

**MALAYSIAN SUSTAINABLE PALM OIL
ANNUAL SURVEILLANCE ASSESSMENT 3
Public Summary Report**

Sime Darby Plantation Berhad
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 20) - Chaah Palm Oil Mill and supply bases (Chaah Estate, North Labis Estate, and Simpang Kiri Estate) Location of Certification Unit: Pejabat Ladang Chaah, 85400 Chaah, Johor, Malaysia

Report prepared by:
Valence Shem (Lead Auditor)

Report Number: SMO 3091797

Assessment Conducted by:
BSI Services Malaysia,
(DSM Accreditation Number: MSPO 09112018 CB 12)
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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	
	Chaah POM: 518940004000	28/02/2021	
	Chaah Estate: 518848002000	31/08/2020	
	North Labis Estate: 522496002000 and 520479102000 (Sg Labis Div.)	31/07/2021 and 30/04/2021 (Sg Labis Div.)	
	Simpang Kiri Estate: 532593002000	30/09/2021	
Address	Pejabat Ladang Chaah, 85400 Chaah, Johor, Malaysia		
Certification Unit	Strategic Operating Unit (SOU 20) - Chaah Palm Oil Mill		
Contact Person Name	1) Mdm Shylaja Devi Vasudevan Nair (Head, Sustainability Compliance Unit, Group Sustainability Department) 2) Muhammad Saufi Baharudin (Mill Manager)		
Website	www.simedarbyplantation.com	E-mail	kks.chaah@simedarbyplantation.com
Telephone	603-78484379 (Head Office) 019-3807350 (Mill)	Facsimile	-
1.2 Certification Information			
Certificate Number	Mill: MSPO 682047 Estate: MSPO 685287		
Issue Date	28/12/2017	Expiry date	27/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estates: 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)	14/11/2017-16/11/2017		
Continuous Assessment Visit Date (CAV) 1	26-28/09/2018		
Continuous Assessment Visit Date (CAV) 2	19-21/08/2019		
Continuous Assessment Visit Date (CAV) 3	11-13/08/2020		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 548299	Roundtable on Sustainable Palm Oil	BSI Services (M) Sdn Bhd	17/11/2020

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MSPO 714134	MSPO SCCS	BSI Services Malaysia Sdn Bhd	03/09/2024
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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
Chaah Palm Oil Mill	Pejabat Ladang Chaah, 85400 Chaah, Johor, Malaysia	2° 08' 56" N	102° 58' 25" E
Chaah Estate		2° 10' 31" N	102° 59' 53" E
North Labis Estate	Ladang North Labis, P.O. Box No. 501, 85300 Labis, Johor, Malaysia	2° 22' 29" N	103° 02' 42" E
Simpang Kiri Estate	Ladang Sg. Simpang Kiri, K.B. No. 103, 85400 Chaah, Johor, Malaysia	2° 08' 54" N	103° 00' 10" E

1.4 Certified Area					
Estates	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Chaah Estate	2730.83	0.47	64.06	2,795.36	97.69
North Labis Estate	¹ 3225.23	40.80	² 266.88	3,532.91	91.29
Simpang Kiri Estate	2095.25	29.42	246.99	2,371.66	88.35
TOTAL	8,051.31	70.69	577.93	8,699.93	92.54

Note: ¹Error in previous reporting
²Error in previous reporting and land acquisition of 34.62 Ha by the government

1.5 Plantings & Cycle							
Estates	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Chaah Estate	260.03	0	2379.81	87.03	3.96	2,470.80	260.03
North Labis Estate	650.13	1127.53	819.97	627.6		2,575.10	650.13
Simpang Kiri Estate	287.44	490.17	1317.64			1,807.81	287.44
Total (ha)	1,197.60	1,617.70	4,517.42	714.63	3.96	6,853.71	1,197.60

1.6 Certified Tonnage of FFB			
Estates	Tonnage / year		
	Estimated	Actual	Forecast

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	(Aug 2019 - Jul 2020)	(Aug 2019 - Jul 2020)	(Aug 2020 - Jul 2021)
Chaa Estate	62,435.01	51,096.94	55,572.04
North Labis Estate	57,428.13	47,757.91	48,985.64
Simpang Kiri Estate	38,150.53	36,754.36	41,441.21
Total	158,013.67	135,609.21	145,998.89

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Aug 2019 - Jul 2020)	Actual (Aug 2019 - Jul 2020)	Forecast (Aug 2020 - Jul 2021)
NA			
Total			

1.8 Certified Tonnage

	Estimated (Aug 2019 - Jul 2020)	Actual (Aug 2019 - Jul 2020)	Forecast (Aug 2020 - Jul 2021)
Mill Capacity: 30 MT/hr	FFB	FFB	FFB
	158,013.67	135,609.21	145,998.89
SCC Model: SG	CPO (OER: 20.95%)	CPO (OER: 20.71%)	CPO (OER: 20.90%)
	33,103.86	28,084.76	30,513.77
	PK (KER: 5.50%)	PK (KER: 5.43%)	PK (KER: 5.46%)
	8,690.75	7,367.86	7,973.04

1.9 Actual Sold Volume (CPO) (Aug 2019 - Jul 2020)

MSPO Certified	Other Schemes Certified		Conventional	Total
	ISCC	RSPO		
0	0	7,637.11	20,307.07	27,944.18

1.10 Actual Sold Volume (PK) (Aug 2019 - Jul 2020)

MSPO Certified	Other Schemes Certified		Conventional	Total
	ISCC	RSPO		
0	0	984.19	5,709.95	6,694.14

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 11-13/08/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the SOU 20 Chaah Palm Oil Mill as an MSPO Certification Unit and its three (Chaah Estate, North Labis Estate and Simpang Kiri 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 was 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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Chaah POM	✓	✓	✓	✓	✓
Chaah Estate	✓	✓		✓	✓
North Labis Estate	✓		✓	✓	
Simpang Kiri Estate		✓	✓		✓

Tentative Date of Next Visit: August 9, 2021 - August 11, 2021

Total No. of Mandays: 6

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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.
Amir Bahari (ABB)	Team Member	He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates. During the tenure of employment, he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English. 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	ABB
Tuesday 11/08/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation) 	✓	✓
	0830-1230	Simpang Kiri Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1630	Simpang Kiri Estate 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 12/08/2020	0900-1230	Chaah POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1330-1630	Chaah POM 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.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Thursday 13/08/2020	0900-1230	Chaah Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1230-1330	Lunch break		
	1330-1600	Chaah Estate 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.	✓	✓
	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 zero (0) Major, one (1) Minor nonconformities and one (1) OFI raised. The SOU 20 Chaah 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.

Minor Nonconformities:		
Ref: 1938606-202008-N1	Area/Process: Mill	Clause: MS 2530:2013 Part-4: 4.4.5.4
	Issue Date: 13/8/2020	Due Date: Next assessment visit
Requirements:	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.	
Statement of Nonconformity:	Lack of evidence to demonstrate that the management has ensured that a contractor has paid his employees based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee	
Objective Evidence:	<p>A contractor, Maju Mech Engineering Sdn Bhd for engineering works in the mill. However, the evidence to demonstrate that the management has ensured the followings were adhered by the contractor was not adequate:</p> <ol style="list-style-type: none"> 1) Whether or not the SOCSO paid to the contractor’s employees in is line with SOCSO Lampiran B-Jadual Caruman [ref.: pay slips for the months of March, April and May 2020] 2) Whether or not the contractor’s employees have been paid for public holidays pay i.e. Hari Keputeraan Sultan Johor, Hari Raya Aidilfitri and Labour Day [ref.: pay slips for the month of March & May 2020] <p>Both of the above subjects were stated in the contract agreement between the contractor and his employees, where the contractor agrees to pay accordingly.</p>	
Corrections:	Mill will request from the contractor (Maju Mech Engineering Sdn Bhd), the proof of payment for both SOCSO contribution and public holiday for the sampled workers and months.	

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Root cause analysis:	The issue happened when the contractor is in-consistent in submitting their workers' proof of payment for Mill Management monitoring, resulting mill not being able to monitor the payment accordingly.
Corrective Actions:	The contractor will submit the copy of their worker's proof of wages payment to the mill management on monthly basis for consistent monitoring.
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

Ref: 1938606-202008-I1	Area/Process: Sg Simpang Kiri Estate	Clause: MS 2530:2013 Part-3: 4.4.2.2
Objective Evidence:	During the stakeholder consultation, the Ketua Kampung of Seri Sejangung has voiced out his grievance about the construction of bund at Sg Simpang Kiri Estate along a drain between the estate (field no. 2000B2) and oil palm plantation belonged to Kg Sejangung villagers had caused the flood in the villagers' plantation area to be worsen. The handling of this grievance can be further improved by having it recorded and documented according to the company's procedure.	

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:																				
Ref: 1812801-201906-M1	Area/Process: Plantation	Clause: MS 2530:2013 Part-3: 4.3.1.1																		
	Issue Date: 21/8/2019	Due Date: 19/11/2019																		
Requirements:	All operations shall be in compliance with applicable local, national and ratified international laws and regulations.																			
Statement of Nonconformity:	Non-compliance to Employment Injury under the Employees' Social Security Act 1969 (Act 4)																			
Objective Evidence:	The Foreign Workers Compensation Scheme of the following foreign workers was expired and no contribution being made under SOCSO as evidence in the Form 8A. Sample taken on: -																			
	<table border="1"> <thead> <tr> <th>No Employee No.</th> <th>Estate</th> <th>Date of Expiry</th> </tr> </thead> <tbody> <tr> <td>1 102147</td> <td>Simpang Kiri</td> <td>27th May 2019</td> </tr> <tr> <td>2 102226</td> <td>Simpang Kiri</td> <td>27th May 2019</td> </tr> <tr> <td>3 102154</td> <td>Simpang Kiri</td> <td>27th May 2019</td> </tr> <tr> <td>4 141474</td> <td>North Labis Estate</td> <td>27th March 2019</td> </tr> <tr> <td>5 141475</td> <td>North Labis Estate</td> <td>27th March 2019</td> </tr> </tbody> </table>		No Employee No.	Estate	Date of Expiry	1 102147	Simpang Kiri	27th May 2019	2 102226	Simpang Kiri	27th May 2019	3 102154	Simpang Kiri	27th May 2019	4 141474	North Labis Estate	27th March 2019	5 141475	North Labis Estate	27th March 2019
No Employee No.	Estate	Date of Expiry																		
1 102147	Simpang Kiri	27th May 2019																		
2 102226	Simpang Kiri	27th May 2019																		
3 102154	Simpang Kiri	27th May 2019																		
4 141474	North Labis Estate	27th March 2019																		
5 141475	North Labis Estate	27th March 2019																		
Corrections:	Estate Management already rectify the issue immediately by register Form 8A on August 2019 to SOCSO. All the workers already registered under SOCSO scheme																			
Root cause analysis:	Monitoring of new law is not effective.																			
Corrective Actions:	As of now Estate Management still in the middle of transition FWCS to SOCSO therefore, Estate Management will monitor closely and ensure all workers are registered as per legal requirement.																			
Assessment Conclusion:	Evidence Submitted: i. Internal Memo from Regional General Manager, Southern Region to all estate on compliance to Employees' Social Security Act 1969 (Act 4) dated 16/9/2019. ii. Registration under SOCSO scheme was verified for the said workers under SOCSO contribution form 8A for August and September 2019 (Simpang Kiri and North Labis Estate) Major NC closed on 5/10/2019 The effectiveness of the NC closure will be verified in the next surveillance assessment.																			
Verification Statement	Based on the sampled workers' pay slips, the contribution of SOCSO was made accordingly. There has been no recurrence of non-conformity and thus, the Major NCR remains closed.																			

Minor Nonconformities:		
Ref: 1812801-201906-N1	Area/Process: Plantation	Clause: MS 2530:2013 Part-3: 4.4.5.11
	Issue Date: 21/8/2019	Due Date: 13/8/2020
Requirements:	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.
Statement of Nonconformity:	Non-compliance to Surat Pekeliling Bil : 02FY15/16 – Peraturan Keselamatan dan Kesehatan Pekerjaan Di Kawasan Linesite Pekerja Mengikut Piawaian Roundtable Sustainable Palm Oil dated 18TH Sept 2015, Adalah menjadi kesalahan sekiranya pekerja: - Clause No 1 – Menyimpan tong -tong racun dan tong – tong minyak di dalam atau di sekitar rumah.
Objective Evidence:	<u>Sungai Simpang Kiri Estate</u> Sighted during site visit, containers containing petrol at House No 14/86, 13/86 and 4/81 at workers quarters.
Corrections:	The Estate Management removed the petrol container immediately from the said workers quarters and briefed the workers on 24th August 2019 to not keep petrol inside the workers quarters
Root cause analysis:	Current Estate Management not review the Surat Pekeliling Bil: 02FY/16 displayed at workers quarters prepared by previous Estate Manager in year 2016.
Corrective Actions:	The Medical Assistant will patrol and monitor during his workers housing complex weekly inspection and report immediately to the Estate Management on the noncompliances. Estate Management continue to brief regularly the workers on safety at workers housing complex.
Assessment Conclusion:	The effectiveness of the NC closure will be verified in the next surveillance assessment.
Verification Statement	Based on site visits at all the sampled operating units’ workers quarters, there was no petrol being kept at the sampled houses. Interview with the workers has also revealed that they have a good understanding about the restriction. Thus, the minor NCR is satisfactorily closed-out during this assessment.

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1812801-201906-M1	Major	21/8/2019	Closed on 5/10/2019
1812801-201906-N1	Minor	21/8/2019	Closed on 13/8/2020
1938606-202008-N1	Minor	13/8/2020	Open

3.5 Issues Raised by Stakeholders


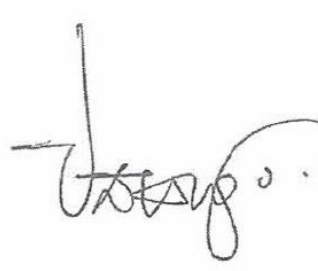
IS #	Description
1	<p>Feedback:</p> <p><u>Local Community Head (Kampung Sejagung, Kampung Haji Kamisan & Kampung Desa Temu Jodoh)</u> The management has a very good rapport with the communities. Assistance and supports such as contribution for flood victim, surau/mosque maintenance, religious ceremony, etc. Only several issues highlighted:</p> <p>1) Highly raised bund installation at the border within Sime Darby-Simpang Kiri Estate and smallholder’s field has made the flood getting worse at their field. This is because of the clogged Sungai Simpang Kiri too as a source of flood. Issue has been escalated to Jabatan Pengairan &</p>

	<p>Saliran Batu Pahat, but the answer is the river is intentionally left abandoned as the water catchment place to avoid flood to PLUS highway and Kampung Sri Medan.</p> <p>2) Smallholders has estate inside the Sime Darby-Chaah Estate and no other gate to use as entrance except Sime Darby's gate. Currently there is no security guard control the gate. Their concern is to avoid the allegation of stealing FFB when they evacuate their own crop through the gate.</p> <p>Management Responses:</p> <p>1) Estate must protect their own property from flood, therefore installation of bunds is implemented 2 years ago. Estate management also has requested JPS to desilt the river but no other action until todate.</p> <p>2) The gate is not meant for any outside transportation. The smallholders must use the main entrance door with security guard control. Some of smallholders use the government river reserved land to plant oil palm illegally. If they want to access to it, they should use the main entrance.</p> <p>Audit Team Findings:</p> <p>See OFI #1938606-202008-I1 for further details.</p>
2	<p>Feedback:</p> <p><u>Neighbouring Smallholder</u> Estate has supported smallholder by giving access to their estate and would like to extend their appreciation.</p> <p>Management Responses:</p> <p>Noted on the information.</p> <p>Audit Team Findings:</p> <p>NA</p>
3	<p>Feedback:</p> <p>SK Labis & SJK(T) Labis</p> <p>1) SK Labis has shared that this is the first time they came here. Their concerns mainly on the pupil attendance from estate which is low. They hope that estate will assist in helping for Kelas Tambahan fees, transportation to school.</p> <p>2) SJK(T) Labis has a good relationship with North Labis Estate. The only issue on the road size is too small and it is difficult for parents to use for children pick up.</p> <p>Management Responses:</p> <p>Noted on the information.</p> <p>Audit Team Findings:</p> <p>NA</p>
4	<p>Feedback:</p> <p><u>Contractors</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>Management Responses:</p> <p>Noted on the information.</p> <p>Audit Team Findings:</p> <p>NA</p>
5	<p>Feedback:</p> <p><u>Gender Committee</u> No sexual harassment case reported. Meeting and activities were actively conducted and participated by the members.</p>

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	Management Responses: Noted on the information.
	Audit Team Findings: NA

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment, SOU 20 Chaah Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 20 Chaah Certification Unit Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Hasnol Hisham bin Hamdan	Name: Valence Shem
Company name: Sime Darby Plantation Berhad	Company name: BSI Services Malaysia Sdn Bhd
Title: Manager Chaah Estate (SOU Chairman)	Title: Lead Auditor
Signature:  <p>SIME DARBY PLANTATION BERHAD (847766-V) CHA'AH ESTATE ----- Hasnol Hisham B. Hamdan Manager</p>	Signature: 
Date: 16/2/2021	Date: 11/2/2021

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
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tang Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby Berhad towards MSPO implementation. The internal memo dated 8th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by Dec 2017.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	In the Policy among other has stated that the organization shall endeavour to; a) to implement good manufacturing processed and effective practices measures to avoid or mitigate any adverse impact to the environment and ecosystem within and around its operations. b) The continual improvement commitment is documented in the following Management & Operation Policies: - Quality Management Policy dated January 2015 - Lean Six Sigma Policy dated January 2015 - Quality Policy dated January 2015 The Policy is guided by the commitments spelt out in the following;	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
		a) Responsible Agriculture Charter b) Human Rights Charter c) Innovation & Productivity Charter													
Criterion 4.1.2 – Internal Audit															
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audits are performed 1x/year. The recent internal audits for the estates were held as follows; <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Date audited</th> <th>Findings /observation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>07/07/2020</td> <td>8 major 2 minor 6 OFI</td> </tr> <tr> <td>2</td> <td>Sg Spg Kiri</td> <td>08/07/2020</td> <td>3 major 1 minor 3 OFI</td> </tr> </tbody> </table> <p>The audits prior was in July 2019. Mainly audit will be made in preparation for the external audits i.e RSPO/MSPO. The frequency is amendable subject to the findings of an audit and also that all OUs are to be audited at a frequency of not less than once a year.</p>	No	Estate	Date audited	Findings /observation	1	Chaah	07/07/2020	8 major 2 minor 6 OFI	2	Sg Spg Kiri	08/07/2020	3 major 1 minor 3 OFI	Complied
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1	Chaah	07/07/2020	8 major 2 minor 6 OFI												
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4.1.2.2	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. - Major compliance -	This is available in the internal audit procedure Document ID: SD/SDP/PSQM/IAP latest revision 01/9/2017. a) The internal audit reports dated 07/7/20 and 08/7/20 for Chaah and Sg Spg Kiri Estate respectively were sighted. b) The auditees responded by including the root cause analysis and corrective action plan. Mainly the issues raised were related to scheduled waste, training, HCV/Biodiversity Management Plan.	Complied												

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Criterion / Indicator		Assessment Findings	Compliance												
		c) The internal auditors had also complied to the documented procedure through issuance of audit plan to the operating units 2 weeks before the visit. This audit notification was sighted and verified.													
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Reports are made available and retained for min 10 years. All reports are circulated to the estate management, Regional Office and Sime Darby Plantation HQ relevant personnel. There are monthly SQM meeting at HQ level to review the reports' findings and performance raised in both internal and external audit. The outcome was also discussed at Regional Office.	Complied												
Criterion 4.1.3 – Management Review															
4.1.3.1	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. - Major compliance -	<p>Both estates held their management review with details as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Estate</th> <th>Date</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>06/08/2020</td> <td>13</td> </tr> <tr> <td>2</td> <td>Sg Spg Kiri</td> <td>13/07/2020</td> <td>13</td> </tr> </tbody> </table> <p>Meetings were chaired by respective Managers. Attendance from both estates executives and staff were noted and the members discussed issues relating to the MSPO preparation;</p> <ul style="list-style-type: none"> a) Objectives / Management Program b) Customers/stakeholders feedback/complaints c) Results from systems audits d) Changes that could affect the management systems 		Estate	Date	Attendees	1	Chaah	06/08/2020	13	2	Sg Spg Kiri	13/07/2020	13	Complied
	Estate	Date	Attendees												
1	Chaah	06/08/2020	13												
2	Sg Spg Kiri	13/07/2020	13												

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Criterion / Indicator		Assessment Findings	Compliance																																	
		e) Recommendation for improvement f) Other matters The minutes were signed and approved by the Chairman.																																		
Criterion 4.1.4 – Continual Improvement																																				
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Both the estates had plan for continual improvement as detailed below. Programs are similar as initiated from the Regional Office. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Areas</th> <th>Project</th> </tr> </thead> <tbody> <tr> <td rowspan="7">1</td> <td>SIME Card</td> <td>Training to educate employees</td> </tr> <tr> <td>SIME Card</td> <td>Discussion in OSH meeting</td> </tr> <tr> <td>SEMUA 2.0</td> <td>Improve tracking on FFB movement</td> </tr> <tr> <td>SMS IT</td> <td>Improved reporting on OSH</td> </tr> <tr> <td>SMS IT</td> <td>Alert-expiring dates permits & license</td> </tr> <tr> <td>Sanitation</td> <td>Circle raking Zenoah blower.</td> </tr> <tr> <td>Flooding</td> <td>Bund heightening program</td> </tr> <tr> <td rowspan="7">2</td> <td>SIME Card</td> <td>Training to educate employees</td> </tr> <tr> <td>SIME Card</td> <td>Discussion in OSH meeting</td> </tr> <tr> <td>SEMUA 2.0</td> <td>Improve tracking on FFB movement</td> </tr> <tr> <td>SMS IT</td> <td>Improved reporting on OSH</td> </tr> <tr> <td>SMS IT</td> <td>Alert-expiring dates permits & license</td> </tr> <tr> <td>Sanitation</td> <td>Circle raking Zenoah blower.</td> </tr> <tr> <td>Flooding</td> <td>Bund heightening program</td> </tr> </tbody> </table> The introduction is aimed to reduce work force and improved the work method for a better coverage.		Areas	Project	1	SIME Card	Training to educate employees	SIME Card	Discussion in OSH meeting	SEMUA 2.0	Improve tracking on FFB movement	SMS IT	Improved reporting on OSH	SMS IT	Alert-expiring dates permits & license	Sanitation	Circle raking Zenoah blower.	Flooding	Bund heightening program	2	SIME Card	Training to educate employees	SIME Card	Discussion in OSH meeting	SEMUA 2.0	Improve tracking on FFB movement	SMS IT	Improved reporting on OSH	SMS IT	Alert-expiring dates permits & license	Sanitation	Circle raking Zenoah blower.	Flooding	Bund heightening program	Complied
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Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	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. - Major compliance -	This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the weekly briefings. The management team will be informed of such development during the monthly management meetings. Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.	Complied
4.1.4.3	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. - Major compliance -	Where introduction of new machines and new work method, all level of employees will be trained to handle /implement the new techniques and work changes. Monitoring is made by the Estate Managers and Assistants throughout the on-the-job training and familiarization.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	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. - Major compliance -	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 Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.	Complied
4.2.1.2	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.	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.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate.</p> <p>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.</p> <p>Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p>	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>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).</p> <p>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.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management.</p>	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc.</p> <p>The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 4/8/2020 for combined operating units i.e.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Chaah, Sg Simpang Kiri and the mill. 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. It was also noted that COvid-19 issue was one of the agendas discussed in the meeting.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	<p>All the visited estates send their FFB to Chaah POM.</p> <p>The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> • Product (FFB or Loose fruit) • Delivery note from estates stating the weight and fruit grade (A or B). • D.O Number • Date of the shipment <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
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system.	The method of inspection is by conducting MSPO internal audit, for example the last audit conducted at Chaah Estate was on 7/7/2020). Based	Complied

Criterion / Indicator		Assessment Findings	Compliance												
	- Major compliance -	on the inspection, there was no finding raised with regards to the implementation of traceability procedure.													
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	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												
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	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												
4.3 Principle 3: Compliance to legal requirements															
Criterion 4.3.1 – Regulatory requirements															
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	<p>The estates continued to comply with legal requirements. Compliance to each applicable law and regulation is monitored by Estate Management, Regional Office and Sustainability Department. The licenses and permits governed by the Local, State and Federal authorities among others as shown below;</p> <table border="1" data-bbox="1086 1212 1881 1364"> <thead> <tr> <th></th> <th>License / Permits</th> <th>Validity / ref</th> </tr> </thead> <tbody> <tr> <td></td> <td><i>Chaah Estate</i></td> <td></td> </tr> <tr> <td>1</td> <td>CF DOSH air compressor-MK PMT 1885</td> <td>16/05/2021</td> </tr> <tr> <td>2</td> <td>KPDNKK ref S 002494 - diesel 16500 L</td> <td>05/11/2020</td> </tr> </tbody> </table>		License / Permits	Validity / ref		<i>Chaah Estate</i>		1	CF DOSH air compressor-MK PMT 1885	16/05/2021	2	KPDNKK ref S 002494 - diesel 16500 L	05/11/2020	Complied
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Criterion / Indicator		Assessment Findings			Compliance
		3	Permit Potongan Daripada Gaji pekerja, Seksyen	15/03/2020	
		4	MPOB License 617601011000	31/08/2020	
		5	SSM - Notis Perakuan Perbadanan	April 2004.	
		6	Perakuan Penentuan Timbang & Sukat B 1681416	15/06/2021	
		7	Toll collection - Enakmen Mengutip Tol ref 00977	31/12/2020	
			<i>Sg Simpang Kiri Estate</i>		
			Validity / ref		
		1	CF DOSH air compressor-JH PMT 27205	20/4/21	
		2	Permit Potongan Gaji pekerja, Seksyen24	15/10/2010	
		4	MPOB License 53259300-2000	30/9/2021	
		5	MPOB License 543698011-000 nursery	31/10/2020	
		6	KPDNKK diesel 13600 L Petrol 600 L ref J 001459	22/1/2021	
		7	Perakuan Penentuan Timbang & Sukat B 1681415	15/06/2021	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	<p>The CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that were applicable to them.</p> <ul style="list-style-type: none"> a) Each estate had its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective Managers. b) The GSQM Department is responsible to track changes and the information was disseminated to all its plantations and Mill 			

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Criterion / Indicator		Assessment Findings	Compliance
		<p>department. Among the applicable legal and included in the legal register are</p> <ul style="list-style-type: none"> - Pesticides Act 1974 and Regulations, - Environmental Quality Act 1974 and Regulations, - Factories and Machinery Act 1967 and Regulations, - Occupational Safety and Health Act 1994, - Employment Act 1955, Aboriginal Peoples Act 1954, - Industrial Relations Act 1967, - Children and Young Persons (Employment) Act 1966 - MPOB Regulations (Licensing) 2005. - Min retirement age Act 2012 - Passport Act 1996 - Pesticide Order 2019 Amendment - FMD noise exposure 1989 revoked - FMD noise exposure 1989 revoked - Perintah Kaw Pergerakan 2020 - Akta Pencegahan/Pengawalan Penyakit Berjangkit 	
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.	A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units SOU 20. GSQM Department and respective operating units will undertake	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
	- Major compliance -	<p>the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Reference document;</p> <ul style="list-style-type: none"> a) Estate/Mill Quality Management System b) Level 2: Standard Operating Manual c) Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008. c) The latest legal register updated in July 2020 by GSQM is listed below; <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Rev date</th> <th>Title</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1/7/2019</td> <td>Pesticide Order 2019 Amendment</td> <td>01/7/19</td> </tr> <tr> <td>2</td> <td>01/6/19</td> <td>FMD noise exposure 1989 revoked</td> <td>Revoked</td> </tr> <tr> <td>3</td> <td>18/5/20</td> <td>Perintah Kaw Pergerakan 2020</td> <td>Newly added</td> </tr> <tr> <td>4</td> <td>18/5/20</td> <td>Akta Pencegahan/Pengawalan Penyakit Berjangkit</td> <td>Newly added</td> </tr> </tbody> </table>	No	Rev date	Title	Remarks	1	1/7/2019	Pesticide Order 2019 Amendment	01/7/19	2	01/6/19	FMD noise exposure 1989 revoked	Revoked	3	18/5/20	Perintah Kaw Pergerakan 2020	Newly added	4	18/5/20	Akta Pencegahan/Pengawalan Penyakit Berjangkit	Newly added	
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4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>GSQM department, which is based in Kuala Lumpur, is responsible for tracking any changes to the Acts and Regulations. In addition, the CEO/RGM of SDP Johor Region also played a role in disseminating new Acts & Regulations to all the mills and estates in the Region.</p> <ul style="list-style-type: none"> a) This was made via communication with the publisher of the documents. b) The updating of the legal register is made on a periodical basis. 	Complied																				

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Criterion / Indicator		Assessment Findings	Compliance												
		<p>c) Changes in the legal register if any are communicated to the respective CU/SOUs</p> <p>d) The Estate Managers appoint the following personnel as the PIC for updating changes in laws. Respective letters as follows were sighted and verified.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Estate</th> <th>PIC</th> <th>Appointment date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>Sr Assistant</td> <td>03/07/2020</td> </tr> <tr> <td>2</td> <td>Sg Spg Kiri</td> <td>Assist Manager</td> <td>01/01/2020</td> </tr> </tbody> </table>		Estate	PIC	Appointment date	1	Chaah	Sr Assistant	03/07/2020	2	Sg Spg Kiri	Assist Manager	01/01/2020	
	Estate	PIC	Appointment date												
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Criterion 4.3.2 – Lands use rights															
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	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. - Major compliance -	<p><u>Chaah:</u> There are 2 land titles with a total of 2,795.3616 Ha, leased to Sime Darby Plantation Sdn Bhd, leased until 22/12/2077.</p> <p><u>Sg Simpang Kiri:</u> There are 5 land titles with a total of 2,371.6564 Ha, leased to Sime Darby Plantation Sdn Bhd, leased until 20/3/2081.</p>	Complied												

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4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>The Estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trenching at the 2 estates, during the field inspection confirmed that they were clearly marked and maintained. All the physical markers/Boundary stones along the legal boundaries between was visibly available.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Estate</th> <th>Boundary</th> <th>Neighbouring</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>P99D</td> <td>Dewi Dairy Farm</td> </tr> <tr> <td>2</td> <td>Chaah</td> <td>P99A</td> <td>Hutan Simpan Maakil</td> </tr> <tr> <td>3</td> <td>Chaah</td> <td>P99D</td> <td>Smallholder Lee</td> </tr> <tr> <td>4</td> <td>Sg Spg Kiri</td> <td>P04A</td> <td>Smallholder</td> </tr> <tr> <td>5</td> <td>Sg Spg Kiri</td> <td>P11A</td> <td>Sindora Berhad</td> </tr> <tr> <td>6</td> <td>Sg Spg Kiri</td> <td>P06</td> <td>M/s Men Thong SB</td> </tr> </tbody> </table>		Estate	Boundary	Neighbouring	1	Chaah	P99D	Dewi Dairy Farm	2	Chaah	P99A	Hutan Simpan Maakil	3	Chaah	P99D	Smallholder Lee	4	Sg Spg Kiri	P04A	Smallholder	5	Sg Spg Kiri	P11A	Sindora Berhad	6	Sg Spg Kiri	P06	M/s Men Thong SB	Complied
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6	Sg Spg Kiri	P06	M/s Men Thong SB																												
4.3.2.4	<p>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).</p> <p>- Minor compliance -</p>	<p>There was no land dispute at all visited estates. The company has the legal ownership documents as demonstrated by possessing land titles.</p>	Complied																												
<p>Criterion 4.3.3 – Customary rights</p>																															

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	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
4.3.3.2	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
4.3.3.3	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
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	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 SOU 20 Chaah for all operating units (i.e. Chaah POM, Chaah Estate, North Labis Estate and Sg Simpang Kiri Estate) 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 on 6-9/4/2015. 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 8/8/2020 (Chaah) and 4/8/2020 (Sg Simpang Kiri) were available for verification.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The action plan identified the issues & strategies, action plan, responsible person and time frame. Action plan from the regular stakeholder consultation was also available.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	System for dealing with complaints and grievances has been established and documented through: <ul style="list-style-type: none"> Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	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. During the stakeholder consultation, the Ketua Kampung of Seri Sejangung has voiced out his grievance about the construction of bund at Sg Simpang Kiri Estate along a drain between the estate (field no. 2000B2) and oil palm plantation belonged to Kg Sejangung villagers had caused the flood in the villagers' plantation area to be worsen. The handling of this grievance can be further improved by having it recorded and documented according to the company's procedure (OFI)	OFI

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	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
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	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
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The previous complaints and requests records for the past 24 months were still available at all the visited estates.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Some examples of notable contribution by the estates: <u>Chaah Estate</u> - Supplying manpower for road maintenance at Kg Hj Kamisan, dated 25/7/2020 <u>Simpang Kiri Estate</u> - Providing machinery (backhoe) for surau compound maintenance to Kg Hj Kamisan, dated 4/7/2020	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	The Group Occupational Safety & Health Management Policy had been established and implemented for all mill and estates. a) The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language <i>Bahasa Malaysia</i> . A revised Policy was dated 02/12/2019 signed by the Group Managing Director content of which having similar commitment towards safety, health and environment. b) The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office. c) Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors. During interviews with the workers and staff revealed that the employees have been briefed and have understood the policy.	Complied
4.4.4.2	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented.	The estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following;	Complied

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<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <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>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>a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents</p> <p>The estates had list of review on HIRARC dated 14/8/2019 (Chaah) and 20/6/2020 (Sg Spg Kiri). HIRARC maintained by the estates among others include the following activities.</p> <table border="1" data-bbox="1093 742 1854 1077"> <thead> <tr> <th></th> <th>Areas/Activities</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palm /bunch census</td> <td>11</td> <td>Harvesting & collection</td> </tr> <tr> <td>2</td> <td>Circle /selective spraying</td> <td>12</td> <td>Transportation workers</td> </tr> <tr> <td>3</td> <td>Confined space</td> <td>13</td> <td>Walking palm to palm</td> </tr> <tr> <td>4</td> <td>Drainage-machine/ manual</td> <td>14</td> <td>Loose fruit collection</td> </tr> <tr> <td>5</td> <td>Grass cutting</td> <td>15</td> <td>In field machine FFB</td> </tr> <tr> <td>6</td> <td>Compound sanitation</td> <td>16</td> <td>Water catchment</td> </tr> <tr> <td>7</td> <td>Fertilizer application</td> <td>17</td> <td>Chemical mixing</td> </tr> <tr> <td>8</td> <td>Replanting</td> <td>18</td> <td>Nursery</td> </tr> <tr> <td>9</td> <td>Bridge maintenance</td> <td>19</td> <td>Workers quarters</td> </tr> <tr> <td>10</td> <td>Water treatment plant</td> <td>20</td> <td>Zenoah Blower</td> </tr> </tbody> </table> <p>Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the mill and estate office and workshop. In general, the control measures were appropriate to the identified risks.</p> <p>The estates conduct CHRA. Details as follows</p>		Areas/Activities		Areas /Activities	1	Palm /bunch census	11	Harvesting & collection	2	Circle /selective spraying	12	Transportation workers	3	Confined space	13	Walking palm to palm	4	Drainage-machine/ manual	14	Loose fruit collection	5	Grass cutting	15	In field machine FFB	6	Compound sanitation	16	Water catchment	7	Fertilizer application	17	Chemical mixing	8	Replanting	18	Nursery	9	Bridge maintenance	19	Workers quarters	10	Water treatment plant	20	Zenoah Blower	
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Criterion / Indicator	Assessment Findings	Compliance																														
<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>- Major compliance -</p>	<table border="1" style="margin-bottom: 10px;"> <thead> <tr> <th></th> <th>Estate</th> <th>Assessor</th> <th>Date of CHRA</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>NM Laboratory Sdn Bhd</td> <td>13/10/2015</td> </tr> <tr> <td>2</td> <td>Sg Spg Kiri</td> <td>NM Laboratory Sdn Bhd</td> <td>03/08/2015</td> </tr> </tbody> </table> <p style="text-align: right;">CHRA</p> <p>assessor NM Laboratory Sdn Bhd has registration no JKPP HIE 127/171-2(363). the recent CHRA has been completed in Jun 2020 however report has yet to be finalized at time of audit.</p> <p>Medical surveillance as proposed in the CHRA was performed by an OHD DOSH <i>registration no HQ/08/DOC/00/545 Klinik Segamat, Segamat Johor</i>. The results for the entire team were positive and declared FIT to perform assigned duties in chemical handling. The session for 2020 had been planned with deferment as results of MCO restriction.</p> <table border="1" style="margin-bottom: 10px;"> <thead> <tr> <th>Estate</th> <th>Date</th> <th>Sprayer</th> <th>W/shop</th> <th>Store</th> <th>Fertilizer</th> </tr> </thead> <tbody> <tr> <td>Chaah</td> <td>06/7/20</td> <td>39</td> <td>1</td> <td>4</td> <td>10</td> </tr> <tr> <td>S Sp Kiri</td> <td>23/12/19</td> <td>34</td> <td>2</td> <td>1</td> <td>-</td> </tr> </tbody> </table> <p>The estates provide PPE to the employees such as apron, safety helmets, and safety shoes relevant to the work handled by the workers. Records of PPE issuance for the estate were sighted. During the site visit workers was observed to be in PPE. Based on the HIRARC carried out at the estates the PPE types for the various activities has been identified and implemented.</p>		Estate	Assessor	Date of CHRA	1	Chaah	NM Laboratory Sdn Bhd	13/10/2015	2	Sg Spg Kiri	NM Laboratory Sdn Bhd	03/08/2015	Estate	Date	Sprayer	W/shop	Store	Fertilizer	Chaah	06/7/20	39	1	4	10	S Sp Kiri	23/12/19	34	2	1	-	
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	<p>f) First Aid Kit & ERP</p> <p>g) Complaint from Employee/External Party.</p> <p>h) Other matters</p> <p>Workplace inspections are made prior to the OSH meeting.</p> <p>The respective Managers were appointed as OSH Chairman through letter signed by Regional General Manager (Johor North Region). All letters were sighted and verified.</p> <table border="1" data-bbox="1182 790 1762 930"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Chairman</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>Manager</td> <td>01/1/20</td> </tr> <tr> <td>2</td> <td>Sg Sp Kiri</td> <td>Manager</td> <td>20/4/19</td> </tr> </tbody> </table> <p>The procedures for accident and emergencies has been established. There is formation of ERP Team & ERP for all the identified incidences. The procedures have been summarized in a chart flow form and displayed for information of all employees in the estate. They includes emergencies relating fire, chemical spillage, flood and accident at work place.</p> <p>a) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2020</i> headed by the Estate Manager</p> <p>b) <i>Carta Aliran Pelan Tindakan Kecemasan -Kebakaran</i></p> <p>c) <i>Carta Aliran Pelan Tindakan Kecemasan - Banjir</i></p> <p>d) <i>Carta Aliran Pelan Tindakan Kecemasan -Tumpahan Kimia</i></p> <p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact</p>	No	Estate	Chairman	Date	1	Chaah	Manager	01/1/20	2	Sg Sp Kiri	Manager	20/4/19	
No	Estate	Chairman	Date											
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	<p>numbers were also provided therein. Procedures guidelines were issued by SDP and amended to tailor to the situation differences in the estates and mill.</p> <table border="1" data-bbox="1189 584 1738 911"> <thead> <tr> <th></th> <th>Emergency situation</th> <th>Mill</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>Oil spillage</td> <td>/</td> <td>-</td> </tr> <tr> <td>3</td> <td>Effluent overflow</td> <td>/</td> <td>-</td> </tr> <tr> <td>4</td> <td>Chemical spillage</td> <td>/</td> <td>/</td> </tr> <tr> <td>5</td> <td>Flood</td> <td>-</td> <td>/</td> </tr> <tr> <td>6</td> <td>Accident at work place</td> <td>-</td> <td>/</td> </tr> </tbody> </table> <p>ERT members received training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organization who can demonstrate their suitability to provide training.</p> <p>The trained personnel for the First Aid were among the employees working as field staff/mandores. The first aid boxes were available at various points in the estate office, workshop, and store. The estate distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops</p>		Emergency situation	Mill	Estate	1	Fire	/	/	2	Oil spillage	/	-	3	Effluent overflow	/	-	4	Chemical spillage	/	/	5	Flood	-	/	6	Accident at work place	-	/	
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		<p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKPP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement with submission as follows. Accident Statistics are being maintained in a satisfactory manner</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Estate</th> <th colspan="4">No of cases in 2019</th> <th rowspan="2">JKPP 8 submission</th> </tr> <tr> <th>cases</th> <th>LTI</th> <th>Non LTI</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>6</td> <td>165</td> <td>0</td> <td>6</td> <td>17/01/20</td> </tr> <tr> <td>2</td> <td>Sg Sp Kiri</td> <td>10</td> <td>22</td> <td>0</td> <td>10</td> <td>20/1/20</td> </tr> </tbody> </table> <p>Chaah Estate had 1 case of 139 days LTI dated 05/8/2019. A field staff had road accident felled down at block 2000A while riding motorcycle and suffered chest pain. HIRARC was reviewed date 01/8/2019 reviewing the risk and probability level. All documents including the investigation was sighted and verified.</p> <p>SSE had 2 incidences involving 2 harvesters dated 02/9/19 and 01/10/19 when fronds hit the victims. Investigations respectively were made and recorded.</p>						Estate	No of cases in 2019				JKPP 8 submission	cases	LTI	Non LTI	Total	1	Chaah	6	165	0	6	17/01/20	2	Sg Sp Kiri	10	22	0	10	20/1/20	
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Criterion 4.4.5: Employment conditions																																

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.1	<p>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.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.4.5.2	<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>- Major compliance -</p>	<p>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.</p>	Complied
4.4.5.3	<p>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.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Bhd is a member of the Malayan Agricultural Producers Association (MAPA) and subscribed to the collective agreement between MAPA and the National Union of Plantation Workers (NUPW). The latest agreement is effective for three years starting from 1/1/2019.</p> <p>Employment contracts for workers were available for verification. The terms of salary are referred to the NUPW-MAPA collective agreement. It was found to be 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 July 2020 were verified is as follows:</p>	Complied

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		<p>Chaah Estate: 108999, 141455, 155802, 137610, 55216, 110960, 139035, 142190.</p> <p>Simpang Kiri Estate: 72062, 102225, 118520, 125129, 138596, 142857, 151029, 153533</p>	
4.4.5.4	<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>- Minor compliance -</p>	<p>The management obtains the payslip from the contractors and check the pay against the minimum standard. Payslips from Dewi Dairy Farm and RSKP Brothers were available for verification. All the pay was found to be meeting the minimum standard requirements.</p>	Complied
4.4.5.5	<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>- Major compliance -</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
4.4.5.6	<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>- Major compliance -</p>	<p>Every employee had been provided with employment contract which referred to the collective agreement between MAPA & NUPW. The collective agreement document was available for verification.</p>	Complied

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4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</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
4.4.5.8	<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 and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Working time found to be in accordance with legal requirement: Working hours i.e.:</p> <p>Daily rated workers (1 shift): Working hours = 0600 - 1430 Break time = 1000 to 1130 (flexible)</p> <p>Auxiliary police (3 shifts): Shift 1 working hours = 0700 to 1500 Shift 2 working hours = 1500 to 2300 Shift 3 working hours = 2300 to 0700</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.4.5.10	<p>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.</p> <p>- Minor compliance -</p>	<p>Among the benefits offered by the company:</p> <ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance • motorcycle allowance 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.11	<p>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.</p> <p>- Major compliance -</p>	<p>The estates workers are provided with free housing facilities which includes water. Electricity is supplied by TNB and workers are required to pay the bill based on meter reading. 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, 2-3 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. Apart from that, housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focussing on cleanliness and safety.</p>	Complied
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>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 and gender committee showed no evidence of sexual harassment or violence happened so far.</p>	Complied
4.4.5.13	<p>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.</p>	<p>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.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																																																				
	- Major compliance -																																																						
4.4.5.14	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. - Major compliance -	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																																																				
Criterion 4.4.6: Training and competency																																																							
4.4.6.1	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. - Major compliance -	<p>The estates training are held/organized during the daily briefing prior to work commencement. Mainly the issues discussed/briefed were related to estate operations, environmental and safety compliance. These training records are maintained in file and sighted during the audit.</p> <table border="1"> <thead> <tr> <th></th> <th>Subject</th> <th>ChaaH</th> <th>Sg Sp Kiri</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ERP Flood spillage</td> <td>-</td> <td>24/4/19</td> </tr> <tr> <td>2</td> <td>SOP Weeding / HIRARC</td> <td>04/8/20</td> <td>20/6/20</td> </tr> <tr> <td>3</td> <td>Company Policies Briefing</td> <td>06/7/20</td> <td>15/8/19</td> </tr> <tr> <td>4</td> <td>MSPO Briefing to Contractors</td> <td>06/7/20</td> <td>04/8/20</td> </tr> <tr> <td>5</td> <td>Briefing to Stakeholders</td> <td>09/8/19</td> <td>04/8/20</td> </tr> <tr> <td>6</td> <td>OSH guidelines</td> <td>09/3/20</td> <td>31/1/20</td> </tr> <tr> <td>7</td> <td>RSPO MSPO awareness</td> <td>08/8/20</td> <td>-</td> </tr> <tr> <td>8</td> <td>Workshop management SW</td> <td>13/8/19</td> <td>-</td> </tr> <tr> <td>9</td> <td>Spraying SOP inter pump</td> <td>24/7/20</td> <td>04/8/20</td> </tr> <tr> <td>10</td> <td>Nursery Operations</td> <td>11/11/19</td> <td>-</td> </tr> <tr> <td>11</td> <td>Safety Town Hall</td> <td>-</td> <td>12/4/19</td> </tr> <tr> <td>12</td> <td>Harvesting SOP pruning</td> <td>04/7/20</td> <td>12/7/19</td> </tr> </tbody> </table>		Subject	ChaaH	Sg Sp Kiri	1	ERP Flood spillage	-	24/4/19	2	SOP Weeding / HIRARC	04/8/20	20/6/20	3	Company Policies Briefing	06/7/20	15/8/19	4	MSPO Briefing to Contractors	06/7/20	04/8/20	5	Briefing to Stakeholders	09/8/19	04/8/20	6	OSH guidelines	09/3/20	31/1/20	7	RSPO MSPO awareness	08/8/20	-	8	Workshop management SW	13/8/19	-	9	Spraying SOP inter pump	24/7/20	04/8/20	10	Nursery Operations	11/11/19	-	11	Safety Town Hall	-	12/4/19	12	Harvesting SOP pruning	04/7/20	12/7/19	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		13	Harvesting skill enhancement	14/1/20	-	
		14	Fire Drill awareness - BOMBA	26/4/19	08/8/19	
		15	Fire Drill / Campaign by BOMBA	29/6/20	-	
		16	First Aid - CPR	20/6/20	13/3/20	
		17	First Aid - CPR	29/7/20	29/7/19	
		18	Rat Baiting	15/7/20	21/5/20	
		19	Vehicle driving safety guidelines	-	08/7/20	
		20	Mist Blower - selective spraying	11/2/20	-	
		21	Pesticides Handling	24/6/20	16/6/20	
		22	Inter pump awareness	17/1/20	25/7/19	
		23	Chemical spraying	24/6/20	0/1/20	
		24	Pruning SOP	25/2/20	10/6/20	
		25	IPM management	10/7/19	10/7/19	
		26	Road safety campaign	16/2/20	19/2/20	
		27	Riparian Zone Protection	25/2/20	-	
		28	Protection of HCV riparian zone	04/7/20	26/7/19	
		29	fertilizer - application	08/5/20	19/2/20	
		30	Fertilizer application - immature	12/2/20	19/2/20	
		31	Fertilizer application FM3	02/3/20	-	
		32	Harvesting activities SOP	14/6/20	12/7/19	
		33	Riparian Zone protection HCV	06/7/20	26/7/19	
		34	M/cycle SOP & PPE	28/2/20	05/8/20	
		35	P & D spraying	08/1/20	14/8/19	
		36	PPE adherence	24/6/20	13/8/19	
		37	Circle spraying	10/12/19	28/8/19	
		38	SOCSO guidelines	-	23/9/19	
		39	SW management	05/6/20	12/8/20	
		40	FFB ripeness	17/1/20	26/2/20	
		41	Covid 19 precaution	03/4/20	-	
		42	Covid 19 reminders	02/5/20	25/3/20	
		43	Water quality monitoring	-	07/8/20	

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Criterion / Indicator		Assessment Findings				Compliance
		44	Sexual harassment /Gender	06/7/20	16/6/20	
		45	Creche management / guideline	22/7/19	-	
		46	Creche management	01/7/20	-	
		47	Human Rights Protection	-	07/8/20	
		48	TKI induction program	20/8/19	30/6/19	
4.4.6.2	<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>- Major compliance -</p>	<p>Similar methods for identifying the training needs are used in all the estates. The details of the training needs include categories of;</p> <ul style="list-style-type: none"> a) job descriptions, b) sections, c) Employees' group. <p>Included in this program are subjects related to;</p> <ul style="list-style-type: none"> a) environment e.g. environmental, safety & health policy, b) scheduled waste management, c) environmental responsibility, HCV & Biodiversity training, d) field activities/operations, e) equipment handling, vehicles maintenance etc 				Complied
4.4.6.3	<p>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.</p> <p>- Minor compliance -</p>	<p>Formal training programs for 2020 that covered aspects of the MSPO with regular assessments of training needs were available for all the audited sites. Training Plan was for each operating unit were established. A training need identification matrix has been established with target dates for the training identified. The training program among others includes the following subjects:</p>				Complied

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Criterion / Indicator		Assessment Findings				Compliance	
			Subjects		Month		
			1-4	5-8	9-12		
		1	ESH Legal & Other requirements	/	-	-	
		2	Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000	/	-	-	
		3	Accident Investigation Techniques	/	-	-	
		4	Emergency RP (Chemical spill, poisoning, fire.flood	/	-	/	
		5	First Aid Training	/	-	/	
		6	Scheduled waste management	/	/	-	
		7	Safe Work Procedure for All Stations.	/	-	/	
		8	Confined Space Training	/	/	-	
		9	Policy Training	/	-	/	
		10	Effective workplace inspection		/	/	
		11	GAP training / SW	/	/	/	
		12	RSPO & Management Training,	/	-	/	
		13	RSPO Human Right Training,	/	-	/	
		14	Sime Darby Policies (Gender & Conservation).	/	-	/	
		15	Maintenance of spraying equipment	/	/	/	
		16	HCV Training for Region		/	/	
		17	Safe handling of Electrical Equipment	/	-	/	
		18	MSDS/CSDS	/	-	/	
		19	5 S Housekeeping	/	/	-	
		20	PPE adherence	/	/	-	
		21	Estate Activities / Mill Work stations	/	/	/	
		22	Triple rinsing	/	/	-	
		23	Effective work place inspection		/	/	
		24	HIRARC	/	-	/	
25	Safe driving techniques	/	-	/			
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services							
Criterion 4.5.1: Environmental Management Plan							

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>There is an environmental management policy issued on Group level signed by the Managing Director in Jan 2015. A revised Policy was dated 02/12/2019 signed by the Group Managing Director content of which having similar commitment towards safety, health and environment. Communications to the employees were through training session and briefing at muster grounds. Sighted training relating to the environmental subjects as described in indicator 4.4.6.1 above. Subjects on environmental are included the annual training program titled "environmental responsibility & biodiversity-environmental aspect impact assessment".</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>The environmental policy has been established as described in 4.5.1.1 above. The objectives of the environmental management plan among others include the following;</p> <ul style="list-style-type: none"> a) Implement and comply to all prevailing statutory environmental laws b) Plantation development emphasising zero burning practices. c) Compliance to DOE/NREB - to minimise pollution of land/water/air d) To control and practice GAP systems in both mineral/peat soils. e) Identification of HCV and preserving riparian zones. <p>The aspects and impacts had been provided in <i>the Environmental Impact Assessment After Planting 2018</i> compiled internally by the Agricultural</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance									
		<p>Practices team with review made annually. The analysis covered the following activities;</p> <ul style="list-style-type: none"> a) Harvesting / weeding / fertilizer application b) Mulching / road upkeep / ramp c) Workshop / chemical store d) Lubricant store / fertiliser store e) Impact of field operations activities towards environmental f) Identification of riparian zone g) All the relevant positive/negative impact and mitigation plan, 										
4.5.1.3	<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>- Major compliance -</p>	<p>The environmental improvement plans are identified <i>the Environmental Impact Assessment After Planting 2018</i> having details of mitigation of the negative impacts. They are summarized and shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>Impacts</th> <th>Mitigation plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Promote positive impact to soil structure through biomass frond & EFB mulching.</td> <td>Practice proper frond stacking. EFB applied to improve nutrient & biomass</td> </tr> <tr> <td>2</td> <td>Negative impact as polluting the soil with usage of chemicals.</td> <td>Dosage of chemicals is monitored & calibrated. Grass cutting made to reduce reliance of chemical.</td> </tr> </tbody> </table>		Impacts	Mitigation plan	1	Promote positive impact to soil structure through biomass frond & EFB mulching.	Practice proper frond stacking. EFB applied to improve nutrient & biomass	2	Negative impact as polluting the soil with usage of chemicals.	Dosage of chemicals is monitored & calibrated. Grass cutting made to reduce reliance of chemical.	Complied
	Impacts	Mitigation plan										
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Criterion / Indicator		Assessment Findings			Compliance																																
		3	Over usage of chemical & fertilizer affecting soil toxicity causing leaching /wash off.	Identify buffer zones and to prevent leaching of fertilizer and chemicals. Application along frond stacking rows.																																	
		4	Damages through grading and chambering	Water collected at drain pits is collected to maximize moisture of nearest palm.																																	
		5	FFB transportation of lorries in minimizing leakages of fuel	Education to drivers and monitoring of vehicles movements.																																	
		6	Spillage to prevent pollution	Availability of spill kit and health surveillance for welding personnel.																																	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	This is being addressed in details 4.5.1.3 above.			Complied																																
4.5.1.5	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. - Major compliance -	Training through awareness session and training were conducted during the morning muster and <i>ad hoc</i> briefing; <table border="1" style="margin-top: 10px;"> <thead> <tr> <th></th> <th>Subject</th> <th>Chaah</th> <th>Sg Sp Kiri</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ERP Flood spillage</td> <td>-</td> <td>24/4/19</td> </tr> <tr> <td>2</td> <td>Workshop management SW</td> <td>13/8/19</td> <td>-</td> </tr> <tr> <td>3</td> <td>Riparian Zone Protection</td> <td>25/2/20</td> <td>-</td> </tr> <tr> <td>4</td> <td>Protection of HCV riparian zone</td> <td>04/7/20</td> <td>26/7/19</td> </tr> <tr> <td>5</td> <td>Riparian Zone protection HCV</td> <td>06/7/20</td> <td>26/7/19</td> </tr> <tr> <td>6</td> <td>SW management</td> <td>05/6/20</td> <td>12/8/20</td> </tr> <tr> <td>7</td> <td>Water quality monitoring</td> <td>-</td> <td>07/8/20</td> </tr> </tbody> </table>				Subject	Chaah	Sg Sp Kiri	1	ERP Flood spillage	-	24/4/19	2	Workshop management SW	13/8/19	-	3	Riparian Zone Protection	25/2/20	-	4	Protection of HCV riparian zone	04/7/20	26/7/19	5	Riparian Zone protection HCV	06/7/20	26/7/19	6	SW management	05/6/20	12/8/20	7	Water quality monitoring	-	07/8/20	Complied
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4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Discussions on environmental issues were discussed at the following forums a) Stakeholder meetings			Complied																																

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Criterion / Indicator		Assessment Findings	Compliance																																										
		<p>b) ESH meeting on environmental issue if arises.</p> <p>c) Monthly management meeting should there be issues raised.</p> <p>Discussions on environmental issues were incorporated in the OSH meeting. The forum used in the estates are the quarterly OSH meeting and the annual management review meeting. The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact. Both the estates held respective management review meeting chaired by the Managers. Minutes were sighted and adequate in discussing the environmental</p>																																											
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																													
4.5.2.1	<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>- Major compliance -</p>	<p>The utilization of fossil fuel in 2020 is being monitored with records shown below:</p> <table border="1"> <thead> <tr> <th>Site</th> <th colspan="3">Chaah Estate 2019/20</th> <th colspan="3">Sg Spg Kiri Estate 2019/20</th> </tr> <tr> <th>Mth</th> <th>FFB mt</th> <th>Diesel L</th> <th>Diesel/ FFB</th> <th>FFB mt</th> <th>Diesel L</th> <th>Diesel /FFB</th> </tr> </thead> <tbody> <tr> <td>Jun</td> <td>4602</td> <td>4908</td> <td>1.07</td> <td>3066</td> <td>7545</td> <td>2.46</td> </tr> <tr> <td>July</td> <td>4380</td> <td>6406</td> <td>1.46</td> <td>3710</td> <td>6797</td> <td>1.83</td> </tr> <tr> <td>Aug</td> <td>4382</td> <td>5984</td> <td>1.37</td> <td>3534</td> <td>4879</td> <td>1.38</td> </tr> <tr> <td>Sep</td> <td>4933</td> <td>6251</td> <td>1.27</td> <td>3482</td> <td>4479</td> <td>1.29</td> </tr> </tbody> </table>	Site	Chaah Estate 2019/20			Sg Spg Kiri Estate 2019/20			Mth	FFB mt	Diesel L	Diesel/ FFB	FFB mt	Diesel L	Diesel /FFB	Jun	4602	4908	1.07	3066	7545	2.46	July	4380	6406	1.46	3710	6797	1.83	Aug	4382	5984	1.37	3534	4879	1.38	Sep	4933	6251	1.27	3482	4479	1.29	Complied
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Criterion / Indicator		Assessment Findings							Compliance
		Oct	5050	8139	1.61	3646	7329	2.01	
		Nov	4435	7880	1.78	3000	11054	3.68	
		Dec	3354	10738	3.20	2284	14178	6.21	
		Jan	2716	5578	2.05	2405	9356	3.89	
		Feb	4045	6034	1.49	2924	5986	2.05	
		Mac	3710	4930	1.33	2976	5346	1.80	
		Apr	4423	4405	1.00	3300	5436	1.65	
		May	4529	6050	1.34	2822	6851	2.84	
		Both Estates experienced flooding in Dec 19 and additional diesel is consumed for the water pumping. The estates established the baseline value and monitor the performance of consumption.							
4.5.2.2	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. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel in all transport and machinery operations was available in the respective estate yearly budgets.							Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no opportunity to use renewable energy (<i>shell/fibre/EFB</i>) in the estate with the present technology and facilities within the industry.							Complied

Criterion / Indicator		Assessment Findings				Compliance	
Criterion 4.5.3: Waste management and disposal							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The waste products and sources of pollution has been identified and documented. Details as follows;				Complied	
			Activities	Source	Waste /Pollution		Affected Environment
		1	Gen store	Petrol oil, lubricant	Spillage & contamination		Land, water
				Chemical			
		2	SW store	Scheduled waste	All type of SW		Environmental
		3	office	Domestic/ office waste	paper plastic		Land, water
				Toilet & kitchen	sewage		
		4	Workshop	Used oil & grease	Spillage		Recycled
				Metal waste	Wastage		
				Oil drum/tank			
5	Labour line	Domestic waste	Solid waste	Land, water			
		Toilet/	sewage				

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Criterion / Indicator		Assessment Findings					Compliance																																						
				kitchen waste																																									
		6	Field activities	Operation waste	palm frond, FFB stalk	Land /water																																							
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>The estates have established the waste and pollution management plan as shown below. The PIC and time frame was also shown in the management plan.</p> <table border="1"> <thead> <tr> <th></th> <th>Activities</th> <th>Source</th> <th>Waste /Pollution</th> <th>Affected Environment</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">Gen store</td> <td>Petrol oil, lubricant</td> <td rowspan="2">Spillage & contamination</td> <td rowspan="2">Land, water</td> </tr> <tr> <td>Chemical</td> </tr> <tr> <td>2</td> <td>SW store</td> <td>Scheduled waste</td> <td>All type of SW</td> <td>Environmental</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">office</td> <td>Domestic/office waste</td> <td>paper plastic</td> <td rowspan="2">Land, water</td> </tr> <tr> <td>Toilet & kitchen</td> <td>sewage</td> </tr> <tr> <td rowspan="3">4</td> <td rowspan="3">Workshop</td> <td>Used oil & grease</td> <td>Spillage</td> <td rowspan="3">Recycled</td> </tr> <tr> <td>Metal waste</td> <td rowspan="2">Wastage</td> </tr> <tr> <td>Oil drum/tank</td> </tr> <tr> <td rowspan="2">5</td> <td rowspan="2">Labour line</td> <td>Domestic waste</td> <td>Solid waste</td> <td rowspan="2">Land, water</td> </tr> <tr> <td>Toilet/kitchen waste</td> <td>sewage</td> </tr> </tbody> </table>						Activities	Source	Waste /Pollution	Affected Environment	1	Gen store	Petrol oil, lubricant	Spillage & contamination	Land, water	Chemical	2	SW store	Scheduled waste	All type of SW	Environmental	3	office	Domestic/office waste	paper plastic	Land, water	Toilet & kitchen	sewage	4	Workshop	Used oil & grease	Spillage	Recycled	Metal waste	Wastage	Oil drum/tank	5	Labour line	Domestic waste	Solid waste	Land, water	Toilet/kitchen waste	sewage	Complied
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Criterion / Indicator		Assessment Findings				Compliance
			Activities	Source	Prevention	Action Plan
		1	Gen store	Petrol oil, lubricant Chemical	Keep items in designated area i.e. bund 110% of capacity	Establish recovery procedure - accidental spillage. Kit available
		2	SW store	Scheduled waste	Comply to EQA requirement	Dispose as SW & maintain record.
		3	office	Domestic/office waste Toilet & kitchen	Implement recycling of waste Provide bins	Continuous education on environmental issues and program.
		4	Workshop	Used oil & grease Metal waste Oil drum/tank	Display signboards & provide litter bins Collect discarded materials for recycling	
		5	Labour line	Domestic waste	Display signboards & provide litter bins	Provide training on recycling

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Criterion / Indicator		Assessment Findings					Compliance	
		5	Workshop	Operation waste	Ensure accidental spillage	no	Cease using facilities in event of non functional	
4.5.3.3	<p>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 handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by Head Office personnel and implemented in all estates and mills for all the applicable practices. The operational control procedures for the scheduled wastes management provides guidelines as follows;</p> <ul style="list-style-type: none"> a) Management of class 2 (and higher) chemical containers. b) Management of fertilizer bags <p>These documents were established on 13/8/2009 (OSH Manual) and 01/8/2013 (Sustainability Manual) and remained effective for practice in all estates and mills. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal. The estates scheduled waste is disposed to M/s Perniagaan Saudara Baru. The estates compiled to the maximum 180 days retention days. All units in mt otherwise stated. Prior collection was in Feb 2020.</p>					Complied	

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Criterion / Indicator		Assessment Findings					Compliance
		Estate	Date	SW 305	SW 404	SW 410	
		Chaah	06/7/20	0.100	-	0.005	
		Chaah	11/8/20	-	0.010	-	
		Sg Spg Kiri	06/7/20	0.200	-	0.005	
		Sg Spg Kiri	11/8/20	-	0.011	-	
		Clinical waste is despatched to Kualiti Alam Sdn Bhd					
4.5.3.4	<p>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 labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>The guidelines and practice for handling empty pesticides containers are as established in the operational control procedure established as given in 4.5.3.3.</p> <p>a) All class 2 and above containers are tripled rinsed and holes punctured at the bottom only if the waste generator is to dispose as non-scheduled waste.</p> <p>b) Containers to be disposed as scheduled waste need not go the triple rinsing and hole punctured process.</p> <p>These guidelines are based on Department Of Agriculture ref 91/120/038/014 dated 7/11/2002. During the site visit this has been adhered mainly containers are tripled rinsed and holes punctured at the container base. Empty containers were despatched to licensed buyer SS Setia Teknologi Enterprise. Letter dated 07/12/2015 from Jabatan Pertanian refers. Records sighted as follows;</p>					Complied
		Estate	Date	Chemical containers	Rat Bait Boxes		
		Chaah	28/5/20	280 pcs	230 pcs		

Criterion / Indicator		Assessment Findings				Compliance												
		Sg Sp Kiri	28/5/20	84 pcs	200 pcs													
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	<p>The domestic waste was disposed as per <i>SOP Landfill and domestic waste management</i>, dated 13/8/2009 (OSH Manual) and 01/8/2013 (Sustainability Manual). The locations of the landfill areas are at the respective estates shown below. All locations were adequately distanced from watercourses and housing complex minimum of 50 meters.</p> <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>Landfill site</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah</td> <td>P00C2</td> <td>Collection 2/3 x week</td> </tr> <tr> <td>2</td> <td>Sg Spg Kiri</td> <td>P03A-6</td> <td>Collection 2/3 x week</td> </tr> </tbody> </table>					Estate	Landfill site	Remarks	1	Chaah	P00C2	Collection 2/3 x week	2	Sg Spg Kiri	P03A-6	Collection 2/3 x week	Complied
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Criterion 4.5.4: Reduction of pollution and emission																		
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	<p>An assessment of all polluting activities has been conducted and monitored. This included the gaseous emissions, particulate / soot emissions and effluent. The CU has continued to maintain its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) records i.e. (SM/5.2/EAI) and (SM/5.2/EIE) which covers estates and mill activities/operation. 'Pollution Identification Environmental Improvement Action Plan' is used to identify the waste products and sources of pollution, was in place and is reviewed accordingly. Among others the significant environmental receptors for the estates operations were:</p> <table border="1"> <thead> <tr> <th></th> <th>Receptor</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td>smoke and particulate, vehicle & generator (smoke & gases), anaerobic processes (ETP, EFB dumping)</td> </tr> </tbody> </table>					Receptor	Sources	1	Air	smoke and particulate, vehicle & generator (smoke & gases), anaerobic processes (ETP, EFB dumping)	Complied						
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Criterion / Indicator		Assessment Findings			Compliance															
		2	Water	Cleaning water/run-off/process station waters																
		3	Land	Scheduled waste, clinical waste, Industrial waste, domestic waste.																
		<p>Among others actions taken by the estates were:</p> <p>a) Scheduled wastes – were disposed to Perniagaan Saudara Baru and Kualiti Alam Sdn Bhd (clinical waste).</p> <p>b) Domestic wastes are in respective landfill sites of estates.</p> <p>c) Full compliance to zero burning practices.</p>																		
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Details of action plan for identified pollutants are shown below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 60%;">Sources/objective & target</th> <th style="width: 35%;">Action Plan /Steps</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Management of HCV river reserve water catchment area, buffer zone conservation.</td> <td>train/retrain sprayers /manuring gang to avoid any chemical-related works at the area</td> </tr> <tr> <td style="text-align: center;">2</td> <td>monitor waste management plan for its suitability</td> <td>SW disposal monitoring</td> </tr> <tr> <td style="text-align: center;">3</td> <td>improve employees awareness on pollution prevention at housing complex including zero burning policy.</td> <td>Continuous reminders</td> </tr> <tr> <td style="text-align: center;">4</td> <td>To minimize spillage of oil/chemical onto the ground</td> <td>Continuous training and use of spill trays</td> </tr> </tbody> </table>				Sources/objective & target	Action Plan /Steps	1	Management of HCV river reserve water catchment area, buffer zone conservation.	train/retrain sprayers /manuring gang to avoid any chemical-related works at the area	2	monitor waste management plan for its suitability	SW disposal monitoring	3	improve employees awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders	4	To minimize spillage of oil/chemical onto the ground	Continuous training and use of spill trays	Complied
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		5	To review aspect identification & impact evaluation & identify significant critical points for control.	Review through EA/EIE																		
		6	Maintenance of forest trees in the estates.	Ensure signage & demarcation are visible to avoid chemical intervention. To monitor pollution/erosion																		
		<p>SOU 20 all the estates had identified all wastes and sources of pollution. The Waste Management Action Plan 2020 were established to mitigate and control the identified wastes and source of pollution. The most significant environmental receptors for the estates operations were:</p> <table border="1"> <thead> <tr> <th></th> <th>Receptor</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td>smoke and particulate, vehicle & generator (smoke & gases), anaerobic processes (ETP, EFB dumping)</td> </tr> <tr> <td>2</td> <td>Water</td> <td>Cleaning water/run-off/process station waters</td> </tr> <tr> <td>3</td> <td>Land</td> <td>Scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.</td> </tr> </tbody> </table> <p>All waste and pollution are identified and documented in the Waste Management Plan and Pollution Prevention Plan Financial Year 2020. The waste generated from the estates operations as shown below:</p> <table border="1"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Receptor	Sources	1	Air	smoke and particulate, vehicle & generator (smoke & gases), anaerobic processes (ETP, EFB dumping)	2	Water	Cleaning water/run-off/process station waters	3	Land	Scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.		Type of waste	Details			
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Criterion 4.5.5: Natural water resources																											
4.5.5.1	<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> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. 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.). 	<p>The Water Management Plan for the estates has been established. This is compiled on Group basis and amended to meet demands of specific issue in Operating Units. It was reviewed annually for the 2020 plan. Included therein are the following documents which were sighted and verified;</p> <table border="1"> <thead> <tr> <th colspan="3">Contingency plan during water shortage</th> </tr> <tr> <th></th> <th>Area/incident</th> <th>Action steps</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water shortage/ prolonged dry season</td> <td>to obtain water from mill and neighbouring water catchment to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain treated water supply from mill's WTP</td> <td>Manager/ Assistant Manager</td> </tr> </tbody> </table>	Contingency plan during water shortage				Area/incident	Action steps	PIC	1	Water shortage/ prolonged dry season	to obtain water from mill and neighbouring water catchment to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain treated water supply from mill's WTP	Manager/ Assistant Manager	Complied													
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<p>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.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <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>- Major compliance -</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">2</td> <td style="width: 25%;">Severe water pollution/contamination</td> <td style="width: 50%;">to obtain water from neighbouring water catchment to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain treated water supply from mill's WTP</td> <td style="width: 20%; text-align: center;">Manager/ Assistant Manager</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: left;">Water reduction plan</th> </tr> <tr> <th></th> <th style="text-align: left;">Issues/Areas</th> <th style="text-align: left;">Action Steps</th> <th style="text-align: left;">PIC</th> <th style="text-align: left;">Status</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Minimize water losses</td> <td>Immediate repair of leakages Education to employees on wastage</td> <td>AM</td> <td>On going</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Water reduction</td> <td>Continuous awareness on water reduction</td> <td>AM/ FC</td> <td>On going</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Rain water collection</td> <td>Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery</td> <td>AM/ FC</td> <td>On-going</td> </tr> </tbody> </table> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in Sime Darby Plantation dated April 2014). The buffer zones established are as following:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">River width</th> <th style="text-align: left;">Buffer zone</th> </tr> </thead> <tbody> <tr> <td>➤ 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 - 10 meters</td> <td>10 meters</td> </tr> </tbody> </table>	2	Severe water pollution/contamination	to obtain water from neighbouring water catchment to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain treated water supply from mill's WTP	Manager/ Assistant Manager	Water reduction plan						Issues/Areas	Action Steps	PIC	Status	1	Minimize water losses	Immediate repair of leakages Education to employees on wastage	AM	On going	2	Water reduction	Continuous awareness on water reduction	AM/ FC	On going	3	Rain water collection	Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery	AM/ FC	On-going	River width	Buffer zone	➤ 40 meters	50 meters	20 - 40 meters	40 meters	10 - 20 meters	20 meters	5 - 10 meters	10 meters	
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4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Site visit confirmed that there was no construction of bunds, weirs and dams across main rivers or waterways passing through the estates. The bunds constructed were mainly along the rivers for the flood mitigation program.						Complied																																			
4.5.5.3	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). - Minor compliance -	<p>Field visit observed practise on water harvesting such as road side drains had been constructed and water has been directed to conservation terraces, pruned fronds were stacked along the palm row.</p> <p>a) During the site visit practices of water harvesting are noted mainly constructed on flat areas in both estates. There were construction of MCP = Moisture Conservation Pit at interval of every 40 ft & every 2 palms.</p> <p>b) Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and also to benefit the nearest palm at the pit end to obtain additional moisture. This is part of the common practices introduced within the SDP Group Agriculture Procedures.</p>						Complied																																			

Criterion / Indicator		Assessment Findings	Compliance
		c) In addition there were irrigation projects for Chaah Estate as handled by the Water Management Team. Potential fields have been identified and such areas will be irrigated to improve the moisture level for the palm growth. Source of irrigation identified from Sg Pegalan, water from the hill field no P00PA.	
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>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:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>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.</p> <p>- Major compliance -</p>	<p>The high biodiversity is included in the HCV assessment report dated August 2016. Birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report for example vulnerable animal; bearded pig (mammals) under category totally protected. The established management plan has been incorporated the action plan for those identified animals (IUCN and WCA 2010) for proper monitoring. The HCV re-assessment was compiled by RSQM team on Aug 2016 for Chaah SOU 20. The report therein contained information relating to HCV identification and management. The details among others as extracted below.</p> <p>a) Overview of HCV assessment</p> <p>b) Description of assessment area</p> <ul style="list-style-type: none"> - Landscape context - biodiversity & conservation values - ecosystem service / social & cultural values <p>c) HCV criteria & application to agriculture</p> <ul style="list-style-type: none"> - Visual observation & supporting information - Wildlife in plantation - decision on HCV status <p>d) HCV management / Monitoring.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																															
		<p>The report is given in details to provide the existence of HCV, complete with photo and description The conservation and management of such identified areas are also detailed therein. The HCV areas presence as identified by the Estates within SOU 20 are given below. The report summarized the following;</p> <table border="1"> <thead> <tr> <th>Estate</th> <th></th> <th>HCV description</th> <th>Ha</th> <th>HCV type</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Sg Spg Kiri</td> <td>1</td> <td>Water catchment</td> <td>0.32</td> <td>HCV 4</td> </tr> <tr> <td>2</td> <td>River reserve Sg Spg Kiri</td> <td>8.94</td> <td>HCV 4</td> </tr> <tr> <td>3</td> <td>Bund</td> <td>52.85</td> <td>HCV 4</td> </tr> <tr> <td rowspan="3">Chaah</td> <td>1</td> <td>Water catchment</td> <td>0.47</td> <td>HCV 4</td> </tr> <tr> <td>2</td> <td>Water catchment</td> <td>1.61</td> <td>HCV 4</td> </tr> <tr> <td>3</td> <td>Bund</td> <td>4.87</td> <td>HCV 4</td> </tr> </tbody> </table>	Estate		HCV description	Ha	HCV type	Sg Spg Kiri	1	Water catchment	0.32	HCV 4	2	River reserve Sg Spg Kiri	8.94	HCV 4	3	Bund	52.85	HCV 4	Chaah	1	Water catchment	0.47	HCV 4	2	Water catchment	1.61	HCV 4	3	Bund	4.87	HCV 4	
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4.5.6.2	<p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p>There is not RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs. The estates had established an HCV action plan for FY2020 such as briefing/training to workers on protection of river buffers communicating to all employees, contractors, suppliers and neighbour that encroachment and hunting are not allowed.</p> <p>There were programs held by the estates to all employees in pertaining to the awareness of HCV areas and RTE species. Interview with the</p>	Complied																															

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Criterion / Indicator		Assessment Findings	Compliance																								
		<p>employees concluded that training and briefing made during the ad hoc session and morning muster. This is also emphasized during the training held by RSQM programs. Employees are aware of the following measures;</p> <ul style="list-style-type: none"> a) An offence to capture, harm, kills any wildlife. b) Disciplinary measures shall be taken if found violating company rules. c) Riparian buffer zone to be free from any chemicals application/pollution <p>Training in relation to the HCV management are provided to the employees as follows;</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>.</th> <th>Subject</th> <th>Chaah</th> <th>Sg Spg Kiri</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Riparian Zone Protection</td> <td>25/2/20</td> <td>-</td> </tr> <tr> <td>2</td> <td>Protection of HCV riparian zone</td> <td>04/7/20</td> <td>26/7/19</td> </tr> <tr> <td>3</td> <td>fertilizer - application</td> <td>08/5/20</td> <td>19/2/20</td> </tr> <tr> <td>4</td> <td>Riparian Zone protection HCV</td> <td>06/7/20</td> <td>26/7/19</td> </tr> <tr> <td>5</td> <td>Water quality monitoring</td> <td>-</td> <td>07/8/20</td> </tr> </tbody> </table>	.	Subject	Chaah	Sg Spg Kiri	1	Riparian Zone Protection	25/2/20	-	2	Protection of HCV riparian zone	04/7/20	26/7/19	3	fertilizer - application	08/5/20	19/2/20	4	Riparian Zone protection HCV	06/7/20	26/7/19	5	Water quality monitoring	-	07/8/20	
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4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The RTE assessment was incorporated in the HCV report and evaluation. Therein providing wildlife database categories of;</p> <ul style="list-style-type: none"> a) Birds / Mammals b) <i>Herpetofauna</i> / Conservation status c) Offence and penalties under Wildlife Conservation Act 2010. d) Provocation of wildlife. <p>In records there is no RTE species observed/spotted within the member estates in CU. Relevant action plans had been established and implemented concerning protection of the riparian, such as identification on map and ground, restriction of no chemicals activities, awareness</p>	Complied																								

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Criterion / Indicator		Assessment Findings	Compliance															
		<p>training to workers and patrolling by Auxiliary Police. The estates reviewed the HCV management plan annually in -Jan 2020.</p> <table border="1"> <thead> <tr> <th></th> <th>HCV area</th> <th>Management & Monitoring</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Protected areas</td> <td>Boundary markers estate/forest reserve Signage on no illegal hunting/collecting & no authorised entry Patrol the boundary area</td> </tr> <tr> <td>2</td> <td>RTE</td> <td>Inform all stakeholders on HCV assessment and protection Education & awareness for workers Ensure no agrochemicals activities at bordering water bodies</td> </tr> <tr> <td>3</td> <td>Sacred sites</td> <td>Clear demarcation and proper fencing at identified HCV Inform community concerning utilisation of site To maintain cleanliness / upkeep of areas Maintain a buffer in order to secure the ares from fire and other disturbances To include areas in HCV map</td> </tr> <tr> <td>4</td> <td>Ecosystem</td> <td>Place clear boundary markers between estate and forest reserve. Place signage on no illegal activities Patrol boundary areas within forest reserve regularly Socialise the HCV assessment consisting of identification management and monitoring to all employees Information to stakeholders on the HCV</td> </tr> </tbody> </table>		HCV area	Management & Monitoring	1	Protected areas	Boundary markers estate/forest reserve Signage on no illegal hunting/collecting & no authorised entry Patrol the boundary area	2	RTE	Inform all stakeholders on HCV assessment and protection Education & awareness for workers Ensure no agrochemicals activities at bordering water bodies	3	Sacred sites	Clear demarcation and proper fencing at identified HCV Inform community concerning utilisation of site To maintain cleanliness / upkeep of areas Maintain a buffer in order to secure the ares from fire and other disturbances To include areas in HCV map	4	Ecosystem	Place clear boundary markers between estate and forest reserve. Place signage on no illegal activities Patrol boundary areas within forest reserve regularly Socialise the HCV assessment consisting of identification management and monitoring to all employees Information to stakeholders on the HCV	
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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.5.7: Zero burning practices			
4.5.7.1	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. - Major compliance -	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. 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.	Complied
4.5.7.2	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. - Major compliance -	N/A. Details in 4.5.7.1 above	Complied
4.5.7.3	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. - Major compliance -	N/A. Details in 4.5.7.1 above	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in Sime Darby Plantation. However there are variations of practices between inland and coastal estates. Trunks are felled and chipped without having to shred and windrowed in certain conditions. Adjustment of work requirement are finalised from the directive of the replanting unit and the Zone office.	Complied
4.6 Principle 6: Best Practices			

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.1: Site Management			
<p>4.6.1.1</p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>SOU 20 continued to use and implement SOP for each of the processes. Brief version of the SOP was displayed at the appropriate locations. It was observed that activities being implemented which involved safety, health, environmental, quality, employees, etc. had followed the established SOP.</p> <ul style="list-style-type: none"> a) Agriculture Reference Manual (ARM) dated 01/07/2011, b) Estate Quality Management System (EQMS) Manual dated 01/11/2008, c) Safety Standard Operating Procedures (SSOP) dated 25/02/2015, d) Sustainable Plantation Management System Manual (SPMS), e) "Guidelines On River Management" Manual, ESH Management System Manual dated 01/07/2012, f) Occupational Safety and Health Manual dated 03/03/2008, g) Pictorial Safety Standards and Security Guidelines (PSS). h) Plantations/Mill Quality Management System (PQMS/MQMS) std operating manual i) Security Guidelines <p>The ARM included all operations in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and security. Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance																																
4.6.1.2	<p>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.</p> <p>- Major compliance -</p>	<p>Like all SDPB Estates, the estates visited in SOU 20 continued to have a management strategy for planting on slopes in order to minimize and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by:</p> <ul style="list-style-type: none"> a) Slope & River Protection Policy b) Buffer Zone & 25-degree slope and in item 8 Section 4 c) Land Preparation for Terracing in ARM Manual. <p>It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crops were planted in the replants and in some mature areas. The cover crop <i>mucuna bracteata</i> had been planted along some slopes by management. Large areas with <i>neprolepis biserrata</i> in the inter rows were sighted during the visit. The slope maps were provided by the R&D Precision Agriculture Unit with details as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>No</th> <th>Topography</th> <th>Chaah</th> <th>Sg Spg Kiri</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0-2</td> <td>55.69</td> <td>68.71</td> </tr> <tr> <td>2</td> <td>2-6</td> <td>38.66</td> <td>24.30</td> </tr> <tr> <td>3</td> <td>6-12</td> <td>4.69</td> <td>6.83</td> </tr> <tr> <td>4</td> <td>12-20</td> <td>0.77</td> <td>0.16</td> </tr> <tr> <td>5</td> <td>20-25</td> <td>0.19</td> <td>0.01</td> </tr> <tr> <td>6</td> <td>>25</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td colspan="2">Total</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>	No	Topography	Chaah	Sg Spg Kiri	1	0-2	55.69	68.71	2	2-6	38.66	24.30	3	6-12	4.69	6.83	4	12-20	0.77	0.16	5	20-25	0.19	0.01	6	>25	0.00	0.00	Total		100%	100%	Complied
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4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p>	<p>All fields are marked and identified. Information i.e. block number, year of planting (field no), type of clone and the total hectare is shown in all markers. There are both stenciled at the palm trees and also displayed in</p>	Complied																																

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Criterion / Indicator		Assessment Findings	Compliance																		
	- Major compliance -	<p>signage at the boundary/corners of every field. This is observed during the field visit. Block numbers were also identified in series.</p> <table border="1"> <thead> <tr> <th colspan="6">Locations of field markers visited</th> </tr> </thead> <tbody> <tr> <td>Chaah</td> <td>P99D</td> <td>P99A</td> <td>P04A</td> <td>P00B</td> <td>-</td> </tr> <tr> <td>Sg Spg Kiri</td> <td>P04A</td> <td>P00B</td> <td>P16</td> <td>P14</td> <td>-</td> </tr> </tbody> </table>	Locations of field markers visited						Chaah	P99D	P99A	P04A	P00B	-	Sg Spg Kiri	P04A	P00B	P16	P14	-	
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Criterion 4.6.2: Economic and financial viability plan																					
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The estates audited possessed a standard budget as set by the Finance Division. Inclusive there is also a 5-year budget/forecast financial plan 2020-2024 allocating categories among others;</p> <ul style="list-style-type: none"> a) Hectarage statement and crop production b) Total planted area mature & immature c) Crop yielding area d) Mature cost <ul style="list-style-type: none"> - Weeding/drainage/pest/ - Supplying/roads/bridges/paths/road/ - Terracing/pruning/sanitation e) Manuring/harvesting & Collection/Weeding f) Transportation /depreciation/General Charges g) Cost/ha & cost /mt FFB h) CAPEX <p>Separately the cost of immature areas is also shown which among others comprises of the following items;</p> <ul style="list-style-type: none"> a) Labour statement / Allocation of wages / Labour benefit summary b) Yield statement oil palm 	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance																						
		c) Summary of vehicle and running schedule / Job allocation for vehicles d) Summary of workshop running schedule e) Summary of budget f) Summary of general charges g) CAPEX The five years planning horizon 2020-2024 is available.																							
4.6.2.2	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. - Major compliance -	The replanting programs for the estate are compiled as follows. The programs are reviewed on an annual basis which is subject to amendment. All figures in hectares otherwise stated. <table border="1" style="margin: 10px auto;"> <thead> <tr> <th></th> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th rowspan="3">Sizes of</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ChaaH</td> <td>138.16</td> <td>143.07</td> <td>142.66</td> <td>178.12</td> <td>84.02</td> </tr> <tr> <td>2</td> <td>Sg S Kiri</td> <td>162.08</td> <td>0.00</td> <td>47.98</td> <td>103.96</td> <td>0.00</td> </tr> </tbody> </table> fields identified for replanting varies subject to factors i.e hilly, yield etc. All replanting program and planning in all the Group Estates are monitored by the Head Office. Assistance and visits are performed by RGM for the approval of hectares, stand per ha etc.		Year	2021	2022	2023	2024	2025	Sizes of	1	ChaaH	138.16	143.07	142.66	178.12	84.02	2	Sg S Kiri	162.08	0.00	47.98	103.96	0.00	Complied
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4.6.2.3	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	This requirement i.e. crop material, crop projection, yield, production cost are available. It is provided in the business management plan shown in item 4.6.2.1 above. The financial indicators: cost benefits, discounted cash flow, return on investment details are managed and kept in confidentiality at the Head Office level. The estates managed the financial elements through guidance of the approved budget. Deviations are sought to the higher superior level for any additional vote and projects if necessary.	Complied																						

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Criterion / Indicator		Assessment Findings	Compliance
	e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. a) The management also provides variance report on the performance and reviewed on a monthly basis. b) The supervisory personnel maintained a daily cost for the field operations. c) The Regional meeting involving the Managers sits monthly with the Head Office, higher management for the performance review.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Awarding of contract and pricing mechanism is guided by a procedure GPA No. E4 Procurement, version 29/8/2019. - 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
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	The contract agreements between the management and the contractors [e.g. Dewi Dairy Farm Trading (LF transport), RSKP Brothers (FFB	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	transport), Perniagaan Khidmat Setia (EFB transport, grass cutting) and Salina Bt Ahmad (school bus)] 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.	
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	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
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	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
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	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
4.6.4.4	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. - Major compliance -	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

Criterion / Indicator	Assessment Findings	Compliance
4.7 Principle 7: Development of new planting		
Criterion 4.7.1: High biodiversity value		
4.7.1.1	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. - Major compliance -	NA as no new planting at the sampled estates.
4.7.1.2	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. - Major compliance -	NA as no new planting at the sampled estates.
Criterion 4.7.2: Peat Land		
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	NA as no new planting at the sampled estates.
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)		

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Criterion / Indicator		Assessment Findings	Compliance
4.7.3.1	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
4.7.3.2	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
4.7.3.3	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
4.7.3.4	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
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish	NA as no new planting at the sampled estates.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	the long-term suitability of the land for oil palm cultivation. - Major compliance -		
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	NA as no new planting at the sampled estates.	Complied
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	NA as no new planting at the sampled estates.	Complied
4.7.5.2	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. - Major compliance -	NA as no new planting at the sampled estates.	Complied
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	NA as no new planting at the sampled estates.	Complied
Criterion 4.7.6: Customary land			

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.1	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. - Major compliance -	NA as no new planting at the sampled estates.	Complied
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	NA as no new planting at the sampled estates.	Complied
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. - Major compliance -	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. - Major compliance -	NA as no new planting at the sampled estates.	Complied
4.7.6.5	Identification and assessment of legal and recognised	NA as no new planting at the sampled estates.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	customary rights shall be documented. - Major compliance -		
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	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. - Major compliance -	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. - Minor compliance -	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
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The internal memo from Mr Tan Men Kon, Head of Plantation Sustainability & Quality Management documented the commitment Sime Darby towards MSPO implementation. The internal memo dated 8th September 2017 was issued to all Estates and Mills. The commitment is to implement and certified with MSPO by December 2017.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	In the Policy among other has stated that the organization shall endeavour to; c) to implement good manufacturing processed and effective practices measures to avoid or mitigate any adverse impact to the environment and ecosystem within and around its operations. d) The continual improvement commitment is documented in the following Management & Operation Policies: - Quality Management Policy dated January 2015 - Lean Six Sigma Policy dated January 2015 - Quality Policy dated January 2015 The Policy is guided by the commitments spelt out in the following; d) Responsible Agriculture Charter	Complied

Criterion / Indicator		Assessment Findings	Compliance								
		e) Human Rights Charter f) Innovation & Productivity Charter									
Criterion 4.1.2 – Internal Audit											
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audits are performed once annually. The recent internal audit for the mill is held accordingly as stated below; <table border="1"> <thead> <tr> <th>No</th> <th>POM</th> <th>Date audited</th> <th>Findings /observation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah POM</td> <td>10/7/20</td> <td>10 major 5 minor 3 OFI</td> </tr> </tbody> </table> The audits prior was in July 2019. Mainly audit will be made in preparation for the external audits i.e RSPO/MSPO. The frequency is amendable subject to the findings of an audit and also that all OUs are to be audited at a frequency of not less than once a year.	No	POM	Date audited	Findings /observation	1	Chaah POM	10/7/20	10 major 5 minor 3 OFI	Complied
No	POM	Date audited	Findings /observation								
1	Chaah POM	10/7/20	10 major 5 minor 3 OFI								
4.1.2.2	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. - Major compliance -	This is available under internal audit procedure Document ID: SD/SDP/PSQM/IAP with latest revision 01/9/2017. a) The internal audit reports dated 10/07/20 was sighted. b) The mill has responded by including the root cause analysis and corrective action plan. Mainly the issues raised were related to scheduled waste, training, HCV/Biodiversity Management Plan. c) The auditor has also complied to the documented procedure through issuance of audit plan to the operating units dated	Complied								

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Criterion / Indicator		Assessment Findings	Compliance								
		01/7/20. This audit notification was sighted and verified.									
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Reports are made available and retained for min 10 years. All reports are circulated to the estate management, Regional Office and Sime Darby Plantation HQ relevant personnel. There is a monthly RSQM meeting at HQ level to review the reports' findings and performance raised in both internal and external audit. The outcome was also discussed at Regional Office.	Complied								
Criterion 4.1.3 – Management Review											
4.1.3.1	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. - Major compliance -	<p>The mill held management review with details as follows:</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>Date</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chaah Palm Oil Mill</td> <td>06/08/2020</td> <td>12</td> </tr> </tbody> </table> <p>Meetings were chaired by respective Managers. Attendance from both estates executives and staff were noted and the members discussed issues relating to the MSPO preparation;</p> <ul style="list-style-type: none"> a) Objectives / Management Program b) Customers/stakeholders feedback/complaints c) Results from systems audits d) Changes that could affect the management systems e) Recommendation for improvement f) Other matters 			Date	Attendees	1	Chaah Palm Oil Mill	06/08/2020	12	Complied
		Date	Attendees								
1	Chaah Palm Oil Mill	06/08/2020	12								

Criterion / Indicator		Assessment Findings	Compliance																										
		The minutes were signed and approved by the Chairman.																											
Criterion 4.1.4 – Continual Improvement																													
4.1.4.1	<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>- Major compliance -</p>	<p>The mill had plan for continual improvement as detailed below.</p> <table border="1"> <thead> <tr> <th></th> <th>issue</th> <th>Station</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td rowspan="4">1</td> <td rowspan="4">Mill operation</td> <td>Clarification</td> <td>Minimise using clean water for dilution</td> </tr> <tr> <td>Sterilizer</td> <td>Monitor time and flow of condensate</td> </tr> <tr> <td>Press</td> <td>Optimize press cone pressure</td> </tr> <tr> <td>Engine room</td> <td>Fully optimized turbine operation</td> </tr> <tr> <td rowspan="3">2</td> <td rowspan="3">Waste Reduction</td> <td>Leather gloves</td> <td>Reuse within good condition.</td> </tr> <tr> <td>Hydraulic oil</td> <td>Rectify all leakages</td> </tr> <tr> <td>Bolt & nut</td> <td>To keep used units for reuse.</td> </tr> <tr> <td>3</td> <td>Plant</td> <td>Laboratory</td> <td>Oil trap to avoid chemical flow to drain.</td> </tr> </tbody> </table>		issue	Station	Action Plan	1	Mill operation	Clarification	Minimise using clean water for dilution	Sterilizer	Monitor time and flow of condensate	Press	Optimize press cone pressure	Engine room	Fully optimized turbine operation	2	Waste Reduction	Leather gloves	Reuse within good condition.	Hydraulic oil	Rectify all leakages	Bolt & nut	To keep used units for reuse.	3	Plant	Laboratory	Oil trap to avoid chemical flow to drain.	Complied
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4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the weekly briefings. The management team will be informed of such development during the monthly management meetings. Dissemination of information by the RCEO and RGM are transacted during the monthly Managers meetings and emails.</p>	Complied																										

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Criterion / Indicator	Assessment Findings	Compliance	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>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 Mill Manager is responsible to address all communication and request for documentations that could be made available to public/stakeholders.</p>	<p>Complied</p>
4.2.1.2	<p>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.</p> <p>- Major compliance -</p>	<p>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.</p> <p>Information relating to land titles, safety and health plans, pollution prevention plans, and annual report are available at the estate.</p> <p>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.</p> <p>Procedure for complaints and grievances were available through Sime Darby Plantations Bhd website at http://www.simedarbyplantation.com/Sustainability.aspx</p>	<p>Complied</p>
Criterion 4.2.2 – Transparent method of communication and consultation			

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>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).</p> <p>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.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>As stated in the procedure, the Estate Managers are responsible to deal with the external communication for the respective estates under their management.</p>	Complied
4.2.2.3	<p>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.</p> <p>- Major compliance -</p>	<p>List of stakeholders was available at the visited estates. In general, they are the surrounding communities, neighbouring estates, refinery, suppliers, contractors, government agencies, etc.</p> <p>The external stakeholder consultation is conducted from time to time. The last meeting was conducted on 4/8/2020 for combined operating units i.e. Chaah, Sg Simpang Kiri and the mill. The objective of the meeting to discuss the current issues pertaining to social aspects such as legal compliance by contractors and occupational safety. It was also noted that COvid-19 issue was one of the agendas discussed in the meeting.</p>	Complied
Criterion 4.2.3 – Traceability			

Criterion / Indicator		Assessment Findings	Compliance
<p>4.2.3.1</p>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Ref.: Sustainable Plantation Management System (SPMS), Appendix 15, SOP for Sustainable Supply Chain and Traceability, ver. 2, 2018; issue no. 5, April 2019.</p> <p>Chaah POM is receiving FFB mainly from its certified supply base - Chaah Estate, Sg Simpang Kiri Estate and North Labis. Non-certified third party FFB is not received by the mill. Among the relevant documents to ensure traceability are as follows:</p> <p>For own supply base: The weighbridge ticket provided the following details:</p> <ul style="list-style-type: none"> - 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 - Weight of the shipment - Date of the shipment <p>For despatch of CPO, the weighbridge ticket includes the following information to ensure traceability:</p> <ul style="list-style-type: none"> - Customer Name 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Destination of the CPO - Product - DO number - PO number - Weight of the product. 	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The method of inspection is by conducting MSPO internal audit. The last audits were conducted on 10/7//2020. Based on the inspection, there was no finding raised with regards to the implementation of traceability procedure.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The overall personal in charge for the traceability is the Head of Operating Unit, where in this case are the mill managers [ref.: Clause 4 of SOP for Sustainable Supply Chain and Traceability].	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Stock movement of CSPO & CSPK is recorded Mass Balancing Records for Oil Mill. For the period under review, the mill has dispatched 7,637.11 mt of CSPO and 984.19 mt of CSPK as RSPO certified products. To-date, there has been no sales as MSPO certified products.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	Chaah Palm Oil Mill continued to comply with legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and SD sustainability team. The	Complied

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Criterion / Indicator	Assessment Findings	Compliance																																																			
<p>- Major compliance -</p>	<p>licenses and permits governed by the Local, State and Federal authorities among others as shown below;</p> <table border="1" data-bbox="1122 539 1783 1094"> <thead> <tr> <th></th> <th>License / Permits</th> <th>Validity /Ref no</th> </tr> </thead> <tbody> <tr><td>1</td><td>DOE no 004721</td><td>30/6/2021</td></tr> <tr><td>2</td><td>MPOB license no 51894000-4000</td><td>28/2/2021</td></tr> <tr><td>3</td><td>Diesel permit J 001464-18000 L</td><td>18/2/2021</td></tr> <tr><td>4</td><td>Water Tube Boiler no3 PMD 762</td><td>21/9/2021</td></tr> <tr><td>5</td><td>Water Tube Boiler PMD 2457</td><td>21/9/2021</td></tr> <tr><td>6</td><td>Sterilizer no 1 PMT 21639</td><td>21/9/2021</td></tr> <tr><td>7</td><td>Sterilizer no 2 PMT 20597</td><td>21/9/2021</td></tr> <tr><td>8</td><td>Sterilizer no 3 PMT 21640</td><td>21/9/2021</td></tr> <tr><td>9</td><td>Lesen Enakmen Air BAKAJ /08/01</td><td>31/12/2020</td></tr> <tr><td>10</td><td>Air Compressor PMT 1694</td><td>21/09/2021</td></tr> <tr><td>11</td><td>Air Compressor PMT 43598</td><td>21/09/2021</td></tr> <tr><td>12</td><td>Suruhanjaya Tenaga ref 40905</td><td>11/11/2020</td></tr> <tr><td>13</td><td>Metrology Corporation B 1681414</td><td>15/6/2021</td></tr> </tbody> </table> <p><i>Factory and Machinery Act 1967 –</i></p> <p>The following competency requirements were verified:</p> <table border="1" data-bbox="1108 1238 1812 1375"> <thead> <tr> <th></th> <th>Competent person</th> <th>No of personnel</th> </tr> </thead> <tbody> <tr><td>1</td><td>Steam engineer</td><td>1st grade - 1</td></tr> <tr><td>2</td><td>Engine Driver (BHC)</td><td>1-2nd grade</td></tr> </tbody> </table>		License / Permits	Validity /Ref no	1	DOE no 004721	30/6/2021	2	MPOB license no 51894000-4000	28/2/2021	3	Diesel permit J 001464-18000 L	18/2/2021	4	Water Tube Boiler no3 PMD 762	21/9/2021	5	Water Tube Boiler PMD 2457	21/9/2021	6	Sterilizer no 1 PMT 21639	21/9/2021	7	Sterilizer no 2 PMT 20597	21/9/2021	8	Sterilizer no 3 PMT 21640	21/9/2021	9	Lesen Enakmen Air BAKAJ /08/01	31/12/2020	10	Air Compressor PMT 1694	21/09/2021	11	Air Compressor PMT 43598	21/09/2021	12	Suruhanjaya Tenaga ref 40905	11/11/2020	13	Metrology Corporation B 1681414	15/6/2021		Competent person	No of personnel	1	Steam engineer	1 st grade - 1	2	Engine Driver (BHC)	1-2 nd grade	
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Criterion / Indicator		Assessment Findings		Compliance													
		3	Boiler men	One 1 st grade													
		4	AESP Authorised Entrant & Standby Person-Confined Space	1 competent persons													
		5	AGT Authorised Gas Tester & Entry Supervisor Confined Space	2 competent person													
		7	Electrical Chargemen	One A4 Chargemen													
		<p><i>EQ (Prescribed Premise) Crude Palm Oil Regulations 1977</i></p> <p>a) Requirement in "Jadual Pematuhan"</p> <p>b) Discharge method – land applicaton.</p> <p>c) Effluent Pond (CePPOME): Tg Ahmad Aiman siri no: CePPOME/194521</p> <p>d) <i>Air Monitoring</i></p> <ul style="list-style-type: none"> - Black smoke – The smoke density indicator alarm for boiler no.2 was functioning during site review at CPOM. - Particulate – Stack sampling was carried out on quarterly basis for both boilers. - Noted that monitoring was conducted on (at 12.0%) CO2. <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Boiler no</th> <th>Date</th> <th>Dust concentration</th> <th>EQA std</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>17/12/19</td> <td>53 mg/m3</td> <td>150 mg/m3</td> </tr> <tr> <td>4</td> <td>12/3/20</td> <td>57 mg/m3</td> <td>150 mg/m3</td> </tr> </tbody> </table> <p>The stack sampling was carried out by PAC Testing & Consulting Sdn Bhd. The mill has taken action in installing ESP commissioned in Dec 2017. FFB allowable max processed by the mill in 2019 under MPOB licence no 50013770-4000 is 168000 mt. The total actual processed</p>			Boiler no	Date	Dust concentration	EQA std	3	17/12/19	53 mg/m3	150 mg/m3	4	12/3/20	57 mg/m3	150 mg/m3	
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Criterion / Indicator		Assessment Findings	Compliance
		from Jan-Dec 2019 is 136685mt concluding compliance to the licence requirement.	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The Legal & Other Requirements Register (LORR) covers all the necessary regulatory requirements. The LORR for was reviewed on Jun 2020.</p> <ul style="list-style-type: none"> a) List of applicable legal and other requirements was made available during the assessment and complied in the QSHE/04/5.2.4 folder. b) Documented procedure has been established and implemented refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008 <p>Among others the identified applicable laws and regulations relevant to its operations included the;</p> <ul style="list-style-type: none"> a) Environmental Quality Act 1974 and its Regulations, b) Factories and Machinery Act 1967 and its Regulations, c) Occupational Safety and Health Act 1994 and its Regulations, d) Pesticides Act, 1974, e) Worker’s Min Std of Housing & Amenities Act, 1990. f) Wildlife conservation Act 2010 g) Malaysian Palm Oil Board 1998 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> h) Holiday Act 1951 i) Passport Act 1966 j) Workers Union Act 1959 k) Estate Hospital Assistants (Registration) Act 1965 l) Petroleum (safety Measures) Act 1984 m) Fire Services Act 1984 n) Uniform Building By Laws 1986 o) Weights And Measures Act 1972 Amendment 1981 p) Perintah Kaw Pergerakan 2020 q) Akta Pencegahan/Pengawalan Penyakit Berjangkit 	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in EQMS & MQMS (Estate & Mill Quality Management System) under Standard Operation Manual distributed to all operating units SOU 20. GSQM 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.</p> <p>Reference document;</p> <ul style="list-style-type: none"> a) Mill Quality Management System b) Level 2: Standard Operating Manual 	Complied

Criterion / Indicator		Assessment Findings	Compliance																				
		<p>c) Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>d) The latest legal register updated in July 2020 by GSQM is listed below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Rev date</th> <th>Title</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1/7/2019</td> <td>Pesticide Order 2019 Amendment</td> <td>01/7/19</td> </tr> <tr> <td>2</td> <td>01/6/19</td> <td>FMD noise exposure 1989 revoked</td> <td>Revoked</td> </tr> <tr> <td>3</td> <td>18/5/20</td> <td>Perintah Kaw Pergerakan 2020</td> <td>Newly added</td> </tr> <tr> <td>4</td> <td>18/5/20</td> <td>Akta Pencegahan/Pengawalan Penyakit Berjangkit</td> <td>Newly added</td> </tr> </tbody> </table>	No	Rev date	Title	Remarks	1	1/7/2019	Pesticide Order 2019 Amendment	01/7/19	2	01/6/19	FMD noise exposure 1989 revoked	Revoked	3	18/5/20	Perintah Kaw Pergerakan 2020	Newly added	4	18/5/20	Akta Pencegahan/Pengawalan Penyakit Berjangkit	Newly added	
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4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>GSQM department, which is based in Kuala Lumpur, is responsible for tracking any changes to the Acts and Regulations. In addition, the CEO/RGM of SDP Johor North Region also played a role in disseminating new Acts & Regulations to all the mills and estates in the Region.</p> <p>a) This was made via communication with the publisher of the documents.</p> <p>b) This mechanism was outlined in its procedure.</p> <p>c) The updating of the legal register is made on a periodical basis.</p>	Complied																				

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Criterion / Indicator		Assessment Findings	Compliance
		<p>d) Changes in the legal register if any are communicated to the respective CU/SOUs</p> <p>a) The CU had entirely adopted the SDPB established documented system for identifying, tracking, accessing and updating the legal requirements. It had ensured that all applicable legal requirements pertaining to MSPO are established, implemented and maintained.</p> <p>The Mill Manager appoints the En Tg Aiman Assistant Manager via letter dated 15/6/2020 as the PIC for updating changes in laws. Appointment letter was sighted and verified.</p>	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	Land use right for mill is under the land title of Chaah Estate.	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	<p>Land title for Chaah Estate was available.</p> <p>Land title No.: H.S.(D) 7746, where the mill acquired around 7 Ha of the land</p> <p>Leasee: Sime Darby Plantation Sdn Bhd</p>	Complied
4.3.2.3	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p>	<p>Fencing parameters established around the mill building complex to separate the management boundary of estate and the mill. The housing and other recreational facilities are located within the same vicinity for ease of employees’ management.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.2.4	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 free prior informed consent (FPIC). - Minor compliance -	NA. Land issue is under the management of Chaah Estate.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	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 -	No land is encumbered by customary rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	No land is encumbered by customary rights.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	No land is encumbered by customary rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>The Social Impact Assessment for SOU 20 Chaah for all operating units (i.e. Chaah POM, Chaah Estate, North Labis Estate and Sg Simpang Kiri Estate) 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 on 6-9/4/2015. 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.</p> <p>The recommendation from the SIA report was transferred to action plan. The latest Action Plans for Social Impact Assessment 2020 dated 7/8/2020 was 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.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>System for dealing with complaints and grievances has been established and documented through:</p> <ul style="list-style-type: none"> • Under the Sustainable Plantation Management System Appendix 5, procedure on handling social issue (version 1; year 2008) • Under Group policies and authority's GPA No 85, Whistleblowing provide an internal mechanism for reporting, investigating and remedying any wrongdoing. 	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p>	<p>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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	the affected workers through line-site visit confirmed that their issues were addressed accordingly.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The mill using a form 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
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	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.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The previous complaints and requests records for the past 24 months were still available.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	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.	Some examples of notable contribution by the mill: – Organising social activities for its employees such as family day and kenduri	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>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.</p> <p>- Major compliance -</p>	<p>The Group Occupational Safety & Health Management Policy had been established and implemented for all mill and estates.</p> <p>d) The policy was signed by the Managing Director of Sime Darby Plantation on January 2015 and displayed prominently on notice boards in English and local language <i>Bahasa Malaysia</i>. A revised Policy was dated 02/12/2019 signed by the Group Managing Director content of which having similar commitment towards safety, health and environment.</p> <p>e) The Policy is implemented through the OSH activities by the on-site Safety Officers and monitored by OSH Manager from Head Office.</p> <p>f) Included in the policy is the commitment of the Company to provide and maintain a safe and healthy working environment of its employees & contractors & visitors.</p> <p>During interviews with the workers and staff revealed that the employees have been briefed and have understood the policy.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p>	<p>The policy has been established and elaborated in item 4.4.4.1 above. The policy among others has mentioned the details of the policy statement and the direction of the organisation towards implementing ESH practices. The clause "<i>A safety and health policy, which is communicated and implemented</i>" is mentioned in the policy. Safety</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance																																
<p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <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>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.</p> <p>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.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such</p>	<p>briefing to employees & contractors was made in several training sessions inclusive of safety requirement of the organization.</p> <p>The Mill had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following;</p> <ul style="list-style-type: none"> d) Change in work process e) Revision/changes in legislative requirement f) Occurrence of accidents <p>HIRARC for the mill was formalized on in 2008 with review made annually. The significant and routine activities for mill and estates were adequately covered with details as follows;</p> <table border="1" data-bbox="1064 965 1825 1209"> <thead> <tr> <th></th> <th>Areas/Activities (Mill)</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reception –Weighbridge</td> <td>8</td> <td>Engine Room</td> </tr> <tr> <td>2</td> <td>Fruit Handling</td> <td>9</td> <td>Product storage /Dispatch</td> </tr> <tr> <td>3</td> <td>Sterilizer</td> <td>10</td> <td>Laboratory</td> </tr> <tr> <td>4</td> <td>Threshing</td> <td>11</td> <td>Water treatment</td> </tr> <tr> <td>5</td> <td>Clarification / Oil Room</td> <td>12</td> <td>Effluent Treatment Pond</td> </tr> <tr> <td>6</td> <td>Boiler House</td> <td>13</td> <td>Crop reception – Ramp</td> </tr> <tr> <td>7</td> <td>Confined space</td> <td>14</td> <td>Working at height</td> </tr> </tbody> </table> <p>Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the mill and estates</p>		Areas/Activities (Mill)		Areas /Activities	1	Reception –Weighbridge	8	Engine Room	2	Fruit Handling	9	Product storage /Dispatch	3	Sterilizer	10	Laboratory	4	Threshing	11	Water treatment	5	Clarification / Oil Room	12	Effluent Treatment Pond	6	Boiler House	13	Crop reception – Ramp	7	Confined space	14	Working at height	
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Criterion / Indicator	Assessment Findings	Compliance
<p>meeting shall be kept ant 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>- Major compliance -</p>	<p>office and workshop. In general, the control measures were appropriate to the identified risks. A person-in-charge at each site were appointed to monitor the implementation of the control measures through the 5S initiative</p> <p>The mill has an OSH program for Financial Year 2019. The program list as guided by SQM personnel includes the following activities;</p> <ul style="list-style-type: none"> a) OSH committee b) OSH program & review c) OSH inspection d) Health & Hygiene monitoring program <ul style="list-style-type: none"> - monthly medical check-up e) Safety & health training <ul style="list-style-type: none"> - fire drill & fire fighting - Ist aid awareness - chemical safety training <p>The mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded. During the site visit the staff/workers were noted to be equipped with their proper attire & PPE. Based on</p>	

Criterion / Indicator		Assessment Findings	Compliance												
		<p>the HIRARC carried out at the estates and mill the PPE types for the various activities has been identified and implemented.</p> <table border="1"> <thead> <tr> <th></th> <th>Category</th> <th>PPE Issued</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gen operator</td> <td>Safety boots, ear muff, safety vest, helmet, cotton glove</td> </tr> <tr> <td>2</td> <td>workshop</td> <td>safety helmets, safety shoes, shield, harness</td> </tr> <tr> <td>3</td> <td>WTP</td> <td>Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.</td> </tr> </tbody> </table> <p>The SOP of handling of chemicals is available.</p> <ul style="list-style-type: none"> a) The document was dated 26/02/17 titled "chemical safety management" 17 pages. b) Therein is shown requirement & selection of chemicals, assessment of chemicals hazards, and selection of supplier and transportation of chemicals. c) Storage, handling and training of such is also stated in the procedure in accordance to OSH (USECHH 2000) The guidelines are adequate to address the requirement needed. <p>The Mill Manager is appointed as the Chairman of the ESH committee via letter dated 01/8/2018 issued by RGM of Johor North Region as an overall person in charge of the safety and environment of the mill operations. The Mill Manager duties among other to preside the ESH meetings. He in turn will delegate the down line duties to the Engineers and Mill Staff/Supervisors.</p>		Category	PPE Issued	1	Gen operator	Safety boots, ear muff, safety vest, helmet, cotton glove	2	workshop	safety helmets, safety shoes, shield, harness	3	WTP	Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.	
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Criterion / Indicator	Assessment Findings	Compliance								
	<p>The Mill management conducts regular two-way communication with their employees through the quarterly ESH meeting as recorded below.</p> <table border="1" data-bbox="1133 598 1693 691"> <tr> <td>1</td> <td>09/07/2020</td> <td>3</td> <td>13/01/2020</td> </tr> <tr> <td>2</td> <td>10/04/2020</td> <td>4</td> <td>09/10/2019</td> </tr> </table> <p>The minutes of meeting dated 9/7/20 and 13/01/20 respectively were sighted and verified. Workers during the meeting participated in the discussion mainly on housing and safety. The agenda as discussed during the meeting among others includes the following;</p> <ul style="list-style-type: none"> a) <i>Laporan Pemakaian PPE</i> b) <i>Laporan Prestasi ESH/Kesehatan</i> c) <i>Laporan Latihan & SOP/HIRARC</i> d) <i>Laporan Pematuhan Undang-Undang</i> e) <i>Laporan Pematuhan Oleh Kontraktor</i> f) <i>Laporan Kemalangan</i> g) <i>Laporan Pemeriksaan Tempat Kerja</i> h) <i>Laporan Kesehatan & Kawasan Perumahan</i> i) <i>Laporan Bahan Buangan Terjadual/Isu Alam Sekitar</i> <p>The procedures for accident and emergencies has been established. There is formation of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarised in a chart flow form and displayed for information of all employees in the mill. They</p>	1	09/07/2020	3	13/01/2020	2	10/04/2020	4	09/10/2019	
1	09/07/2020	3	13/01/2020							
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Criterion / Indicator	Assessment Findings	Compliance																																				
	<p>includes emergencies relating fire, explosion, oil spillages & chemical spillages</p> <ul style="list-style-type: none"> e) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2020</i> headed by the Manager f) <i>Carta Aliran Pelan Tindakan Kecemasan-Kebakaran</i> g) <i>Carta Aliran Pelan Tindakan Kecemasan-Letupan</i> h) <i>Carta Aliran Pelan Tindakan Kecemasan -Tumpahan Minyak/Kimia</i> <p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by RSQM and amended to tailor to the situation differences in the estates and mills.</p> <table border="1" data-bbox="1048 991 1765 1377"> <thead> <tr> <th></th> <th>Emergencies Situation</th> <th>Mill</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire Hazard</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>Injury At Site</td> <td>/</td> <td>/</td> </tr> <tr> <td>3</td> <td>CPO spillage</td> <td>/</td> <td></td> </tr> <tr> <td>4</td> <td>Dieseline spillage</td> <td>/</td> <td>/</td> </tr> <tr> <td>5</td> <td>Explosion</td> <td>/</td> <td></td> </tr> <tr> <td>6</td> <td>Poisonous animals attack</td> <td></td> <td>/</td> </tr> <tr> <td>7</td> <td>Flood</td> <td></td> <td>/</td> </tr> <tr> <td>8</td> <td>Workers' Strike</td> <td>/</td> <td>/</td> </tr> </tbody> </table>		Emergencies Situation	Mill	Estate	1	Fire Hazard	/	/	2	Injury At Site	/	/	3	CPO spillage	/		4	Dieseline spillage	/	/	5	Explosion	/		6	Poisonous animals attack		/	7	Flood		/	8	Workers' Strike	/	/	
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Criterion / Indicator		Assessment Findings				Compliance																								
		9	Electrocution /Electric shock	/	/																									
		10	Gas Release/Leaks	/																										
		11	Explosion Incident	/																										
		12	Rescueretrieval Worker - Confined Space	/																										
		<p>ERT members will receive training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organisation who can demonstrate their suitability to provide training. Among others the training held are as follows;</p> <table border="1"> <thead> <tr> <th></th> <th>Date</th> <th>Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>29/7/20</td> <td>Fire briefing/talk & fire drill</td> <td>entire</td> </tr> <tr> <td>2</td> <td>09/8/20</td> <td>ERP & SOP mill operations</td> <td>Entire</td> </tr> <tr> <td>3</td> <td>03/8/20</td> <td>Chemical spillage oil spillage ERP</td> <td>6</td> </tr> <tr> <td>4</td> <td>20/6/19</td> <td>CPR First Aid</td> <td>10</td> </tr> <tr> <td>5</td> <td>29/7/20</td> <td>First Aid</td> <td>10</td> </tr> </tbody> </table> <p>The trained personnel for the First Aid were among the employees working in the mill on shift. The first aid boxes were available at various points in the mill complex including laboratory, office, workshop, process control room etc.</p> <p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This</p>					Date	Subject	Attendees	1	29/7/20	Fire briefing/talk & fire drill	entire	2	09/8/20	ERP & SOP mill operations	Entire	3	03/8/20	Chemical spillage oil spillage ERP	6	4	20/6/19	CPR First Aid	10	5	29/7/20	First Aid	10	
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Criterion / Indicator		Assessment Findings	Compliance									
		<p>is summarized officially in the JKPP 8. Records are kept for a minimum 10 years in the office. Accident Statistics are being maintained in a satisfactory manner.</p> <table border="1"> <thead> <tr> <th colspan="3">Accident Cases</th> </tr> <tr> <th>LTI cases</th> <th>No of LTI</th> <th>Non-LTI Cases</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>41</td> <td>0</td> </tr> </tbody> </table> <p>There were 2 incidences in April and Dec 2019 Ist case of 21 and 20 LTI respectively. April event took place in clarification and Dec in Boiler station. Both event took place while closing the equipment during the operations. Where required submissions of JKPP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC was made mainly to increase the training of awareness.</p>	Accident Cases			LTI cases	No of LTI	Non-LTI Cases	2	41	0	
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Criterion 4.4.5: Employment conditions												
4.4.5.1	<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>- Major compliance -</p>	<p>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.</p>	Complied									

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.2	<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>- Major compliance -</p>	<p>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.</p>	Complied
4.4.5.3	<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 needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Bhd is a member of the Malayan Agricultural Producers Association (MAPA) and subscribed to the collective agreement between MAPA and the National Union of Plantation Workers (NUPW). The latest agreement is effective for three years starting from 1/1/2019.</p> <p>Employment contracts for workers were available for verification. The terms of salary are referred to the NUPW-MAPA collective agreement. It was found to be 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 November 2019 and July 2020 were verified is as follows:</p> <p>77031, 132556, 137037, 149957, 159256, 14579</p>	Complied
4.4.5.4	<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>The contractors have signed 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.</p>	Non-conformity

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>Nonetheless, based on the sampled contractor, it was found that there is a lack of evidence to demonstrate that the management has ensured that a contractor has paid his employees based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>A contractor, Maju Mech Engineering Sdn Bhd for engineering works in the mill. However, the evidence to demonstrate that the management has ensured the followings were adhered by the contractor was not adequate:</p> <p>3) Whether or not the SOCSO paid to the contractor’s employees in is line with SOCSO Lampiran B-Jadual Caruman [ref.: pay slips for the months of March, April and May 2020]</p> <p>4) Whether or not the contractor’s employees have been paid for public holidays pay i.e. Hari Keputeraan Sultan Johor, Hari Raya Aidilfitri and Labour Day [ref.: pay slips for the month of March & May 2020]</p> <p>Both of the above subjects were stated in the contract agreement between the contractor and his employees, where the contractor agrees to pay accordingly. Thus, a non-conformity was assigned due to this lapse.</p>	
4.4.5.5	<p>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.</p> <p>- Major compliance -</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

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4.4.5.6	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. - Major compliance -	Every employee had been provided with employment contract which referred to the collective agreement between MAPA & NUPW. The collective agreement document was available for verification.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	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
4.4.5.8	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. - Major compliance -	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Break time = 1800 to 1830 Shift 3 working hours = 2300 to 0700 Break time = 0400 to 0430	
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Hours of overtime were recorded in the payslip and rate was paid according to the regulatory requirements and collective agreements.	Complied
4.4.5.10	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. - Minor compliance -	Among the benefits offered by the company: <ul style="list-style-type: none"> • Productivity incentive • turn-out incentive • transport allowance • telephone allowance 	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The estates workers are provided with free housing facilities which includes water. Electricity is supplied by TNB and workers are required to pay the bill based on meter reading. 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, 2-3 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. Apart from that, housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focussing on cleanliness and safety.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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 and gender committee showed no evidence of sexual harassment or violence happened so far.	Complied
4.4.5.13	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. - Major compliance -	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
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	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
Criterion 4.4.6: Training and competency			

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Criterion / Indicator		Assessment Findings				Compliance																																																																																																				
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Bulk of the mill training is organized during the daily briefing prior to work commencement of each shift. Mainly the issues discussed / briefed were related to mill process operations and safety compliance. These training records are maintained in a separate book and were sighted during the audit</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Date</th> <th>Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr><td>1</td><td>27/7/20</td><td>Briefing of Company's Policies</td><td>Entire</td></tr> <tr><td>2</td><td>21/7/20</td><td>SCCS - guidelines</td><td>2</td></tr> <tr><td>3</td><td>05/8/20</td><td>Human Rights Defender</td><td>10</td></tr> <tr><td>4</td><td>28/7/20</td><td>Environmental management</td><td>entire</td></tr> <tr><td>5</td><td>29/7/20</td><td>Fire briefing/talk & fire drill</td><td>entire</td></tr> <tr><td>6</td><td>21/2/20</td><td>Noise exposure regulations</td><td>11</td></tr> <tr><td>7</td><td>30/7/20</td><td>RSPO MSPO awareness</td><td>4</td></tr> <tr><td>8</td><td>09/8/20</td><td>ERP & SOP mill operations</td><td>Entire</td></tr> <tr><td>9</td><td>29/7/20</td><td>Working at height</td><td>Entire</td></tr> <tr><td>10</td><td>29/7/20</td><td>SOP mill operations</td><td>Entire</td></tr> <tr><td>11</td><td>07/2/20</td><td>LOTO / safe electrical handling</td><td>11</td></tr> <tr><td>12</td><td>03/8/20</td><td>Chemical spillage oil spillage ERP</td><td>6</td></tr> <tr><td>13</td><td>29/7/20</td><td>SOP & SOM</td><td>entire</td></tr> <tr><td>14</td><td>16/6/20</td><td>SW & Chemical store management</td><td>2</td></tr> <tr><td>15</td><td>13/1/20</td><td>NADOPOD compliance</td><td>15</td></tr> <tr><td>16</td><td>15/7/19</td><td>Confined space</td><td>3</td></tr> <tr><td>17</td><td>28/7/20</td><td>MSPO RSPO policy briefing</td><td>5</td></tr> <tr><td>18</td><td>26/7/19</td><td>HCV & classification of 25 degree slope</td><td>3</td></tr> <tr><td>19</td><td>9/07/19</td><td>Laboratory assessment</td><td>3</td></tr> <tr><td>20</td><td>05/8/20</td><td>RSPO MSPO supply chain</td><td>10</td></tr> <tr><td>21</td><td>21/7/20</td><td>Supply chain trace ability & MB</td><td>2</td></tr> <tr><td>22</td><td>13/5/20</td><td>5 S implementation</td><td>11</td></tr> <tr><td>23</td><td>20/6/19</td><td>CPR First Aid</td><td>10</td></tr> <tr><td>24</td><td>30/7/20</td><td>COBC implementation</td><td>3</td></tr> </tbody> </table>					Date	Subject	Attendees	1	27/7/20	Briefing of Company's Policies	Entire	2	21/7/20	SCCS - guidelines	2	3	05/8/20	Human Rights Defender	10	4	28/7/20	Environmental management	entire	5	29/7/20	Fire briefing/talk & fire drill	entire	6	21/2/20	Noise exposure regulations	11	7	30/7/20	RSPO MSPO awareness	4	8	09/8/20	ERP & SOP mill operations	Entire	9	29/7/20	Working at height	Entire	10	29/7/20	SOP mill operations	Entire	11	07/2/20	LOTO / safe electrical handling	11	12	03/8/20	Chemical spillage oil spillage ERP	6	13	29/7/20	SOP & SOM	entire	14	16/6/20	SW & Chemical store management	2	15	13/1/20	NADOPOD compliance	15	16	15/7/19	Confined space	3	17	28/7/20	MSPO RSPO policy briefing	5	18	26/7/19	HCV & classification of 25 degree slope	3	19	9/07/19	Laboratory assessment	3	20	05/8/20	RSPO MSPO supply chain	10	21	21/7/20	Supply chain trace ability & MB	2	22	13/5/20	5 S implementation	11	23	20/6/19	CPR First Aid	10	24	30/7/20	COBC implementation	3	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		25	04/6/20	PPE adherence	entire	
		26	20/12/19	CPO parameters	4	
		27	04/6/20	Workshop operations	5	
		28	29/7/20	SW management	entire	
		29	27/7/20	FW induction program	10	
		30	29/7/20	First Aid	10	
4.4.6.2	<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>- Major compliance -</p>	<p>The training needs for the mill financial year 2020 training program has been established. The details of the training needs include categories of stations, subjects, and employees group. Included in this program among others are subjects related to;</p> <ul style="list-style-type: none"> a) Environmental/safety & health policy b) scheduled waste management c) environmental responsibility, d) HCV & Biodiversity training e) machine handling/mill stations operations/control of process parameters f) workshop management etc. 				Complied
4.4.6.3	<p>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.</p> <p>- Minor compliance -</p>	<p>The annual training program has been established and significantly covers all aspects of the MSPO requirements. There were also additional subjects including the mill operating procedures, parameters of mill produce, machinery maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the SOU 20. The subjects for the training are issued</p>				Complied

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Criterion / Indicator		Assessment Findings				Compliance																																																																																																																																					
		<p>and assisted by the RSQM personnel. The following topics included in the annual training program 2020 among others are extracted below;</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Subjects</th> <th colspan="3">Month</th> </tr> <tr> <th>1-4</th> <th>5-8</th> <th>9-12</th> </tr> </thead> <tbody> <tr><td>1</td><td>ESH Legal & Other requirements</td><td>/</td><td></td><td></td></tr> <tr><td>2</td><td>Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000</td><td>/</td><td></td><td></td></tr> <tr><td>3</td><td>Accident Investigation Techniques</td><td>/</td><td></td><td></td></tr> <tr><td>4</td><td>ERP Chemical spill, Fire. Lightning)</td><td>/</td><td></td><td>/</td></tr> <tr><td>5</td><td>First Aid Training</td><td>/</td><td></td><td>/</td></tr> <tr><td>6</td><td>Scheduled waste management</td><td>/</td><td>/</td><td></td></tr> <tr><td>7</td><td>Safe Work Procedure for All Stations.</td><td>/</td><td></td><td>/</td></tr> <tr><td>8</td><td>Confined Space Training</td><td></td><td>/</td><td></td></tr> <tr><td>9</td><td>Policy Training</td><td>/</td><td></td><td>/</td></tr> <tr><td>10</td><td>Effective workplace inspection</td><td></td><td>/</td><td>/</td></tr> <tr><td>11</td><td>GAP training / SW</td><td>/</td><td>/</td><td>/</td></tr> <tr><td>12</td><td>RSPO & Management Training,</td><td>/</td><td></td><td>/</td></tr> <tr><td>13</td><td>RSPO Human Right Training,</td><td>/</td><td></td><td>/</td></tr> <tr><td>14</td><td>S Darby Policies (Gender & Conservation).</td><td>/</td><td></td><td>/</td></tr> <tr><td>15</td><td>LOTO System</td><td>/</td><td>/</td><td>/</td></tr> <tr><td>16</td><td>HCV Training for Region</td><td></td><td>/</td><td>/</td></tr> <tr><td>17</td><td>Safe handling of Electrical Equipment</td><td>/</td><td></td><td>/</td></tr> <tr><td>18</td><td>MSDS/CSDS</td><td>/</td><td></td><td>/</td></tr> <tr><td>19</td><td>5 S Housekeeping</td><td>/</td><td>/</td><td></td></tr> <tr><td>20</td><td>PPE adherence</td><td>/</td><td>/</td><td></td></tr> <tr><td>21</td><td>SOP for all working stations</td><td>/</td><td>/</td><td>/</td></tr> <tr><td>22</td><td>Triple rinsing</td><td>/</td><td>/</td><td></td></tr> <tr><td>23</td><td>Effective work place inspection</td><td></td><td>/</td><td>/</td></tr> <tr><td>24</td><td>HIRARC</td><td>/</td><td></td><td>/</td></tr> <tr><td>25</td><td>Safe driving techniques</td><td>/</td><td></td><td>/</td></tr> </tbody> </table>					Subjects	Month			1-4	5-8	9-12	1	ESH Legal & Other requirements	/			2	Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000	/			3	Accident Investigation Techniques	/			4	ERP Chemical spill, Fire. Lightning)	/		/	5	First Aid Training	/		/	6	Scheduled waste management	/	/		7	Safe Work Procedure for All Stations.	/		/	8	Confined Space Training		/		9	Policy Training	/		/	10	Effective workplace inspection		/	/	11	GAP training / SW	/	/	/	12	RSPO & Management Training,	/		/	13	RSPO Human Right Training,	/		/	14	S Darby Policies (Gender & Conservation).	/		/	15	LOTO System	/	/	/	16	HCV Training for Region		/	/	17	Safe handling of Electrical Equipment	/		/	18	MSDS/CSDS	/		/	19	5 S Housekeeping	/	/		20	PPE adherence	/	/		21	SOP for all working stations	/	/	/	22	Triple rinsing	/	/		23	Effective work place inspection		/	/	24	HIRARC	/		/	25	Safe driving techniques	/		/	
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4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services													
Criterion 4.5.1: Environmental Management Plan													
4.5.1.1	<p>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.</p> <p>- Major compliance -</p>	<p>There is an environmental management policy issued on Group level signed by the Managing Director in Jan 2015. A revised Policy was dated 02/12/2019 signed by the Group Managing Director content of which having similar commitment towards safety, health and environment. Communications to the employees were through training session and briefing at muster grounds. Sighted training relating to the environmental subjects as described in indicator 4.4.6.1 above. Subjects on environmental are included the annual training program titled "environmental responsibility & biodiversity-environmental aspect impact assessment".</p>	Complied										
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The plans and impact assessments relating to environmental impacts based on documents for both estates and the mill are elaborated in the following records:</p> <p>a) Appendix 5.4.1b - Environmental Aspect and Impact Evaluation Procedure, (version 1; year 2008 Issue no. 1; dated 1 April 2009 Register)</p> <p>b) Appendix 5.4.1c - Environmental Aspect and Impact Identification form</p>	Complied										

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Criterion / Indicator		Assessment Findings	Compliance
		<p><i>(version 1; year 2008 Issue no. 1; dated 1 April 2009; MR-01/EAI)</i></p> <p>c) Appendix 5.4.1d – Environmental Impacts Evaluation form</p> <p><i>(version 1; year 2008 issue no. 1; dated 1 April 2009; MR-02/EIE)</i></p> <p>The environmental aspects for the mill are tabulated in the EAI master list <i>(EAI/MOM/2013/001—1ME to EAI/2015/MOM/020)</i> updated annually. Among others the EIAs are divided into the all stations in the mill processing as listed below. The newest added being ESP at the boiler station.</p> <ul style="list-style-type: none"> a) the boiler stack emission, black smoke b) palm oil mill effluent (POME) discharge and water contamination, c) Activities related to managing of scheduled wastes and general waste. d) Activities of all operations beginning from the mill entrance ending to the effluent, EFB operations. e) Movement of vehicles/transportation tractors. f) Water treatment Plant/Power station g) ESP/ Effluent belt press operations <p>Documents are maintained, sighted and verified.</p>	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	This plan is available and updated for the FY 2020. The environmental issues for improvement outlined by Chaah Mill are shown below;	Complied

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Criterion / Indicator		Assessment Findings		Compliance
- Major compliance -		Environmental issues	Mitigating Measures	
	1	Consistent Zero Discharge BOD < 20 & SS < 200 ppm for pond 2,3,4	Short stage planning .to increase retention time by recycling within ponds to continuously run 3 units flight mixer at pond no 1. Long Stage Planning Operation of mist blower at ETP 8 hours/day to achieve zero discharge to maximise belt press operation at ETP 8 hours/day. to maximise oil recovery through operation of de oiling tank.	
	2	Leachate from EFB station overflowing into rain drain.	to clear old EFB to reduce leachate at EB press to recover oil from E B.	
	3	Desludging pond	To desludge silted pond as per program	
	4	To comply with Clean Air Regulations 2014	To improve boiler air emission through equipment of new technology ESP	

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		All actions are to be monitored on the indicated frequency shown in the plan.																					
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	This is available as elaborated in indicator 4.5.1.3 above. Improvement planned for both short and long terms are detailed along with the identified issues.	Complied																				
4.5.1.5	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. - Major compliance -	A training program is available in the SOU 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 <table border="1" data-bbox="1064 909 1780 1069"> <thead> <tr> <th></th> <th>Date</th> <th>Subject</th> <th>Attendee</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>28/7/20</td> <td>Environmental management</td> <td>entire</td> </tr> <tr> <td>2</td> <td>03/8/20</td> <td>Chemical spillage oil spillage ERP</td> <td>6</td> </tr> <tr> <td>3</td> <td>16/6/20</td> <td>SW & Chemical store management</td> <td>2</td> </tr> <tr> <td>4</td> <td>29/7/20</td> <td>SW management</td> <td>entire</td> </tr> </tbody> </table>		Date	Subject	Attendee	1	28/7/20	Environmental management	entire	2	03/8/20	Chemical spillage oil spillage ERP	6	3	16/6/20	SW & Chemical store management	2	4	29/7/20	SW management	entire	Complied
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4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The forum used in the mill are the quarterly OSH meeting and the annual management review meeting. The latter emphasized more on issues on water management plan, electricity use, diesel consumption, waste management, SIA plan, renewable energy, aspect/impact. The Environmental Performance Monitoring Committee is setup to comply with the DOE requirement of Guidance Self-Regulation (GSR). The meeting it to review environmental performance within the POM. The last meeting was conducted annually. At the operating unit level dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment.	Complied																				

Criterion / Indicator	Assessment Findings	Compliance																																																					
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																							
<p>4.5.2.1</p>	<p>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</p> <p>- Major compliance -</p>	<p>Chaah Palm Oil Mill consistently monitors the following and tabulates the data monthly.</p> <p>a) The consumption of non-renewable energy (diesel)</p> <p>Direct usage of diesel for the mill operations is recorded. The quantity in mt is divided over the mt FFB processed (ratio) during the month. The performance is measured by this ratio to indicate the level of performance. The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. There were measures as shown in the energy management plan to reduce and eliminate wastage among others as follows;</p> <table border="1" data-bbox="1144 922 1787 1318"> <thead> <tr> <th>Month</th> <th>Diesel /L</th> <th>FFB /mt</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>July</td><td>1725</td><td>11763</td><td>0.15</td></tr> <tr><td>Aug</td><td>1224</td><td>11938</td><td>0.10</td></tr> <tr><td>Sept</td><td>914</td><td>12178</td><td>0.07</td></tr> <tr><td>Oct</td><td>1151</td><td>13279</td><td>0.09</td></tr> <tr><td>Nov</td><td>985</td><td>11780</td><td>0.08</td></tr> <tr><td>Dec</td><td>2411</td><td>9433</td><td>0.26</td></tr> <tr><td>Jan</td><td>734</td><td>8078</td><td>0.09</td></tr> <tr><td>Feb</td><td>1094</td><td>10383</td><td>0.11</td></tr> <tr><td>Mac</td><td>605</td><td>10173</td><td>0.06</td></tr> <tr><td>April</td><td>613</td><td>11538</td><td>0.05</td></tr> <tr><td>May</td><td>648</td><td>11298</td><td>0.06</td></tr> <tr><td>June</td><td>1283</td><td>13904</td><td>0.09</td></tr> </tbody> </table> <p>- To ensure</p>	Month	Diesel /L	FFB /mt	Diesel/FFB	July	1725	11763	0.15	Aug	1224	11938	0.10	Sept	914	12178	0.07	Oct	1151	13279	0.09	Nov	985	11780	0.08	Dec	2411	9433	0.26	Jan	734	8078	0.09	Feb	1094	10383	0.11	Mac	605	10173	0.06	April	613	11538	0.05	May	648	11298	0.06	June	1283	13904	0.09	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance								
		<ul style="list-style-type: none"> - Optimum FFB ramp balance to commence processing - Timely servicing of vehicles to ensure efficient use of diesel & avoid leakages - Regular servicing of turbine for a better efficiency and to minimise running of gen-set - Educate employees on fuel saving practices. <p>a) power production and allocation to the mill machinery and complex generated by steam turbine tabulated for the financial year 2020. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB.</p> <p>Performance of /mt FFB above vary from lowest 2.84 to 5.30 over span of 5 years. There were variation in baseline figures between the mills in the Group attributed by factors i.e. mill throughput, design, machine line up and technology input, no of diesel engine etc. The Mill had management plan dated Jan 2020 to improve the efficiency of diesel usage and to optimize renewable energy details of which are shown below</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2">Specific Concerns</th> <th>Management Plan objectives & targets</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Diesel usage</td> <td>Continuous running engine by tractors/lorries</td> <td>Drivers to OFF engine where parking is >3 min.</td> </tr> </tbody> </table>		Specific Concerns		Management Plan objectives & targets	1	Diesel usage	Continuous running engine by tractors/lorries	Drivers to OFF engine where parking is >3 min.	
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Criterion / Indicator		Assessment Findings				Compliance
				Diesel consumption by gen-set during unstable operations /insufficient fiber supply to boiler	Maintain operations 3 presses for stable fiber supply to boiler. To carry out preventive maintenance to prevent high b/down hrs. To make scheduled boiler inspection.	
		2	GHG Emission (diesel)	Optimum diesel consumption by diesel gen set & mill vehicles	Operating diesel gen set only during non-processing hours. Regular checking on vehicle condition & maintenance upon diesel leaking.	
		3	Internal mill vehicle	FFB cages push in & out	To use winch for FFB cages push in & out from sterilizer & unloading ramp.	
		4	Diesel usage/year	To maintain and reduce diesel consumption	Change diesel gen set to TNB during non-processing hours.	
4.5.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>The mill records the following data and tabulated the ratio against the FFB processed to determine the efficiency of their operations;</p> <p>a) all the diesel used (non-renewable) for the mill operations</p> <p>(Details as per indicator 4.5.2.1 above)</p> <p>b) fibre/shell used (renewable)</p> <p>In this relation the following data were sighted and verified Renewable energy usage for 2019/20 July-Nov. Ratio of shell/fibre mt/CPO varies from 5.13 to 5.25. This ratio varies from one mill to another subjective to the milling capacity and type of boiler /heating surface/boiler age. The estimate for the direct usage of non-renewable</p>				Complied

Criterion / Indicator		Assessment Findings	Compliance																								
		energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel in all transport and machinery operations was available in the mill yearly budgets.																									
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell used in the mill are shown in 4.5.2.2 above.	Complied																								
Criterion 4.5.3: Waste management and disposal																											
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>All waste and pollution are identified and documented in the Waste Management Plan for Financial Year 2020. The waste generated from the mill operations as shown below;</p> <table border="1"> <thead> <tr> <th></th> <th>Waste</th> <th>Item</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td rowspan="3">1</td> <td rowspan="3">Scheduled Waste</td> <td>Spent lubricants /hydraulic oil</td> <td>Workshop activities</td> </tr> <tr> <td>Used batteries/ used rags / empty containers</td> <td>Workshop activities</td> </tr> <tr> <td>Hexane/spent chemicals/ empty containers</td> <td>Laboratory and boiler station</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Domestic Waste</td> <td>Rubbish</td> <td>Line site/office & mill complex</td> </tr> <tr> <td>Sewage</td> <td>Line site/office & mill complex</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Industrial Waste</td> <td>POME</td> <td>Effluent Treatment Plant</td> </tr> <tr> <td>EFB</td> <td>EFB station.</td> </tr> </tbody> </table>		Waste	Item	Sources	1	Scheduled Waste	Spent lubricants /hydraulic oil	Workshop activities	Used batteries/ used rags / empty containers	Workshop activities	Hexane/spent chemicals/ empty containers	Laboratory and boiler station	2	Domestic Waste	Rubbish	Line site/office & mill complex	Sewage	Line site/office & mill complex	3	Industrial Waste	POME	Effluent Treatment Plant	EFB	EFB station.	Complied
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Criterion / Indicator		Assessment Findings	Compliance																		
		The source of mill pollution generated from the mill is the smoke from the boiler. It is monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE. There was no major issue.																			
4.5.3.2	<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.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The Waste Management Plan for Financial Year 2020 is available and sighted. The plan listed the waste generated from the mill operations as shown in indicator 4.5.3.1 above. The management of the waste aimed for a reduction and improvement are described below;</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Item</th> <th>Action/Program</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Scheduled waste</td> <td>Spent lubricants / hydraulic oil</td> <td rowspan="3">SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005; Establishment & notification of SW Labeling & Coding of SW Inventory Disposal < 180 days & approved quantity/volume.</td> </tr> <tr> <td>Used batteries/ used rags / empty containers</td> </tr> <tr> <td>Hexane/spent chemicals/ empty containers</td> </tr> <tr> <td rowspan="2">Domestic Waste</td> <td>Rubbish</td> <td>Disposed to Chaah estate landfill</td> </tr> <tr> <td>Sewage</td> <td>Disposal by local authority</td> </tr> <tr> <td rowspan="2">Industrial Waste</td> <td>POME</td> <td>Monitoring of application & through operation of evaporators</td> </tr> <tr> <td>EFB</td> <td>Monitoring of application in the field.</td> </tr> </tbody> </table>	Type	Item	Action/Program	Scheduled waste	Spent lubricants / hydraulic oil	SOP titled MQMS Section VII Compliance to Environmental Quality Regulation 2005; Establishment & notification of SW Labeling & Coding of SW Inventory Disposal < 180 days & approved quantity/volume.	Used batteries/ used rags / empty containers	Hexane/spent chemicals/ empty containers	Domestic Waste	Rubbish	Disposed to Chaah estate landfill	Sewage	Disposal by local authority	Industrial Waste	POME	Monitoring of application & through operation of evaporators	EFB	Monitoring of application in the field.	Complied
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4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled	The SOP on Scheduled Waste disposal is established and implemented. Details as provided in SDP MQMS Standard Operating Procedure Section VII- Handling of scheduled waste.	Complied																		

Criterion / Indicator		Assessment Findings	Compliance												
	<p>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>- Major compliance -</p>	<p>The inventory of the waste generated is recorded using the "E-SWISS" inventory system. Methodology of SW disposal is also described in indicator 4.5.3.2 above presently to <i>Pentas Flora (Johor Bahru) Sdn Bhd</i>.</p> <table border="1"> <thead> <tr> <th>Mill</th> <th>Date</th> <th>SW 305</th> <th>SW 409</th> <th>SW 322</th> <th>SW410</th> </tr> </thead> <tbody> <tr> <td>Chaah</td> <td>5/3/20</td> <td>0.200</td> <td>0.190</td> <td>0.080</td> <td>0.090</td> </tr> </tbody> </table>	Mill	Date	SW 305	SW 409	SW 322	SW410	Chaah	5/3/20	0.200	0.190	0.080	0.090	
Mill	Date	SW 305	SW 409	SW 322	SW410										
Chaah	5/3/20	0.200	0.190	0.080	0.090										
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>The mill used own facility located in Chaah Estate. All domestic wastes are collected 2 to 3 x /week to estate landfill. Collection are made from a centralized point accumulated internally by the mill management from the living quarters and office complex.</p>	Complied												
Criterion 4.5.4: Reduction of pollution and emission															
4.5.4.1	<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>- Major compliance -</p>	<p>The polluting activities are identified and documented in the Environmental Aspect & Impact Identification. From the EAI, it will be evaluated for the impact. The identified impact if any will be included in the management plan. The evaluation is documented in the Environmental Impact Evaluation. It was last reviewed on Jan 2020. Areas of focus include activities at the chemical store / workshop / store / scheduled waste / diesel tank / boiler house / effluent pond / WTP.</p>	Complied												
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The pollution prevention plan and plan to reduce GHG emission dated Jan 2020 has been sighted. Mitigation plan, actions and time frame has been identified. In addition the Environmental Management Plan for FY2020 is available. The monitoring of the plan is available. The action plan to reduce emission from POME. At current the technology used is the belt press operation and evaporator (mist blower). This</p>	Complied												

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Criterion / Indicator		Assessment Findings	Compliance												
		<p>method facilitated the reduction in BOD and suspended solids in the final effluent. The following tabled the management action plan to reduce GHG emission from the mill activities.</p> <table border="1"> <thead> <tr> <th></th> <th>Issues & Strategies</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reduce diesel consumption at mill operation</td> <td>to monitor diesel usage to ensure vehicle scheduled maintenance optimum gen set usage</td> </tr> <tr> <td>2</td> <td>Reduce smoke emission to the air</td> <td>to effectively implement the CEMS eliminate use of wet shell as fuel</td> </tr> <tr> <td>3</td> <td>Reduce electricity usage</td> <td>monitor usage vs baseline install capacitor at identified large power consumption motor install LED bulb for the lighting system</td> </tr> </tbody> </table> <p>All efforts and action plan for the identified pollutants and emission above is adequate to comply with the requirement. All identified issues have significant impacts to the environment. The mill also monitored and maintained records on Palm GHG. This compilation is made at Head Office level and made for the entire SOU 20.</p>		Issues & Strategies	Action Plan	1	Reduce diesel consumption at mill operation	to monitor diesel usage to ensure vehicle scheduled maintenance optimum gen set usage	2	Reduce smoke emission to the air	to effectively implement the CEMS eliminate use of wet shell as fuel	3	Reduce electricity usage	monitor usage vs baseline install capacitor at identified large power consumption motor install LED bulb for the lighting system	
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3	Reduce electricity usage	monitor usage vs baseline install capacitor at identified large power consumption motor install LED bulb for the lighting system													
4.5.4.3	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>The POME is treated with open anaerobic, aerobic and stabilization lagoon. Monthly monitoring on the final discharge is conducted. The additional facility used in Chaah POM is the installation of</p> <ul style="list-style-type: none"> a) Belt press operation b) Evaporator mixer system 	Complied												

Criterion / Indicator		Assessment Findings	Compliance															
	- Major compliance -	Both machinery are to reduce the suspended solid and BOD to the targeted level of 200 and 2500 ppm respectively. The effluent at the final discharge is tested to ensure it compliance to the DOE license approved limits. All results sighted in the records are in compliance to the DOE standards.																
Criterion 4.5.5: Natural water resources																		
4.5.5.1	<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"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. 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.). <p>- Major compliance -</p>	<p>The Water Management Plan for the mill has been established. It was last reviewed on 1/12/18 for the 2019 plan. Included therein are the following documents which were sighted and verified;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">Contingency plan during water shortage</th> </tr> <tr> <th></th> <th>Area /incident</th> <th>Action steps</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Water shortage/ prolonged dry season</td> <td>to obtain water from SAJ to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain water supply from estate's catchment. to obtain treated water outsourced supply.</td> <td>Mill Executives /Staff</td> </tr> <tr> <td>2</td> <td>Severe water pollution/ contamination</td> <td>to obtain water from SAJ to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain treated water outsourced supply.</td> <td>Mill Executives /Staff</td> </tr> </tbody> </table> <p>Water reduction plan</p>	Contingency plan during water shortage				Area /incident	Action steps	PIC	1	Water shortage/ prolonged dry season	to obtain water from SAJ to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain water supply from estate's catchment. to obtain treated water outsourced supply.	Mill Executives /Staff	2	Severe water pollution/ contamination	to obtain water from SAJ to train/educate staff/workers to conserve water to seek assistance from SAJ to obtain treated water outsourced supply.	Mill Executives /Staff	Complied
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Criterion / Indicator		Assessment Findings				Compliance	
			Issues/Areas	Action Steps	PIC	Status	
		1	Rain water collection	Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery	Mill Engineer	On-going	
		2	Re-streaming	Re stream from sterilizer condensate pit for dilution	Mill Engineer	On-going	
			Identification & management of waste water				
			location	Waste water produced	Treatment/containment	Reuse/recycle / disposal method	
		1	Processing stations	Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water	Oil recovery/ ETP	Recover into system	
		2	Boiler	Blow down, cleaning water	Sludge pit, ETP	Monsoon drain	
		3	Process ramp	Rainfall runoff	Sedimentation trap	Monsoon drain	

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Criterion / Indicator		Assessment Findings				Compliance	
		4	Engine room	Steam condensate, turbine cooling water	Monsoon drain, recycled tank	Monsoon drain	
		5	Laboratory	Cleaning water	Process drain	Monsoon drain	
		6	washroom	Toilet water, cleaning water	Septic tank	Supernatant to drains, sludge collected by licensed contractor.	
4.5.5.2	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. - Major compliance -	Details of effluent treatment and report as per item 4.5.4.3 above. The effluent are retained for treatment in a flow through 7 ponds before being discharged to land application Chaah Estate field no 98A, 99A and 2000 total 130.76 ha. In addition there is belt press facility to further reduce to the suspended solid in the effluent.				Complied	
4.6 Principle 6: Best Practices							
Criterion 4.6.1: Mill Management							
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes the mill SOP, and Mill Quality Management Manual v.1 2008/MQMS/QMM/08. These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from the reception, sterilisation, threshing, pressing, clarification, depericarping (nut polishing) station, effluent,				Complied	

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Criterion / Indicator		Assessment Findings	Compliance
		laboratory, workshop, despatches etc. In addition there are also manuals available within the industry and MPOB that are used as guidelines.	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	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 the Mill Advisor scheduled on a 6 monthly basis. In addition there are audits by Regional Head, PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others. Report relating to the monitoring i.e daily production report, monthly report, SOU meetings minutes and RSQM internal audit report were sighted and system adopted is effective.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year 2020 / PY2 / PY3 / PY4 / PY5) prepared as guidance for future planning. The business plan contains FFB processed, production of CPO & CPK. Component of operating expenditure includes process labour, maintenance external, maintenance parts, consumable, EVIT, admin cost, labour overhead. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Awarding of contract and pricing mechanism is guided by a procedure GPA No. E4 Procurement, version 29/8/2019.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> - 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 	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	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
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	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
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	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 Syarikat Wijaya Sdn Bhd (CPO transport), were verified.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	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

<p>Government Officer:</p> <p>Nil</p>	<p>Community/neighbouring village:</p> <ul style="list-style-type: none"> • SK Labis • SJK(T) Labis • Kampung Sejagung • Kampung Haji Kamisan • Kampung Desa Temu Jodoh • Neighbouring Smallholder (Lim Men Tong)
<p>Suppliers/Contractors/Vendors:</p> <ul style="list-style-type: none"> • Anbalakan (grass cutting) • Rajendran Setia Sdn Bhd 	<p>Worker’s Representative/Gender Committee:</p> <ul style="list-style-type: none"> • Gender Committee Representatives • Foreign & Local Workers Representatives • NUPW representatives

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Appendix C: Smallholder Member Details

Not applicable

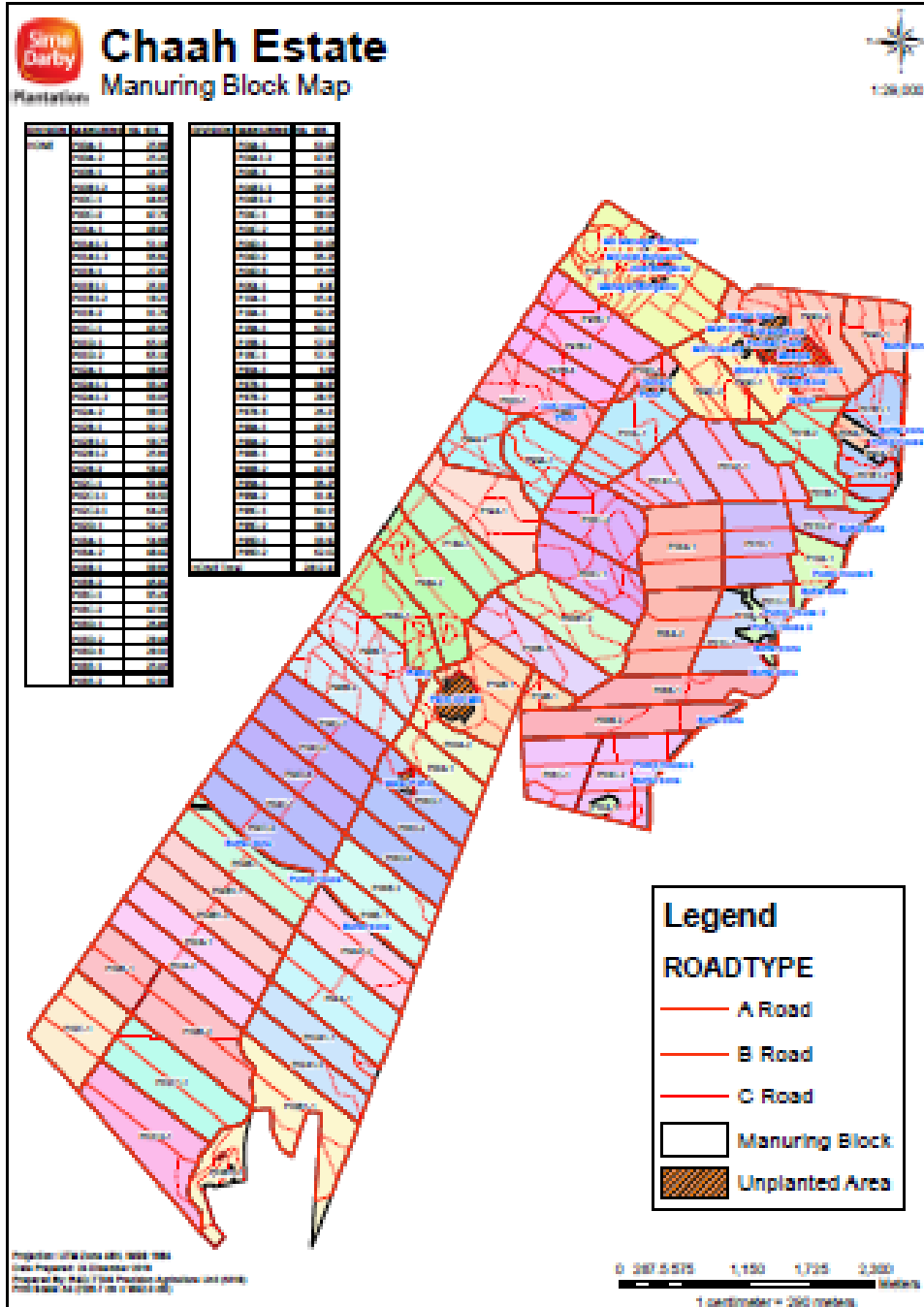
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

Appendix D: Location and Field Maps

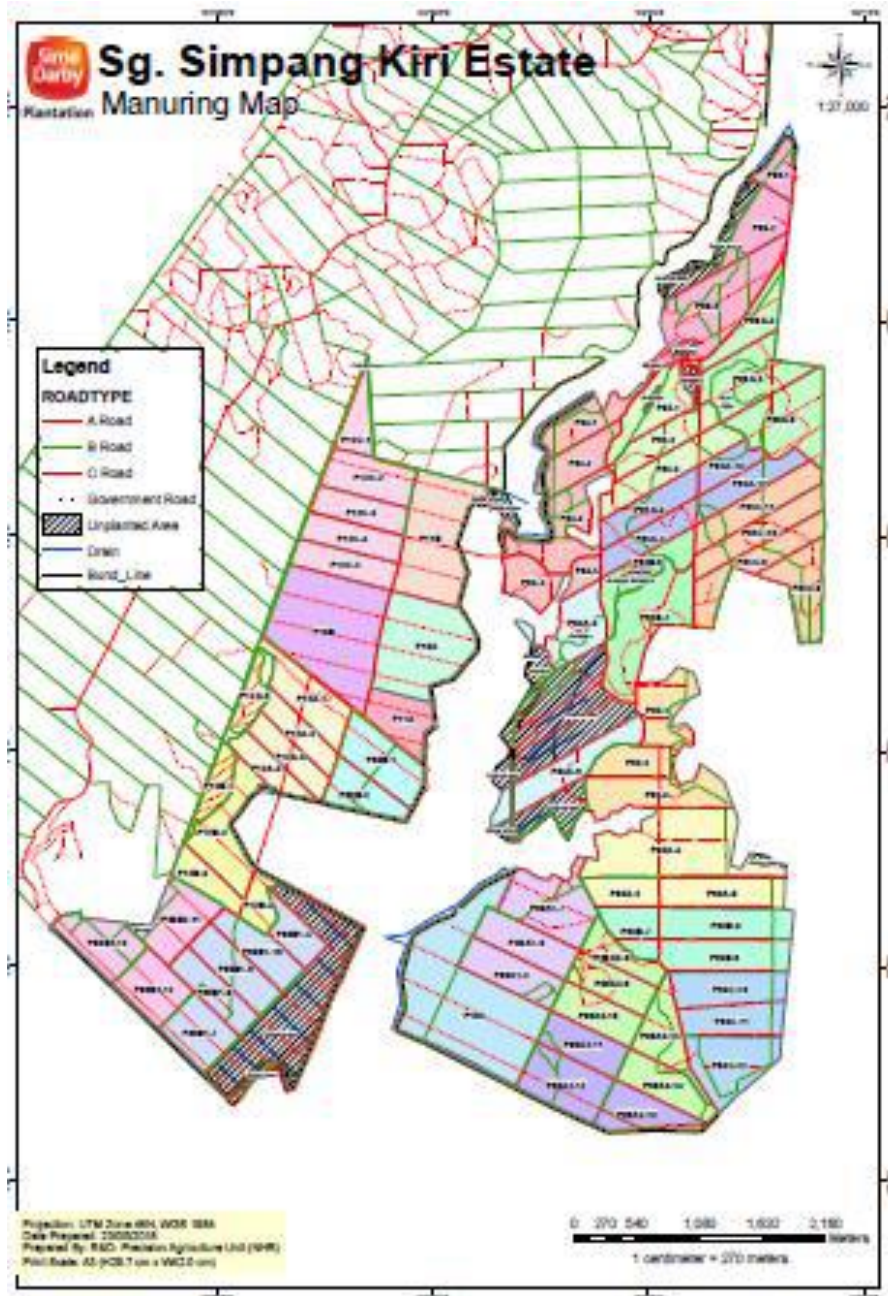
Chaah Palm Oil Mill



Chaah Estate



Simpang Kiri 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