59,126	
		Jul 2019	33,040	52,454	58,909	
		Aug 2019	32,181	56,505	59,970	
		Sept 2019	31,576	59,424	60,006	
		Oct 2019	32,635	55,732	62,062	
		Nov 2019	30,881	53,343	57,344	
		Dec 2019	29,403	55,341	57,150	
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - <b>Major compliance</b> -	All estates visited have estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring. Any high variances from the monthly estimation is highlighted with available root causes.				Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. - <b>Minor compliance</b> -	There was no opportunity to use renewable energy in all the Estates.				Complied
<b>Criterion 4.5.3: Waste management and disposal</b>						

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<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	All the estates visited has identified the waste products and source pollution and documented in the Waste Management Plan 2020.  The type of wastes been identified are Scheduled waste (SW306, SW305, SW102, SW410, SW409, SW404, Scrap Iron), Domestic waste (rubbish, garden waste and sewage), Recycle waste (tires), Clinical waste (syringe) and Industrial waste (scrap iron).  The type of wastes been identified are Scheduled waste (SW306, SW305, SW102, SW410, SW409, SW404, Scrap Iron), Domestic waste.	Complied
<b>4.5.3.2</b>	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <b>- Major compliance -</b>	All the estates have established the waste management plan and the plan was reviewed on annually basis.  All the estates visited has identified all waste products and source of pollution and documented in the Waste Management Plan. The waste identified has been categorized as follows:  <ul style="list-style-type: none"> <li>• Schedule Waste: SW306, SW305, SW102, SW410, SW404 and SW 409.</li> <li>• Domestic waste: Rubbish, Garden Waste and Sewage</li> <li>• Recycle waste: Tyres</li> <li>• Clinical waste: Syringe</li> <li>• Industrial waste: Scrap iron</li> </ul> In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.	Complied
<b>4.5.3.3</b>	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe	Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26.02.2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.	Complied

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<p>handling, storage and disposal.  <b>- Major compliance -</b></p>	<p>All the estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at All the estates visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Sighted the sampled scheduled waste disposal records for all the estates visited:</p> <p><u>Sentosa Estate</u></p> <ul style="list-style-type: none"> <li>• SW 410; Used Filter; Disposed to Lagenda Bumimas Sdn Bhd. Total Quantity: 0.001 Mt; Consignment Note Number: 009518; Dated: 24.06.2020</li> <li>• SW 409; Contaminated Container; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 0.752mt; Consignment Note Number: 009520; Dated 24.06.2020</li> <li>• SW 102; Used Battery; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 0.038 mt; Consignment Note Number: 009522; dated 24.06.2020</li> </ul>	

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		<ul style="list-style-type: none"> <li>• SW305; Used Lubricant Oil; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 0.070 mt; Consignment Note Number: 009519; dated 24.06.2020</li> </ul> <p><u>Tun Tan Siew Sin Estate</u></p> <ul style="list-style-type: none"> <li>• SW 410; Used Filter; Disposed to Lagenda Bumimas Sdn. Bhd; Total Quantity: 1.5 Drums; Consignment Note Number: 009501; Dated: 23.06.2020</li> <li>• SW 305; Used Lubricant Oil; Disposed to Lagenda Sdn. Bhd. Total Quantity: 800 Litres; Consignment Number: 009503; Dated: 23.06.2020</li> <li>• SW 104; Used Battery; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 390 kgs; Consignment Number: 009504; Dated: 23.06.2020.</li> </ul> <p><u>Tunku Estate</u></p> <ul style="list-style-type: none"> <li>• SW 410; Used Filter; Disposed to Lagenda Bumimas Sdn. Bhd; Total Quantity: 78 kgs; Consignment Note Number: 009515; Dated: 24.06.2020</li> <li>• SW 104; Used Battery; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 88 kgs; Consignment Number: 009512; Dated: 24.06.2020.</li> <li>• SW 410; Used Rags; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 63 kgs; Consignment Number: 009517; Dated: 24.06.2020.</li> <li>• SW 305; Used Chemical Container; Disposed to Lagenda Bumimas Sdn. Bhd.; Total Quantity: 920.7 kgs; Consignment Note Number: 009511; Dated: 24.06.2020</li> </ul>	
<b>4.5.3.4</b>	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's	Excess chemical containers that were not used for premixing have been triple rinsed and punctured was categorized under scheduled waste and disposed through scheduled waste contractor Lagenda Bumimas Sdn Bhd	Complied

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	<p>labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>Sighted the empty container disposal records at the estates visited as follows:</p> <p><u>Sentosa Estate</u> SW 409; Contaminated Container; Disposed to Lagenda Bumimas Sdn. Bhd. Total Quantity: 0.752mt; Consignment Note Number: 009520; Dated 24.06.2020</p> <p><u>Tun Tan Siew Sin Estate</u> SW 409; Used Chemical Container; Disposed to Lagenda Bumimas Sdn. Bhd.; Total Quantity: 920.7 kgs; Consignment Note Number: 009502; Dated: 23.06.2020</p> <p><u>Tunku Estate</u> SW 409; Used Chemical Container; Disposed to Lagenda Bumimas Sdn. Bhd.; Total Quantity: 883.5 kgs; Consignment Note Number: 009514; Dated: 24.06.2020</p>	
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>Domestic waste was disposed at designated landfill within the estate area far from any watercourse or housing areas.</p> <p><u>Sentosa Estate</u> Site visit to landfill at Field 18A was sighted to only contain domestic wastes and no traces of materials that should be categorized as scheduled or recyclable waste. The domestic waste is collected 3 times in a week to be disposed at the landfill.</p>	Complied

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		<p><u>Tun Tan Siew Sin Estate</u> Site visit to landfill at Field 18A was sighted to only contain domestic wastes and no traces of materials that should be categorized as scheduled or recyclable waste. The domestic waste is collected 3 times in a week to be disposed at the landfill.</p> <p><u>Tunku Estate</u> Site visit to landfill at Field P94A2 was sighted to only contain domestic wastes and no traces of materials that should be categorized as scheduled or recyclable waste. The domestic waste is collected 2 to 3 times in a week to be disposed at the landfill.</p>	
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	<p>All the estates visited has established Environmental Management Plan/ Pollution Prevention Plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was reviewed on annually basis.</p> <p>Latest reviewed was conducted on Sentosa Estate: 02.01.2020 Tun Tan Siew Sin Estate: 02.01.2020 Tunku Estate: 09.03.2020</p> <p>In the plan stated the objectives on the environmental issue, mitigating measures and person responsible. The plan was monitored on monthly basis.</p>	Complied
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	Sighted the implementation of Pollution Prevention Plan at all the estates visited as follows:	Complied

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Criterion / Indicator		Assessment Findings	Compliance														
	- Major compliance -	<ul style="list-style-type: none"> <li>To service all vehicles as per schedule</li> <li>To maintain all vehicles in good running condition</li> <li>To recycle all plastic bags and cotton boxes for use</li> <li>To use tray if any leak on vehicles</li> <li>To ensure oil sumps always in good condition.</li> <li>To recycle water at mixing area.</li> <li>To maintain good records of schedule waste and dispose schedule on time by using license contractor.</li> </ul>															
<b>Criterion 4.5.5: Natural water resources</b>																	
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ol style="list-style-type: none"> <li>Assessment of water usage and sources of supply.</li> <li>Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> <li>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</li> <li>Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> </ol>	<p>Documented in Sime Darby Slope and River Protection Policy dated 15.01.2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the river banks.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>River Width</th> <th>Buffer Zone</th> </tr> </thead> <tbody> <tr> <td>&gt; 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>&lt; 5 meters</td> <td>5 meters</td> </tr> <tr> <td>* &gt; 3 meters</td> <td>20 meters</td> </tr> </tbody> </table> <p>* for Sabah Plantations Only</p> <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 01.11.2008.</p>	River Width	Buffer Zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	* > 3 meters	20 meters	Non-conformity
River Width	Buffer Zone																
> 40 meters	50 meters																
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< 5 meters	5 meters																
* > 3 meters	20 meters																

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<p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p><u>Sentosa Estate</u>            The estate has established water management plan. In the plan stated the water source, monitoring plan, contingency plan, person responsible and time frame.</p> <p>Sighted during site visit at buffer zone area at water catchment area at field P11D, the buffer zone was demarcated and fenced. There are no spraying activity along the water catchment buffer zone and the vegetation along are well preserved. The estate has placed signage of prohibition to conduct activity at buffer zone area.</p> <p><u>Tun Tan Siew Sin Estate</u>            The estate has established water management plan. In the plan stated the water source, monitoring plan, contingency plan, person responsible and time frame.</p> <p>Sighted during site visit at water catchment area at field P94A, the buffer zone was demarcated and fenced. There is no spraying activity along the water catchment buffer zone and the vegetation along are well preserved and planted with cover crop to avoid soil erosion. The estate has placed signage of prohibition to conduct activity at buffer zone area.</p> <p>Sighted the water analysis report as follows:</p> <p>i. <u>Pesticides in RSPO Natural Waterways (Rivers)</u>            Water analysis was conducted every 3 months. Refer report no. PL311/2020 dated 13.07.2020, result – Non-Detected for Upstream, Midstream and Downstream indicated that there was no detection of pesticides in the samples.</p>	



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Criterion / Indicator	Assessment Findings	Compliance												
	<p>ii. <u>Microbiology for Domestic Use–Water Treatment/ Linesite</u> Domestic Water Consumption water analysis was conducted every month. Refer report no. ML231/2020 dated 13.07.2020, Results: Conforms with NSDWQ for domestic use.</p> <p><u>Tunku Estate</u> The estate has established water management plan. In the plan stated the water source, monitoring plan, contingency plan, person responsible and time frame.</p> <p>Sighted during site visit at water catchment area at field P94A3, there was a wide buffer zone established. There is no spraying activity along the water catchment buffer zone and the vegetation along are well preserved and planted with cover crop and jungle trees to avoid soil erosion. The estate has placed signage of prohibition to conduct any activity at buffer zone area.</p> <p>Sighted the water analysis report as follows:</p> <p>i. <u>Pesticides in RSPO Natural Waterways (Rivers)</u> Water analysis was conducted every 3 months. Refer report no. IE508/2020 dated 22.07.2020, result –Does Not Conform with Class IIA/IIB of NWQS for Natural Waterways.</p> <table border="1" data-bbox="1093 1206 1767 1375"> <thead> <tr> <th>Sample</th> <th>COD (mg/L)</th> <th>AN (mg/L)</th> <th>DO (mg/L)</th> </tr> </thead> <tbody> <tr> <td>Parameter</td> <td>25</td> <td>0.3</td> <td>5.0 – 7.0</td> </tr> <tr> <td>Upstream</td> <td>52</td> <td>2</td> <td>3.44</td> </tr> </tbody> </table>	Sample	COD (mg/L)	AN (mg/L)	DO (mg/L)	Parameter	25	0.3	5.0 – 7.0	Upstream	52	2	3.44	
Sample	COD (mg/L)	AN (mg/L)	DO (mg/L)											
Parameter	25	0.3	5.0 – 7.0											
Upstream	52	2	3.44											

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		Midstream	20	2	3.40	
		Downstream	32	3	3.33	
		<p>The management have conducted an investigation and the report was available in the corrective / preventive action report for non-conforming water analysis report dated 28.07.2020. The management have conducted a resampling of the water as a corrective action to monitor the water quality. The investigation results indicated that the water sampling was taken from a stagnant water and the water was stoked for a week due to supplier unable to get the bottle for sampling,</p> <p>ii. <u>Microbiology for Domestic Use–Water Treatment/ Linesite</u> Domestic Water Consumption water analysis was conducted every month. Refer report no. IE509/2020 dated 27.07.2020, Results: Does not conform with NSDWQ for domestic use.</p> <p>The management have conducted an investigation and the report was available in the corrective / preventive action report for non-conforming water analysis report dated 28.07.2020. The investigations results indicated that water processing was not properly conducted.</p> <p>During the site visit at the Chemical Premix Area at Tunku Estate, it was sighted that the bunded Chemical Premix area has an outlet that leads to a Water Sump that then leads to the Monsoon Drain. Therefore, the excess of water and washing residues from the chemical premix area that have been contaminated with chemicals flow through the drain into the water sump and straight into the Monsoon Drain.</p>				

Criterion / Indicator		Assessment Findings	Compliance																			
		Protection of waterways was not properly maintained. Therefore, a major nonconformance was raised.																				
<b>4.5.5.2</b>	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - <b>Minor compliance</b> -	There is no construction of bunds, weirs and dams across main rivers or waterways passing through any of the estates visited.	Complied																			
<b>4.5.5.3</b>	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - <b>Minor compliance</b> -	Sighted during site visit the rain water harvesting practices was implemented in all estates visited. The estates constructed collection sump to divert and collect the water into the field. The estates also harvested rain water for use for chemical mixing and for washing works at the workshop.	Complied																			
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>																						
<b>4.5.6.1</b>	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status ( <i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - <b>Major compliance</b> -	A Biodiversity Assessment & HCV Identification for Strategic Operating Unit (SOU) 26 was conducted by PSQM Department, Sime Darby Plantation Sdn. Bhd. and available in a report dated May 2013. The report has identified the Biodiversity Values, Ecosystem Services and Social & Cultural Values available within the SOU 26 landscape.  Among the HCV areas that have been identified are as below:  <table border="1" data-bbox="1048 1102 1872 1399"> <thead> <tr> <th>Estate</th> <th>Biodiversity Area</th> <th>Ha</th> <th>Potential HCV</th> </tr> </thead> <tbody> <tr> <td>Tun Tan Siew Sin</td> <td>Water Catchment Area</td> <td>4.74</td> <td>HCV 4</td> </tr> <tr> <td rowspan="2">Tunku Estate</td> <td>Water Catchment Area</td> <td>9.20</td> <td>HCV 4</td> </tr> <tr> <td>≥ 25° Slopes</td> <td></td> <td>HCV 4</td> </tr> <tr> <td>Sentosa Estate</td> <td>Isolated patches of Forest</td> <td>22.36</td> <td>HCV 4</td> </tr> </tbody> </table>	Estate	Biodiversity Area	Ha	Potential HCV	Tun Tan Siew Sin	Water Catchment Area	4.74	HCV 4	Tunku Estate	Water Catchment Area	9.20	HCV 4	≥ 25° Slopes		HCV 4	Sentosa Estate	Isolated patches of Forest	22.36	HCV 4	Complied
Estate	Biodiversity Area	Ha	Potential HCV																			
Tun Tan Siew Sin	Water Catchment Area	4.74	HCV 4																			
Tunku Estate	Water Catchment Area	9.20	HCV 4																			
	≥ 25° Slopes		HCV 4																			
Sentosa Estate	Isolated patches of Forest	22.36	HCV 4																			

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Criterion / Indicator		Assessment Findings				Compliance
			≥ 25° Slopes	52.58	HCV 4	
			Cemetery	0.62	HCV 6	
<b>4.5.6.2</b>	<p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>In SOU26, identified HCV 4 - river buffer zone, water catchment area, swamps and &gt;25-degree slopes (all estates) and HCV 6 Their biodiversity conservation action plan includes:</p> <ul style="list-style-type: none"> <li>• Signage showing this area is value for conservation to be placed at the strategic point of the area.</li> <li>• Briefing and training to the estate workers/stakeholders is being carried out from time to time on the awareness of high conservation value area in the estate.</li> <li>• Educating and raising awareness</li> <li>• Communicating with staff, workers, stakeholders and neighbors regarding objective of conservation area.</li> <li>• To protect the water bodies which is source of drinking water for domestic use of estates community</li> <li>• To protect animals that is in the wet habitats, no hunting, poaching or fishing allowed at the pond.</li> <li>• No spraying and chemical activities allowed at the areas.</li> <li>• Additional signboard "Di Larang Menebang Pokok Bakau and Kawasan Pemuliharaan Hutan Bakau" to be placed at strategic points adjacent to mangrove forest.</li> <li>• To add more mark for buffer zone area.</li> </ul>				Complied
<b>4.5.6.3</b>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>All operating units have developed Management Plan for the HCV and conservation area to protect from any encroachment. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. The estates have installed</p>				Complied

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		<p>signboards at prominent areas to prohibit hunting, disturbance of protected areas and the lighting of fires.</p> <p>Inspection of housing areas and interview of residents confirmed workers were aware of the company policy that prohibits hunting and collecting activities. Monitoring is carried out by the security and staff in charge for the respective area.</p> <p>Sime Darby Plantation in addition established their own disciplinary measures if found any staff or workers found to capture, harm, collect or kill the RTE species in the estate. On-going monitoring for HCV areas for both Estates has been verified. The monitoring was conducted on monthly basis.</p>	
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p><b>- Major compliance -</b></p>	<p>The Group policy of "Zero open burning" is enforced since July 2008. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. All estates had replanting program spanned over the forthcoming years. Refer details in 4.6.2.2. In addition, Sime Darby Plantation assigned 1 person based in HQ being in charge to detect any open fire in the Company's fields using the Global Spot Watch.</p>	Complied
<b>4.5.7.2</b>	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p><b>- Major compliance -</b></p>	<p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling &amp; chipping, cambering/land forming and path construction as per the Sime Darby Plantation SOP.</p>	Complied

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<b>4.5.7.3</b>	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. <b>- Major compliance -</b>	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. <b>- Minor compliance -</b>	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	<p>SOP was established for the Estates. &amp; Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc.</p> <p>Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.</p> <p>Also sighted the latest addition of SOP Communicable Disease (Covid – 19) Prevention &amp; Control Procedure available.</p> <p>Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the</p>	Complied

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		bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.	
<b>4.6.1.2</b>	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. <b>- Major compliance -</b>	<p>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly.</p> <p>All estates had complied with this policy to not plant on slopes above 25° and Buffer Zone.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p>	Complied
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on signboards as sighted in the fields.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	Business planning to ensure long-term economic and financial viability was evident. The annual budgets for the period 2020 to 2025 were sighted. The budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO/MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																												
		CAPEX - capital expenditure mainly for buildings, furniture and others asset related expenses																													
<b>4.6.2.2</b>	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. <b>- Major compliance -</b>	All estates established a replanting program spanned over a 5-year period till 2025. All programs were sighted.  <table border="1"> <thead> <tr> <th>Year</th> <th>Sentosa Est</th> <th>Tun Tan Siew Sin Estate</th> <th>Tunku Estate</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>366.74</td> <td>251.23</td> <td>260.20</td> </tr> <tr> <td>2021</td> <td>287.47</td> <td>109.65</td> <td>196.12</td> </tr> <tr> <td>2022</td> <td>164.93</td> <td>121.90</td> <td>195.23</td> </tr> <tr> <td>2023</td> <td>Nil</td> <td>341.07</td> <td>139.25</td> </tr> <tr> <td>2024</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2025</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Year	Sentosa Est	Tun Tan Siew Sin Estate	Tunku Estate	2020	366.74	251.23	260.20	2021	287.47	109.65	196.12	2022	164.93	121.90	195.23	2023	Nil	341.07	139.25	2024	Nil	Nil	Nil	2025	Nil	Nil	Nil	Complied
Year	Sentosa Est	Tun Tan Siew Sin Estate	Tunku Estate																												
2020	366.74	251.23	260.20																												
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2024	Nil	Nil	Nil																												
2025	Nil	Nil	Nil																												
<b>4.6.2.3</b>	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>	The business and management plans were available in the annual budget. The annual budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO & MSPO compliance etc. The budgets included projections on yield/ha, and total cost of production per MT & per ha.	Complied																												
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	The management plan was effectively implemented, and the achievement of the goals and objectives were regularly monitored, documented and reviewed through Monthly Progress Reports, Monthly Accounts Reports,	Complied																												



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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	Annual Financial Reports, Plantation Advisor Visit Reports and Performance Unit Report.	
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - <b>Major compliance</b> -	Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/7/2017. - All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	The contract agreements between the management and the contractors (e.g. Ooi Trading, Yih Construction and Kian Da Ent.) were verified. The rate of payment was clearly stated in the agreement. The payment was made on timely manner by the Head Quarter after received invoice from the contractor.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the estates. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - <b>Major compliance</b> -	Awarded contractors are provided with Letter of Offer (LOA) (contract agreement) which spelt out the conditions such as commencement, service contract, bank guarantee, insurance policies, failure to provide service, responsibility and indemnity, termination, governing laws, transportation rate and rate adjustment mechanism.	Complied

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<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	This is specified in the letter dated 01/7/2017 as shown in item 4.6.4.1 above. The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through the session between contractors. This was verified through minutes of meeting.	Complied
<b>4.6.4.4</b>	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. <b>- Major compliance -</b>	All works performed by the contractors at the estates are checked and verified by the estate's personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
<b>4.7.1.1</b>	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
<b>4.7.1.2</b>	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
<b>Criterion 4.7.2: Peat Land</b>			
<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	NA as no new planting at the sampled estates.	Complied

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- Major compliance -			
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	NA as no new planting at the sampled estates.	Complied
<b>4.7.3.2</b>	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	NA as no new planting at the sampled estates.	Complied
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	NA as no new planting at the sampled estates.	Complied
<b>4.7.3.4</b>	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	NA as no new planting at the sampled estates.	Complied
<b>Criterion 4.7.4: Soil and topographic information</b>			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	NA as no new planting at the sampled estates.	Complied
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation	NA as no new planting at the sampled estates.	Complied

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	systems, roads and other infrastructure. - <b>Major compliance</b> -		
<b>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</b>			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - <b>Major compliance</b> -	NA as no new planting at the sampled estates.	Complied
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - <b>Major compliance</b> -	NA as no new planting at the sampled estates.	Complied
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - <b>Major compliance</b> -	NA as no new planting at the sampled estates.	Complied
<b>Criterion 4.7.6: Customary land</b>			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - <b>Major compliance</b> -	NA as no new planting at the sampled estates.	Complied
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - <b>Minor compliance</b> -	NA as no new planting at the sampled estates.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	Complied
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	NA as no new planting at the sampled estates.	Complied

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance -</b>	SDPB has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance -</b>	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> <li>- Promoting good governance and transparency</li> <li>- Contributing to a better society</li> <li>- Minimising environmental harm</li> <li>- Delivering sustainability quality</li> <li>- The policy is guided by three main documents i.e.: <ul style="list-style-type: none"> <li>- Responsible Agriculture Charter</li> <li>- Human Rights Charter</li> <li>- Innovation &amp; Productivity Charter</li> </ul> </li> </ul> All of the above documents and the policy statement are made available on Sime Darby's website.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	The SQM Sabah Region have conducted Internal Audit based on the Internal Audit Procedures stated in the Sime Darby Plantation; Plantation Sustainability and Quality Management (PSQM); Internal	Complied

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	- <b>Major compliance</b> -	Audit Procedure; Document ID: SD/SDP/PSQM/IAP; Rev 2 dated 01.11.2017. The internal audit is conducted annually and when required as stated in the procedure.	
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - <b>Major compliance</b> -	The internal audit for Sandakan Bay POM has been conducted on 22nd June 2020 for MSPO & RSPO by SQM Sabah Region. During the audit, there were 3 Major Non-Conformance and 2 OFI raised. The findings were successfully closed on 15.07.2020 with the root cause, correction and corrective action plan available in the report.	Complied
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. - <b>Major compliance</b> -	The internal audit report is available during the audit and the results were discussed during management review.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - <b>Major compliance</b> -	The procedure for Management Reviews (SQM, Sub-Section 5.6, Version 2:2015 dated 25.05.2015) was established.  The frequency for management review needs to be carried out at least once a year.  All the agenda such as OSH Objective, Mill Performance, Resource Evaluation, Need and Plan, Internal Audit MSPO & RSPO Integrated Internal Consultative Assessment, discipline and recommendation for improvement were discussed accordingly.  The management review has been conducted on 15.07.2020.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p><b>- Major compliance -</b></p>	<p>The action plan for continual improvement in regard to social and environment impacts, and opportunities were available in the mill for verification. The plan clearly states the possible issues, action to be taken, person in charge, time frame and status of action.</p> <p>Among the environmental impact and opportunities identified were:</p> <ol style="list-style-type: none"> <li>1. Traced oil in monsoon drain which is suspected from EFB leachate and cleaning work. <ul style="list-style-type: none"> <li>• Trapped oil must be removed daily</li> <li>• To liaise with CMU or Group Estate for EFB disposal.</li> </ul> </li> <li>2. Black Smoke Emission <ul style="list-style-type: none"> <li>• To carry out weekly inspection on ID Fan, Ash Airlock and cyclone cone.</li> <li>• To ensure fireman carry out proper raking.</li> <li>• To align smoke density meter transmitter and receiver if the reading is offset.</li> <li>• To service/recalibrate at least once a year.</li> </ul> </li> <li>3. Effluent Holding Pond Bund Collapse. <ul style="list-style-type: none"> <li>• Rebuild/repair holding pond bund when necessary in dry season.</li> </ul> </li> <li>4. Methane Gas Emission <ul style="list-style-type: none"> <li>• To build Biogas Plant which will reduce methane gas emission.</li> </ul> </li> </ol> <p>Among the social impact and opportunities identified were:</p> <ol style="list-style-type: none"> <li>1. Housing condition/ living improvement</li> </ol>	<p>Complied</p>



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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>• Mill to see all workers to get feedbacks on the details of housing problem and come out with plans on how to resolve them.</li> </ul> <p>2. Transportation</p> <ul style="list-style-type: none"> <li>• External transportation will be hired to attend workers transportation to the hospital.</li> <li>• Transportation for school children to and from is replaced by boat to the use of registered school busses.</li> </ul> <p>3. Illegal Immigrant in Linesite</p> <ul style="list-style-type: none"> <li>• Legalization Programme.</li> </ul>	
<b>4.1.4.2</b>	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. <b>- Major compliance -</b>	<p>Sandakan Bay POM continuously ensures there are improvement practices in line with new information and techniques introduced in the workforce. Kaizen Charter is introduced to ensure improvement projects are in place. Lean Six Sigma is used to minimize waste (money, time, man power, etc) where improved methods are introduced in the management system.</p> <p>Sime Darby Plantation have introduced a Safety Monitoring System called Rapid 4 where the Operating Units are required to report or submit any accidents or incidents related to safety performance on a monthly basis to the Head Quarters.</p>	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The time frame to provide feedback to the	Complied

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	relevant to sustainable practices in the relevant languages and forms. <b>- Major compliance -</b>	stakeholder is documented to be 2 weeks of the date receiving the queries. The Estate Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	Sime Darby Plantations Bhd continued to use the group website for disseminating public information. The Sustainability Report and Group Annual report is available in website. Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate. In addition to the website, the policies were also displayed at various locations including the main notice boards of the estates and muster ground notice boards for employees and visitors to view. Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at <a href="http://www.simedarbyplantation.com/Sustainability.aspx">http://www.simedarbyplantation.com/Sustainability.aspx</a>	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	The Standard Operation Manual dated 01/11/2008 documented the process for Procedure for External Communication (sub-section 5.5, Appendix 5.5.3.2). The Sustainable Plantation Management System Appendix 5 (Flowchart and Procedures on handling Social Issues) dated 01/11/2008 documented the process for handling communication regarding social issues.	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	As stated in the procedure, the Mill Manager is responsible to deal with the external communication for the respective estates under their management.	Complied

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<b>4.2.2.3</b>	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. <b>- Major compliance -</b>	List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc. The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 24/02/2020 (Outside Crop Plantation) & 20/07/2020 (neighbouring estates, worker’s representative and mill housing complex). Minutes of meeting were available for verification. The objective of the meeting to discuss the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	Ref.: Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, 2018; issue no. 5, April 2019.  Sandakan Bay POM is receiving FFB mainly from it supply base - Segaliud Estate, Sentosa Estate, Tigowis Estate, Tun Tan Estate and Tunku Estate. FFB from third party suppliers comprise around 10% of the total FFB received. Among the relevant documents to ensure traceability are as follows:  For own supply base: The weighbridge ticket provided the following details: - Supplied from which estate - Product (FFB or Loose fruit) - Delivery note from estates stating the weight and fruit grade (A or B). - D.O Number	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Weight of the shipment</li> <li>- Date of the shipment</li> </ul> <p>For despatch of CPO, the weighbridge ticket includes the following information to ensure traceability:</p> <ul style="list-style-type: none"> <li>- Customer Name</li> <li>- Destination of the CPO</li> <li>- Product</li> <li>- DO number</li> <li>- PO number</li> <li>- Weight of the product.</li> </ul> <p>For external FFB suppliers, they have their own delivery orders. All the external suppliers have to be approved by signing contract agreement and registered in the system before they are able to send their crop to mill.</p>	
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	The method of inspection is by SCCS internal audit 22/6/2020. Based on the inspection, there was two finding (1 NCR & 1 OFI) raised on the implementation of traceability procedure. Both findings have been closed by the internal auditors on 20/7/2020.	Complied
<b>4.2.3.3</b>	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	The overall personal in charge for the traceability is the Head of Operating Unit (in this case, the Mill Manager) [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
<b>4.2.3.4</b>	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	Stock of CSPO is recorded Mass Balancing Records for Oil Mills. For the period under review, the mill has dispatched 37,4987.82 mt of CSPO and 13,993.31 mt of CSPK as RSPO certified. To-date, there has been no sales as MSPO certified.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Sime Darby have established a mechanism to ensure compliancy to legal and other requirement and documented in EQMS &amp; MQMS (Estate &amp; Mill Quality Management System) under Standard Operation Manual distributed to all operating units under SOU26.</p> <p>PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Sime Darby Plantation, ESH Management System Manual, ESH Legal &amp; Other Requirements; Guidelines and Procedures; Document ID: SD/SDP/SQM (ESH)/001-2-2; Revision:0. Date: 01.07.2012.</p> <p>The latest legal requirement evaluation was conducted on 01.05.2020 by QA supervisor and approved by Mill Manager. As to date, the Sandakan Bay POM comply with all the applicable local, state, national and ratified international laws and regulations.</p> <p>Among the Permits and License sampled were:</p> <ol style="list-style-type: none"> <li>1. DOE (Akta Kualiti Alam Sekeliling 1974 – 18 (1A) (BOD &lt;20 mg/l)); License Number: 003534; License valid till 30.08.2020</li> <li>2. DOE (Akta Kualiti Alam Sekeliling 1974 – (Udara Bersih) 2014; License Number: 005181; License valid till 30.06.2021</li> <li>3. Permit Barangan Kawalan Berjadual; (Diesel Euro 2M (Industri) – 18,160 Litre); Reference Number: PPDNKK.SDK.02/2000 (SK); Valid till 30.10.2020.</li> <li>4. MPOB License; License Number: 508777804000; License Valid till: 30.11.2020</li> </ol>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		5. License to Employ Non-Residential Workers; License Number: JTK.H.KBN.600-4/1/10401/0416; Valid till 06.07.2021	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	Documented Procedures have 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.  All legal requirements were documented in Legal and Other Requirement Register available at the mill.	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	Documented procedures have 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.  All legal requirements were documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the mill. The legal register at the mill were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the mill undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.  All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 & Akta Pencegahan & Pengawasan Penyakit Berjangkit 1988.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.  On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented.  The mill management has appointed the Assistant II on 02.01.2020 as the PIC to monitor any changes on the LORR and update the register as and when necessary as stated in the job functions as the PIC for Environment/Quality Management Systems.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	Land use right for mill is under the land title of Tun Tan Estate.	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	Land title for Tun Tan Estate was available. Land title No.: 109401 Leasee: Sime Darby Plantation Bhd	Complied
<b>4.3.2.3</b>	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The mill occupies 16 Ha which is within the area of Tun Tan Estate's land title and therefore demarcation of boundary is not necessary.	Complied
<b>4.3.2.4</b>	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with	NA. Land issue is under the management of Tun Tan Estate.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	free prior informed consent (FPIC). - <b>Minor compliance</b> -		
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance</b> -	No land is encumbered by customary rights.	Complied
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	No land is encumbered by customary rights.	Complied
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	No land is encumbered by customary rights.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	The Social Impact Assessment for SOU26 Sandakan Bay for all operating units (Segaliud, Tigowis, Tun Tan, Sentosa and Tunku) was conducted internally by the Plantation Sustainable and Quality Management (PSQM) Team, now known as Group Sustainability Department based at Sime Darby Plantation Bhd HQ. The last SIA was conducted in July 2013. The impacts reported in category i.e. working condition, housing condition/living improvement, transportation and gender committee for internal. For external stakeholders, the impacts mainly were obtained from interview inputs. The recommendation from the SIA report was transferred to action plan. The latest Action Plans for Social Impact Assessment 2020 was	Complied



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		available for verification. The action plan identified the issues & strategies, action plan, responsible person and time frame. Action plan from the regular stakeholder consultation was also available.	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	System for dealing with complaints and grievances has been established and documented through: <ul style="list-style-type: none"> <li>• Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008)</li> <li>• Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.</li> </ul>	Complied
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - <b>Major compliance</b> -	It was noted that the mill managed to handle other complaints and requests from its stakeholders in timely manner especially from workers regarding repair of their houses. Crosschecking with some of the affected workers through line-site visit confirmed that their issues were addressed accordingly.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - <b>Minor compliance</b> -	The mill is using a log book to record any defects related to housing facilities reported by their workers (tenants). There is also communication book which is used to record any request by stakeholders.	Complied
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - <b>Minor compliance</b> -	Based on interview with the stakeholders such as contractors, local communities and workers, it has shown that the stakeholders are aware of how to forward their complaints or suggestions to the management. There was no grievance recorded since the last assessment. Nonetheless, records of request for housing maintenance by workers were available at all the mill.	Complied
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders	The previous complaints and requests records for the past 24 months were still available at the mill.	Complied

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	upon request. - <b>Major compliance</b> -		
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - <b>Minor compliance</b> -	Contributions by the mill is integrated with the plantations. Refer to input in Indicator 4.4.3.1 for MSPO Part 3.	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - <b>Major compliance</b> -	<p>Sime Darby have established the Group Policy on Health, Safety &amp; Environment (HSE) Policy Statement signed by the CEO on 1<sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The mill has established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring and Health monitoring.</p> <p>The policy has been briefed to all workers on 20.07.2020</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.4.2</b> The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues that affect</li> </ul>	<ul style="list-style-type: none"> <li>a) Sime Darby Plantation have established the Health, Safety &amp; Environment (HSE) Policy Statement signed by the CEO on 1<sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill. The policy has been briefed to all workers on 20.07.2020</li> <li>b) HIRARC was available for all operations within the Mill to identify the hazards, assess and recommended control measures to minimize the risks. Among the HIRARC sampled were Covid-19, Reception Station, Kernel Recovery Station, Workshop, EFB Yard Construction, Boiler Station, Turbine and Schedule Waste. All HIRARC were recently reviewed on 30<sup>th</sup> April 2020.</li> </ul> <p>Chemical Health Risk Assessment (CHRA) was conducted on 18<sup>th</sup> December 2019 by DAB OH Sdn. Bhd, DOSH Registered Assessor (HQ/11/ASS/00/298) with the CHRA Report available for verification.</p> <p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to particular hazards such a n-Hexane, Manganese, Chlorine, Mineral Dust and Mineral Oil. The Mill has conducted the medical surveillance on 12.12.2019 for 30 of the workers where all the workers were certified fit to work with no workers needed for Medical Removal Protection. The Medical Surveillance was conducted by Mabello Group of Clinics (DOSH Reg Number: HQ/13/DOC/00/315).</p>	<p>Non-conformity</p>

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<p>their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Audiometric Assessment was conducted by a registered practitioner for the mill workers that are exposed to noise level at or above the action level. For the audiometric test dated 25<sup>th</sup> November 2019, 89 workers were assessed where 79 workers were resulted to having normal hearing, 9 workers with Mild Hearing Impairment and 2 workers with Standard Threshold Shift. The 2 workers with Standard Threshold Shift were required to go for a retest 3 months from the date of the initial audiometric assessment. The workers were due to be retested on 25<sup>th</sup> February 2020 nonetheless the retest was delayed till 18<sup>th</sup> June 2020 taking into account the MCO 2020 (18<sup>th</sup> March 2020 – 9<sup>th</sup> June 2020). The reassessment was not conducted in a timely manner as per the requirement. Therefore, a minor non-conformance was raised.</p> <p>c) The mill has established a training and awareness program for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows</p> <table border="1" data-bbox="1099 1126 1787 1262"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Chemical Handling Training</td> <td>04.03.2020</td> </tr> <tr> <td>Chemical Handling (Lab) Training</td> <td>15.02.2019</td> </tr> </tbody> </table> <p>d) The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17.03.2008.</p>	Training	Date	Chemical Handling Training	04.03.2020	Chemical Handling (Lab) Training	15.02.2019	
Training	Date							
Chemical Handling Training	04.03.2020							
Chemical Handling (Lab) Training	15.02.2019							

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	<p>Sighted during site visit at boiler station, engine station and workshop, the workers were provided with leather gloves, earplugs, respirators, safety helmets, safety shoes and others required by the operations. The workers acknowledged that they are entitled to appropriate PPE, free of charge by the management. The workers understand the importance of wearing the appropriate PPEs during work as they are regularly briefed by the management. Sighted the PPE issuance records documented in 'PPE Issuance Record' log book. The PPE issued recorded by workers and job designation.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26.02.2015.</p> <p>f) The Mill Engineer, Cik Nor Azian Binti Anuar was appointed to be the Chairman of OSH Committee at the Mill as stated in the appointment letter dated 31.12.2019 undersigned by the SOU 26 Chairman. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The Mill Management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill</p>	

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	<p>security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated as follows:</p> <p>03.07.2020 (03/2020), 03.04.2020 (02/2020), 03.01.2020 (01/2020), 03.10.2019 (04.2019)</p> <p>h) Accident and emergency procedures are available in Estate and Mill Quality Management System Standard Operation manual dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3. Sighted during site visit at the mill that the compound was equipped with fire extinguishers, fire hose. Noted during the interview with employees shows the understanding regarding emergency and evacuation procedures.</p> <p>The mill has established Emergency Response Team lead by the Mill Engineer. Sighted during site visit, the ERT chart and Fire Extinguisher Map was displayed at several notice boards around the mill complex. Sighted the ERP related trainings as below:</p> <p>Fire Drill &amp; First Aid Training – 04.11.2019            Fire Drill Training – 21.02.2020</p> <p>i) First aiders were present at various work stations at the mill. The first aiders were responsible for first aid box at each workstation assigned to them by the management. During the interview with the fireman, electrician and engine driver, shows the awareness regarding the emergency procedure if accidents occur, person responsible of every first aid box and the location of the nearest</p>	

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		<p>first aid box. The first aid box was recently replenished with all stated items available in the box. The latest First Aid Training was conducted on 30.01.2020</p> <p>j) Accident records are recorded and maintained in the mill and discussed during the quarterly held JKPP Meetings. There were 1 dangerous incident recorded for the year 2019 involving fire at the work place. No accidents or injuries were reported for the year 2019. Sighted the JKPP 8 form submission to JKPP for the year 2019. No accident cases were reported for the year 2020 as well.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on good social practices regarding human rights in the "Group Sustainability &amp; Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to respect, support and uphold fundamental human rights. It was communicated to the employees through various methods such as training, meeting and briefing.</p>	Complied
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on discriminatory in the "Group Sustainability &amp; Quality Policy Statement" mentioned in Indicator 4.1.1.2 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. Interview with the workers showed that there was no evidence of discrimination among the employees.</p>	Complied
<b>4.4.5.3</b>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic</p>	<p>Collective agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Sabah Plantation Industry Employees Union (SPIEU) was available. The latest agreement was for the period of 1/1/2017 to 31/12/2019 and signed by the related representatives (i.e. Head,</p>	Complied

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	needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	Plantation Upstream, Malaysia, Head of HR Operations, Director Industrial Relations, General Secretary of SPIEU and President of SPIEU). Based on the agreement, the living wage in the CA was found to be sufficient to meet basic needs for the employees.  Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the workers. Sampled workers ID number whose payslips for December 2019 and June 2020 were verified is as follows: 66072, 119231, 145335, 153212, 155984, 156698	
<b>4.4.5.4</b>	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. <b>- Minor compliance -</b>	The CPO & PK transportation contractors have signed on the contract agreement prior commencement of work in the mill area. In the agreement, it was clearly stated that the contractors shall be responsible to comply any applicable legal requirements including the labour law. Nonetheless, with regards to mill operations, there was no contractor hired to carry out any job on behalf of the mill.	Complied
<b>4.4.5.5</b>	The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. <b>- Major compliance -</b>	There is a list of employees consist of employee number, name, check roll type, joining date and status in the SAP system – Sime Estate Mill Upstream Application (SEMUA) System Employee Master Listing.	Complied
<b>4.4.5.6</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	Employees have been provided with employment contract which referred to the collective agreement between Sime Darby Plantation (Sabah) Sdn Bhd and Sabah Plantation Industry Employees Union (SPIEU). The collective agreement for estates were available for verification.	Complied



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<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	Time recording at the mill was implemented through recording of punch card system, which records the time-in and time-out of an employee. The records were updated on daily basis and attendance of workers was monitored regularly through site supervision.	Complied
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. <b>- Major compliance -</b>	Working time found to be in accordance with legal requirement: Working hours i.e.: Daily rated workers (2 shifts):  <u>Shift A</u> Working hours = 0800 to 1600 Break time = 1100 to 1200  <u>Shift B</u> Working hours = 1600 to 0000 Break time = 2000 to 2100  Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Break time = 1200 to 1230  Shift 2 working hours = 1500 to 2300 Break time = 1800 to 1830  Shift 3 working hours = 2300 to 0700 Break time = 0400 to 0430	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements.	Complied

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<p><b>4.4.5.10</b> Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. <b>- Minor compliance -</b></p>	<p>Among the benefits offered by the company:</p> <ul style="list-style-type: none"> <li>• Productivity incentive</li> <li>• turn-out incentive</li> <li>• transport allowance</li> <li>• telephone allowance</li> </ul>	<p>Complied</p>
<p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. <b>- Major compliance -</b></p>	<p>The mill workers are provided with free housing facilities which includes water and electricity supply. Based on the visit to the labour quarters, it was noted that the housing condition was accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Each house has a living room, 3 bedrooms, 1 bathroom, 1 toilet and a kitchen. The visits by Visiting Medical Office (VMO) to the housing were also well organised by the management, where records of visits were maintained for reference.</p>	<p>Complied</p>
<p><b>4.4.5.12</b> The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b></p>	<p>SDPB has incorporated its policy on violence and sexual harassment in the "Group Sustainability &amp; Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.</p>	<p>Complied</p>
<p><b>4.4.5.13</b> The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p>	<p>SDPB has incorporated its policy on freedom of association in the "Group Sustainability &amp; Quality Policy Statement" mentioned in Indicator 4.1.1.2 where the management is committed and respect the rights of all personnel to join or form any organizations of their choice and to bargain collectively. Interview with the workers confirmed that they are allowed to join any trade union freely.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance																
	- <b>Major compliance</b> -																		
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - <b>Major compliance</b> -	SDPSB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2. Based on verification of workers register, there was no evidence that anyone below 18 years of age was recruited for employment.	Complied																
<b>Criterion 4.4.6: Training and competency</b>																			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - <b>Major compliance</b> -	<p>Sandakan Bay POM have established a training program for all workers based on the training need analysis conducted on a yearly basis.</p> <p>Covid-19 training and briefings were sighted at the mill. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained as below: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>PPE Training</td> <td>01.07.2020</td> </tr> <tr> <td>Covid 19 Training</td> <td>01.07.2020</td> </tr> <tr> <td>Scheduled Waste Training</td> <td>24.06.2020</td> </tr> <tr> <td>Hirarc Training</td> <td>24.06.2020</td> </tr> <tr> <td>Sexual Harassment Training</td> <td>08.04.2020</td> </tr> <tr> <td>Drug Abuse Training</td> <td>05.03.2020</td> </tr> <tr> <td>LOTO Training</td> <td>18.12.2019</td> </tr> </tbody> </table>	Training	Date	PPE Training	01.07.2020	Covid 19 Training	01.07.2020	Scheduled Waste Training	24.06.2020	Hirarc Training	24.06.2020	Sexual Harassment Training	08.04.2020	Drug Abuse Training	05.03.2020	LOTO Training	18.12.2019	Complied
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Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. <b>- Major compliance -</b>	Sandakan Bay POM has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for the year 2020 for verification.	Complied
<b>4.4.6.3</b>	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. <b>- Minor compliance -</b>	A training programme has been developed and available in the Training Requirement for Sandakan Bay POM ESH Activities for 2020. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 <sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill.  The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.  The policy has been briefed to all workers on 20.07.2020	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational	Complied

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		changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Last reviewed was done on 11.02.2020.	
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. <b>- Major compliance -</b>	The Environmental Impact Plan and Pollution Prevention Plan was established based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The 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.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	The Continual Improvement Plan has incorporated various programmes to promote the positive impacts towards the environment such as: <ol style="list-style-type: none"> <li>1. Traced oil in monsoon drain which is suspected from EFB leachate and cleaning work.               <ul style="list-style-type: none"> <li>• Trapped oil must be removed daily</li> <li>• To liaise with CMU or Group Estate for EFB disposal.</li> </ul> </li> <li>2. Black Smoke Emission               <ul style="list-style-type: none"> <li>• To carry out weekly inspection on ID Fan, Ash Airlock and cyclone cone.</li> <li>• To ensure fireman carry out proper raking.</li> <li>• To align smoke density meter transmitter and receiver if the reading is offset.</li> <li>• To service/recalibrate at least once a year.</li> </ul> </li> <li>3. Effluent Holding Pond Bund Collapse.               <ul style="list-style-type: none"> <li>• Rebuild/repair holding pond bund when necessary in dry season.</li> </ul> </li> </ol>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		4. Methane Gas Emission <ul style="list-style-type: none"> <li>To build Biogas Plant which will reduce methane gas emission.</li> </ul>	
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. <b>- Major compliance -</b>	The mill management has established annual ESH Training Plan from FY 2020 which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.  Among the trainings verified were: Schedule Waste Training - 24.06.2020	Complied
<b>4.5.1.6</b>	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. <b>- Major compliance -</b>	Sandakan Bay Palm Oil Mill conducts quarterly Environment Performance Monitoring Committee (EPMC) Meetings to address the environment quality, issues and opportunity for improvements. The EPMC Meeting Minutes were available for verification dated 03.07.2020, 03.04.2020, 03.01.2020 and 22.10.2019.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period <b>- Major compliance -</b>	The Mill maintains records of energy usage, which is reported monthly to head office through SAP system. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel.  Sandakan Bay POM has established baseline for non-renewable energy base on average of last 3 years usage/FFB produce. The monitoring of non-renewable energy usage was conducted annually.  Sighted the sampled monitoring records for diesel, electricity and water usage at Sandakan Bay POM for FY 2019 as follows:	Complied

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Criterion / Indicator		Assessment Findings				Compliance
		Month	Diesel (L)	Electricity (kWh)	Water (m <sup>3</sup> )	
		Jan 2019	63698	588180	32780.39	
		Feb 2019	55964	460100	27671.58	
		Mar 2019	62096	637450	31703.27	
		Apr 2019	64272	434120	31104.14	
		May 2019	70776	482150	35059.52	
		June 2019	78824	499480	32555.59	
		Jul 2019	74308	530930	33240.78	
		Aug 2019	62149	589500	26684.25	
		Sept 2019	59688	552030	32743.39	
		Oct 2019	47497	656100	38447.74	
		Nov 2019	45256	558880	33696.56	
		Dec 2019	53559	531440	32583.06	
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	Sandakan Bay POM has estimation of total energy required. This estimation was compared to the actual usage on a monthly basis and reported to the head office for monitoring purposes. The estimation of total energy required is available in the annual budget prepared by the management of Sandakan Bay POM.				Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p><b>- Major compliance -</b></p> <p><b>4.5.2.3</b> The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fiber and shells were also used to generate electricity through steam turbine and boiler.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel. Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available.</p> <p>Average usage of renewable energy recorded at 4.46 ton/FFB processed.</p>	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>The mill has identified the waste products and source pollution and documented in the Waste Management Plan 2020. The waste has been identified as follows:</p> <ul style="list-style-type: none"> <li>• Scheduled waste, SW 305, SW 306, SW 410, SW 102, SW 322 &amp; SW 409</li> <li>• Domestic waste – Rubbish</li> <li>• Industrial waste – POME, EFB, scrap metal &amp; compost</li> </ul> <p>Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		tanks, chemical and scheduled waste storage areas was verified to be maintained.	
<b>4.5.3.2</b>	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.            b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p>	<p>Sandakan Bay POM has established the waste management plan and the plan was reviewed on an annual basis.</p> <p>The mill has identified the waste products and source pollution and documented in Waste Management Plan 2020. The waste has been identified as follows:</p> <ul style="list-style-type: none"> <li>• Scheduled waste, SW 305, SW 306, SW 410, SW 102, SW 322 &amp; SW 409</li> <li>• Domestic waste – Rubbish</li> <li>• Industrial waste – POME, EFB, scrap metal &amp; compost</li> </ul> <p>In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.</p>	Complied
<b>4.5.3.3</b>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers staffs and executives.</p> <p>Sandakan Bay POM also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding of the proper disposal of waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area prior to disposal.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> <li>• SW 322; Waste of Non-Halogenated organic solvents; Disposed to Lagenda Bumimas Sdn Bhd. Total Quantity: 0.12 Mt; Consignment Note Number: 20200071313GL0ZJF; Dated: 20.06.2020</li> <li>• SW 410; rags, plastics, papers or filters contaminated with scheduled wastes; Disposed to Lagenda Bumimas Sdn Bhd. Total Quantity: 0.17 Mt; Consignment Note Number: 2020007131673Q80I; Dated: 20.06.2020</li> <li>• SW 102; Used Batteries; Disposed to Lagenda Bumimas Sdn Bhd. Total Quantity: 0.18 Mt; Consignment Note Number: 20200071316I4V6DT; Dated: 20.06.2020</li> </ul>	
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>The disposal of domestic waste was managed by Tun Tan Siew Sin Estate. The domestic waste is collected 2 to 3 times a week and disposed at the Tun Tan Siew Sin Estate's land fill which was verified to be more than 3km away from the workers quarters and watercourse during the visit to the estate. The landfill was free from scheduled and recyclable waste.</p>	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>An assessment plan for all identified polluting activities was established based on the Environment Aspect and Impact assessment. Polluting activities were monitored based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. Besides that, the mill also monitors the Green House Gas emission and recyclable waste.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																								
		<p>Observed the dust emission monitoring report conducted by Sahen Engineering Sdn. Bhd. as follows:</p> <p>2<sup>nd</sup> Quarter 2019</p> <table border="1"> <tr> <td>Date of Measurements</td> <td>11<sup>th</sup> October 2019</td> </tr> <tr> <td>Stationary Source</td> <td>Palm Oil Mill Boiler</td> </tr> <tr> <td>Source Identification</td> <td>Chimney No.2, SB PMD 10230</td> </tr> <tr> <td>Report Reference</td> <td>SAHEN/ SDKBAY – 02/19-02</td> </tr> <tr> <td>Maximum Limit</td> <td>* 150 mg/Nm<sup>3</sup></td> </tr> <tr> <td>Dust Loads</td> <td>388 mg/Nm<sup>3</sup></td> </tr> </table> <p>1<sup>st</sup> Quarter 2020</p> <table border="1"> <tr> <td>Date of Measurements</td> <td>20<sup>th</sup> May 2020</td> </tr> <tr> <td>Stationary Source</td> <td>Palm Oil Mill Boiler</td> </tr> <tr> <td>Source Identification</td> <td>Chimney No.2, SB PMD 10230</td> </tr> <tr> <td>Report Reference</td> <td>SAHEN/ SDKBAY – 02/20-01</td> </tr> <tr> <td>Maximum Limit</td> <td>* 150 mg/Nm<sup>3</sup></td> </tr> <tr> <td>Dust Loads</td> <td>123.08 mg/Nm<sup>3</sup></td> </tr> </table> <p>* Sandakan Bay POM has DOE License, (Udara Bersih) 2014, License Number: 005181Valid from 30.08.2019 till 30.08.2020. The license allows the dust emission should not exceed 400 mg/m<sup>3</sup>.</p>	Date of Measurements	11 <sup>th</sup> October 2019	Stationary Source	Palm Oil Mill Boiler	Source Identification	Chimney No.2, SB PMD 10230	Report Reference	SAHEN/ SDKBAY – 02/19-02	Maximum Limit	* 150 mg/Nm <sup>3</sup>	Dust Loads	388 mg/Nm <sup>3</sup>	Date of Measurements	20 <sup>th</sup> May 2020	Stationary Source	Palm Oil Mill Boiler	Source Identification	Chimney No.2, SB PMD 10230	Report Reference	SAHEN/ SDKBAY – 02/20-01	Maximum Limit	* 150 mg/Nm <sup>3</sup>	Dust Loads	123.08 mg/Nm <sup>3</sup>	
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Maximum Limit	* 150 mg/Nm <sup>3</sup>																										
Dust Loads	123.08 mg/Nm <sup>3</sup>																										
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sandakan Bay POM have established a Pollution Prevention Plan for the year 2020 reviewed on Jan 2020. The plan has identified the possible issues within the mill that may lead towards pollution. The</p>	Complied																								

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		<p>plan consists of the issues, action plan to be taken, person in charge to monitor the action plan, time frame and status of compliance.</p> <p>Among the pollution issues identified are as follows:</p> <ol style="list-style-type: none"> <li>1. Traced oil in monsoon drain which is suspected from EFB leachate and cleaning work. <ul style="list-style-type: none"> <li>• Trapped oil must be removed daily</li> <li>• To liaise with CMU or Group Estate for EFB disposal.</li> </ul> </li> <li>2. Black Smoke Emission <ul style="list-style-type: none"> <li>• To carry out weekly inspection on ID Fan, Ash Airlock and cyclone cone.</li> <li>• To ensure fireman carry out proper raking.</li> <li>• To align smoke density meter transmitter and receiver if the reading is offset.</li> <li>• To service/recalibrate at least once a year.</li> </ul> </li> <li>3. Effluent Holding Pond Bund Collapse. <ul style="list-style-type: none"> <li>• Rebuild/repair holding pond bund when necessary in dry season.</li> </ul> </li> <li>4. Methane Gas Emission <ul style="list-style-type: none"> <li>• To build Biogas Plant which will reduce methane gas emission.</li> </ul> </li> </ol>	
<b>4.5.4.3</b>	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p><b>- Major compliance -</b></p>	<p>The method for effluent discharge at Sandakan Bay POM through land application at Tun Tan Siew Sin Estate (112 Ha) area. The BOD limit for final discharge need to be not higher than 20 mg/l.</p> <p>The latest effluent analysis test report for June 2020 was verified. Refer report no. AS/EF/054. The result shows Sandakan Bay POM is in compliance with the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance																																							
	<p>For effluent discharge, regular monitoring was conducted as per requirement. Monthly and quarterly report was submitted to DOE accordingly. Sighted the Analysis Test Report Results as follows:</p> <table border="1" data-bbox="1048 576 1823 1262"> <thead> <tr> <th>Month</th> <th colspan="2">Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">June 2020</td> <td>pH</td> <td>5.0 – 9.0</td> <td>7.43</td> </tr> <tr> <td>B.O.D.</td> <td>20</td> <td>13</td> </tr> <tr> <td rowspan="2">May 2020</td> <td>pH</td> <td>5.0 – 9.0</td> <td>8.5</td> </tr> <tr> <td>B.O.D.</td> <td>20</td> <td>18</td> </tr> <tr> <td rowspan="2">April 2020</td> <td>pH</td> <td>5.0 – 9.0</td> <td>8.44</td> </tr> <tr> <td>B.O.D.</td> <td>20</td> <td>18</td> </tr> <tr> <td rowspan="2">March 2020</td> <td>pH</td> <td>5.0 – 9.0</td> <td>NA</td> </tr> <tr> <td>B.O.D.</td> <td>20</td> <td>NA</td> </tr> <tr> <td rowspan="2">February 2020</td> <td>pH</td> <td>5.0 – 9.0</td> <td>8.71</td> </tr> <tr> <td>B.O.D.</td> <td>20</td> <td>12</td> </tr> </tbody> </table> <p>Results for Effluent Discharge Analysis Report for the month of March 2020 was not available due to the accredited lab which was appointed by Lahad Datu Edible Oils Sdn. Bhd was not in operation due to the</p>	Month	Parameter		Results	June 2020	pH	5.0 – 9.0	7.43	B.O.D.	20	13	May 2020	pH	5.0 – 9.0	8.5	B.O.D.	20	18	April 2020	pH	5.0 – 9.0	8.44	B.O.D.	20	18	March 2020	pH	5.0 – 9.0	NA	B.O.D.	20	NA	February 2020	pH	5.0 – 9.0	8.71	B.O.D.	20	12	
Month	Parameter		Results																																						
June 2020	pH	5.0 – 9.0	7.43																																						
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	B.O.D.	20	12																																						

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Criterion / Indicator		Assessment Findings	Compliance												
		Movement Control Order 2020 during the Covid-19 Pandemic as stated in the letter dated 07.04.2020.													
<b>Criterion 4.5.5: Natural water resources</b>															
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>The mill has established Water Management Plan (Reduction of Water Usage/Contingency/Water Discharge) FY 2020. The plan focuses on shortage of water supply due to dry spell, severe water pollution and contamination of surface and ground water. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame.</p> <p>Water for consumption is monitored and tested on a monthly basis to ensure it conforms with the Natural Standards for Drinking Water Quality (NSDWQ).</p> <p>The latest Microbiological Analysis Test Report results are as follows:            Report Number: ML240/2020            Report Date: 17.07.2020</p> <table border="1"> <thead> <tr> <th>Sample Source</th> <th>E. Coli (MPN/100mL)</th> <th>Total Coliform (MPN/100mL)</th> </tr> </thead> <tbody> <tr> <td>Raw Water</td> <td>&lt;2</td> <td>&lt;2</td> </tr> <tr> <td>After Treatment</td> <td>&lt;2</td> <td>&lt;2</td> </tr> <tr> <td>Domestic Water</td> <td>&lt;2</td> <td>&lt;2</td> </tr> </tbody> </table> <p>The results stated that the water sample conforms with NSDWQ for domestic waste use.</p>	Sample Source	E. Coli (MPN/100mL)	Total Coliform (MPN/100mL)	Raw Water	<2	<2	After Treatment	<2	<2	Domestic Water	<2	<2	Complied
Sample Source	E. Coli (MPN/100mL)	Total Coliform (MPN/100mL)													
Raw Water	<2	<2													
After Treatment	<2	<2													
Domestic Water	<2	<2													

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.5.2</b>	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. <b>- Major compliance -</b>	As per Scheduled of compliance for Sandakan Bay POM from DOE, the method for effluent discharge at Sandakan Bay POM through land application at Tun Tan Siew Sin Estate (112 Ha) area.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	<p>The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes;</p> <ul style="list-style-type: none"> <li>a) The mill SOP,</li> <li>b) The Mill Quality Management Manual v.1 2008/MQMS/QMM/08.</li> </ul> <p>These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from;</p> <ul style="list-style-type: none"> <li>a) the reception, sterilization, threshing, pressing,</li> <li>b) clarification, depericarping (nut polishing) station,</li> <li>c) effluent, laboratory, workshop, dispatches etc.</li> </ul> <p>Sighted the SOP Communicable Disease (Covid – 19) Prevention &amp; Control Procedure; Document ID: SDPB/USM/HSE/001; Date 04.05.2020 available as the latest addition to the SOPs.</p> <p>In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p> <p>Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Performance Monitoring Unit (PMU) visits the operating units on timely basis. Their reports cover on all aspect of operation where they rate the performance of the mill and estates.	
<b>4.6.1.2</b>	All palm oil mills shall implement best practices. <b>- Major compliance -</b>	The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by Regional General Manager, Mill Advisor, SQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	<p>The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year, PY2, PY3, PY4, PY5) prepared as guidance for future planning. The business plan contains;</p> <p>a) FFB processed production of CPO &amp; CPK. b) Component of operating expenditure includes</p> <ul style="list-style-type: none"> <li>- process labour,</li> <li>- maintenance external/maintenance parts</li> <li>- consumable/EVIT,</li> <li>- admin cost/labour overhead.</li> </ul> <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill. The M Plan for 2020 was sighted and verified. A calculation of seeking the profitability quantum was also sighted. This is a standard format provided from the Regional CEO to the Manager and treated in high confidentiality.</p>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - <b>Major compliance</b> -	The pricing method for services such as desilting of ETP ponds, CPO/PK transportation, has been clearly stated in the Letter of Offer (LOA) and contract agreement. Whereas, the pricing mechanism for purchasing FFB from third parties is guided by the MPOB pricing guideline.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	All contracts were awarded through tendering system at Zone Level. Approved contractors will be given the LOA. Payments were all made in timely manner and no complaint from the contractor so far.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	This requirement has been specified in a letter dated 01/7/2017 on RSPO/ISCC/MSPO awareness on to all the contractors, vendors of the mill. This letter was sighted and has stated that all Contractors need to follow RSPO/ISCC/MSPO guideline in accordance with the Sime Darby Plantation of Estate Quality Management System.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - <b>Major compliance</b> -	Contract agreements between the mill and its contractors were made available. Generally, the elements of sustainability such as obligations to legal compliance, workers' welfare, safety and environmental issues. Contracts between Pengangkutan Kekal Sdn Bhd (CPO barge transport) and Yee Ping Trading Sdn Bhd (CPO & PK road transport), were verified.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - <b>Minor compliance</b> -	The requirement of accepting MSPO accredited auditors to audit against the contractors was communicated through a memo dated 20/7/2020. The engaged contractors have given their acknowledgement by signing the memo.	Complied

**Appendix B: List of Stakeholders Contacted**

<b>Government Officer:</b> Nil	<b>Community/neighbouring village:</b> Kampung Manggis/neighbouring smallholder
<b>Suppliers/Contractors/Vendors:</b> Contractor (Ooi Trading, Yee Ping Trading, YIH Construction, Maju Jaya PLT)	<b>Worker's Representative/Gender Committee:</b> Gender Committee Representatives Foreign & Local Workers Representatives

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**Appendix C: Smallholder Member Details**

Not applicable

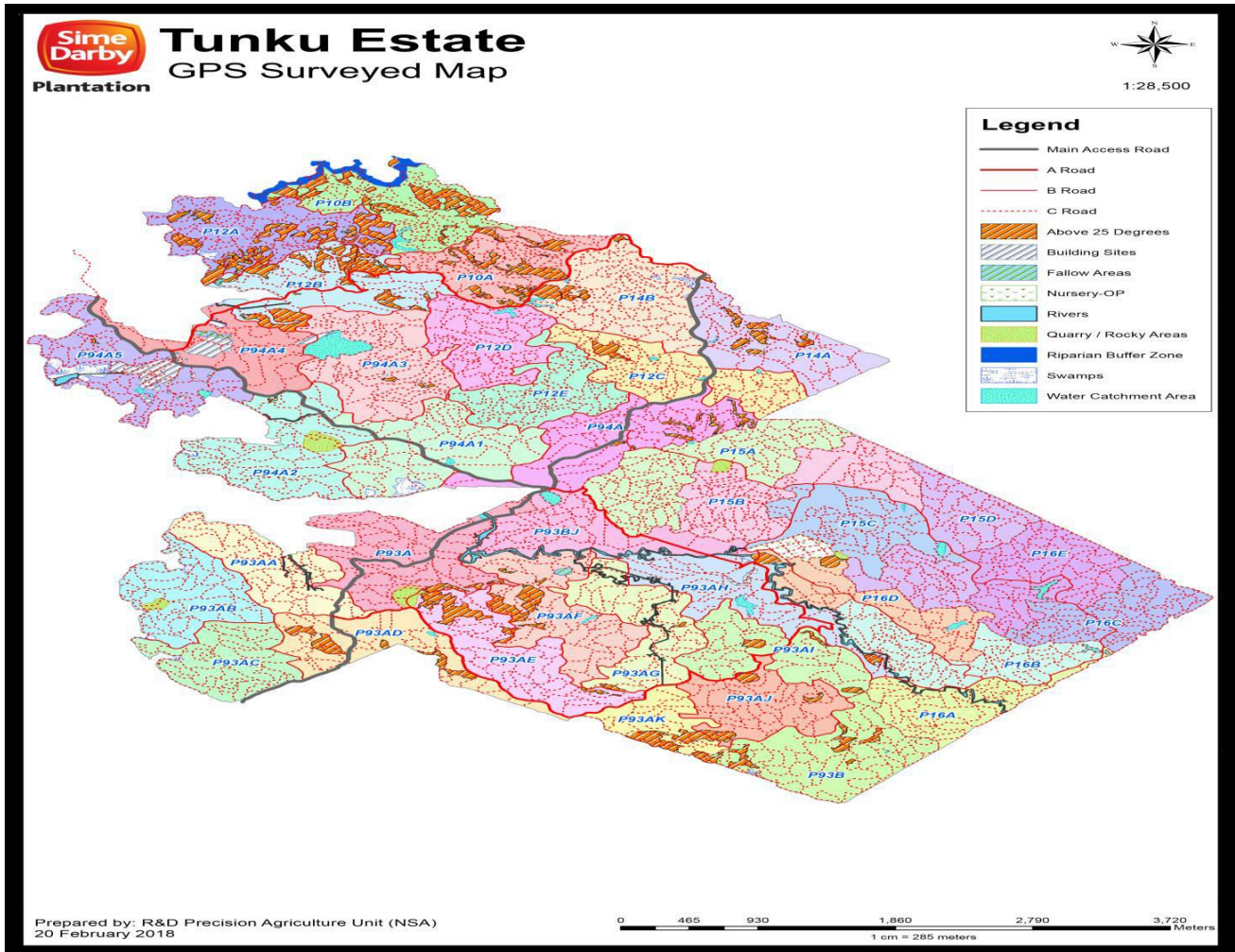
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

**Appendix D: Location and Field Maps**

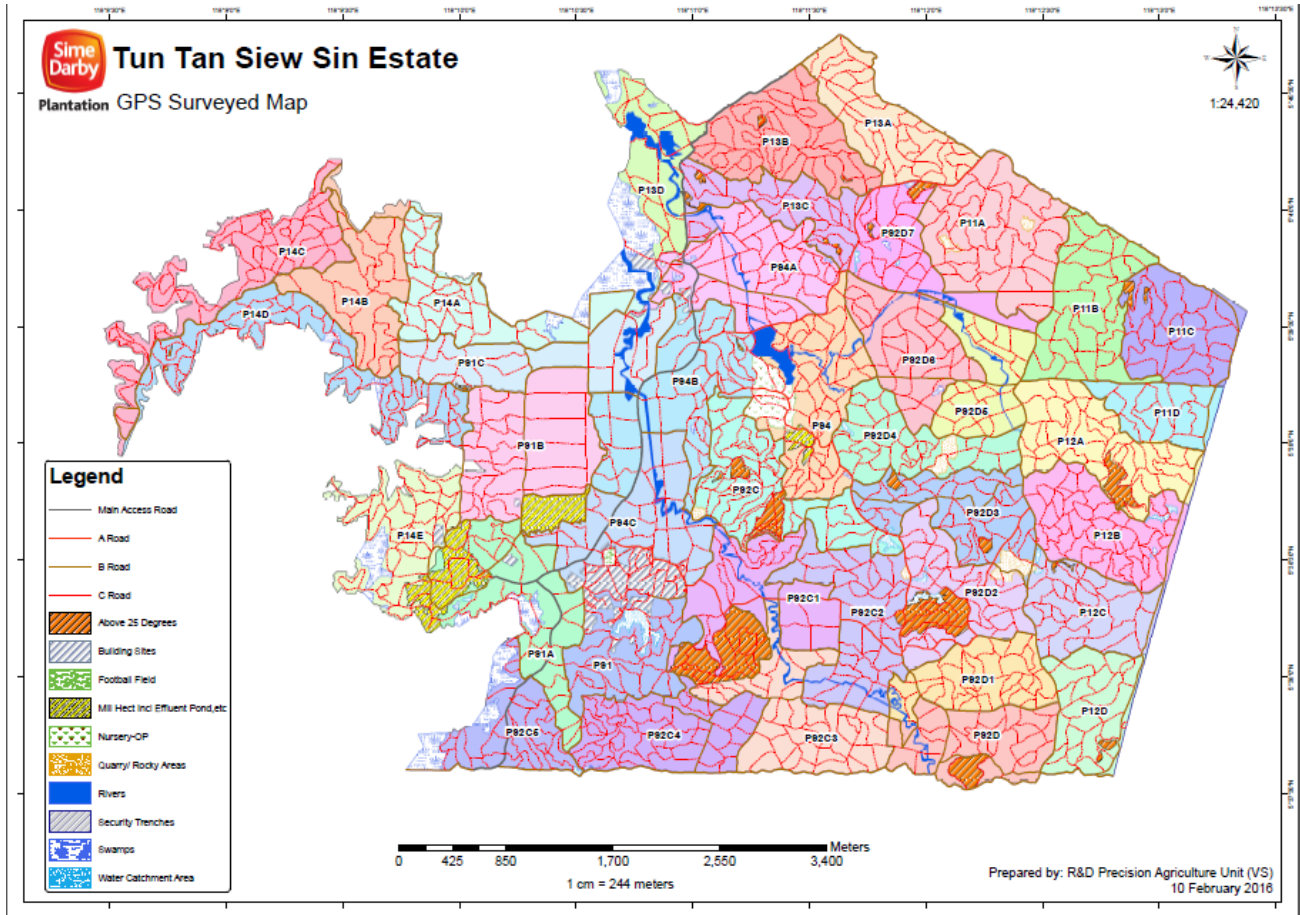
**Sandakan Bay Palm Oil Mill**



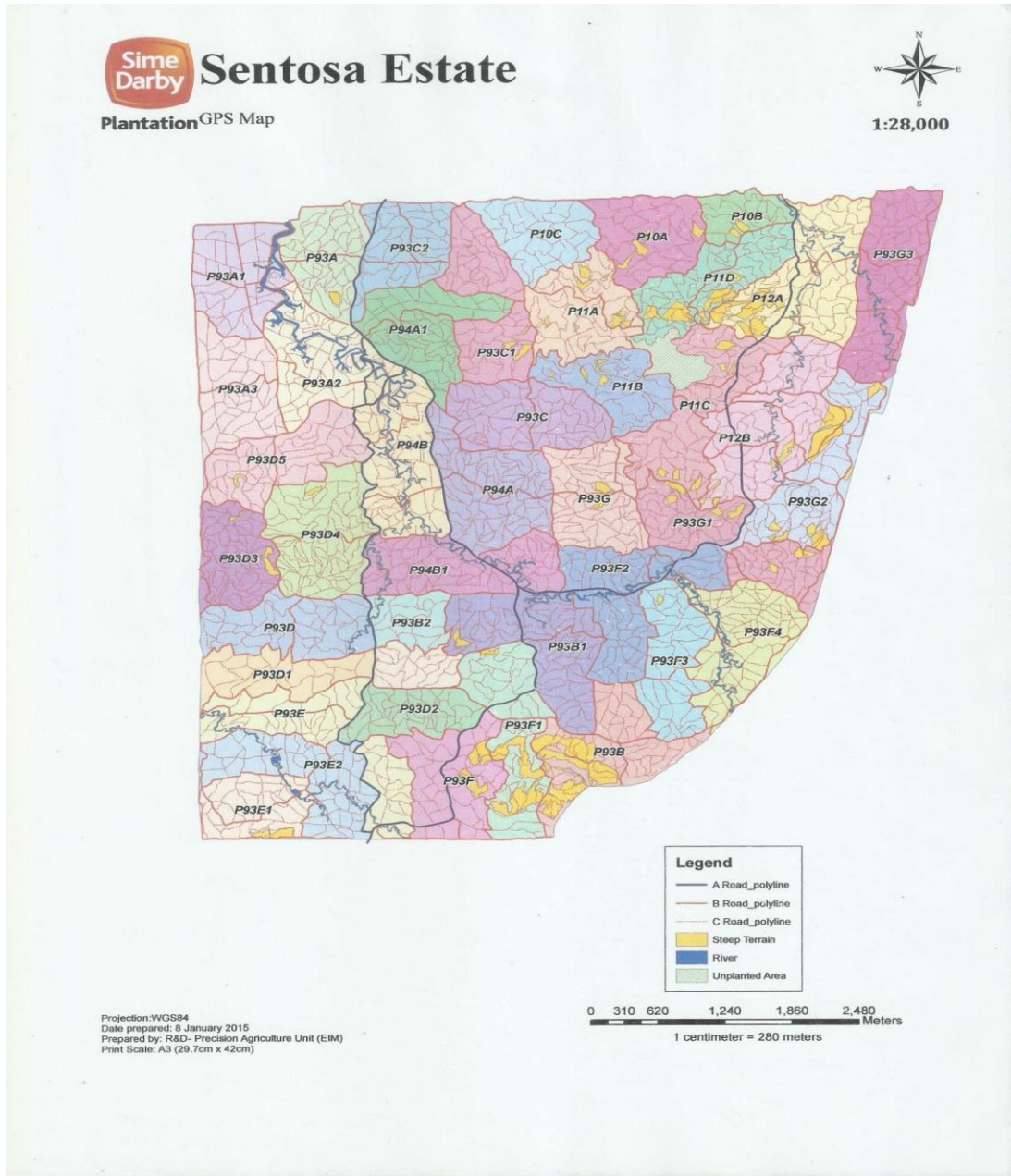
**Tunku Estate**



**Tun Tan Estate**



**Sentosa Estate**



**Appendix E: List of Abbreviations**

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm 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
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
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
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure