

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

Sime Darby Plantation Berhad
Head Office: Level 5, Main Block, Plantation Tower 2, Jalan PJU 1A/7 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: Strategic Operating Unit (SOU 19) - Pagoh Palm Oil Mill & Plantations of SOU 19 including Pagoh Estate, Pengkalan Bukit Estate and Lanadron Estate Location of Certification Unit: Lot 2159, Ladang Pagoh, Mukim Jalan Bakri 84309 Muar, Johor, Malaysia

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Report Number: 3091806

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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	
Pagoh Palm Oil Mill	565809104000	31/10/2021	
Pagoh Estate	508589902000	28/02/2021	
Pengkalan Bukit Estate	518941002000	28/02/2021	
Lanadron Estate	522273002000	31/07/2021	
Address	Main Office Level 5, Main Block, Plantation Tower 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia Certification Unit Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia		
Certification Unit	Strategic Operating Unit (SOU 19) - Pagoh Palm Oil Mill		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit GSQM) Mr. Mohd Fadzil Hasbullah (Pagoh Palm Oil Mill Manager)		
Website	www.simedarby.com	E-mail	Shylaja.vasudevan@simedarby.com kks.pagoh@simedarbyplantation.com
Telephone	+603 7848 4463 (Head Office) +6019 6957380 (Mill)	Facsimile	+603-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682037 Plantations: MSPO 685822		
Issue Date	12/12/2017	Expiry Date	11/12/2022
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders MS 2530-4:2013 Part 4: General principles for palm oil mills		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	11-13/10/2017		
Continuous Assessment Visit Date (CAV) 1	10-12/10/2018		
Continuous Assessment Visit Date (CAV) 2	21-23/10/2019		

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Continuous Assessment Visit Date (CAV) 3	14-16/10/2020		
Continuous Assessment Visit Date (CAV) 4	NA		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 600305	RSPO MYNI 2019	BSI Services Malaysia Sdn. Bhd.	27/01/2024
MSP0 714136	MSP0 SCC 2018	BSI Services Malaysia Sdn. Bhd.	04/09/2024

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
Pagoh Palm Oil Mill	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2.07809	102.72001
Pagoh Estate	Lot 2159, Ladang Pagoh, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2.07809	102.72001
Pengkalan Bukit Estate	KM 19, Jalan Muar Labis, Mukim Jalan Bakri, 84309 Muar, Johor, Malaysia	2.12493	102.74236
Lanadron Estate	KM 4, Jalan Kg. Raja, Panchor, 84500 Muar, Johor, Malaysia	2.17510	102.71896

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Pagoh Estate	1,988.02	9.10	328.81	2,325.93	85.47
Pengkalan Bukit Estate	2,977.41	2.87	147.94	3,128.22	95.00
Lanadron Estate	1,767.72	19.41	396.10	2,183.23	80.96
TOTAL	6,733.15	31.38	872.85	7,637.38	

Note:
Welch is not listed as main supply base since 1/6/2019
Total area was declared incorrectly in previous year due to reference to incorrect source.

1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		

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Pengkalan Bukit Estate	538.24	1,033.76	1,312.82	92.59	-	2,439.17	538.24
Lanadron Estate	221.81	613.02	815.89	40.00	77.00	1,545.91	221.81
Pagoh Estate	616.56	695.13	445.65	230.68	0.00	1,371.46	616.56
Total (ha)	1376.61	2341.91	2574.36	363.27	77.00	5356.54	1376.61

Note:

Welch is not listed as main supply base since 1/6/2019

1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan 2020 - Dec 2020)	Actual (Oct 2019 - Sep 2020)	Forecast (Jan 2021 - Dec 2021)
Pengkalan Bukit Estate	57,540.94	47,492.51	51,599.09
Lanadron Estate	43,021.71	27,771.09	44,441.87
Pagoh Estate	39,428.70	31,420.26	36,492.17
Welch Estate	14,535.19	1,615.64	0.00
Total	154,526.54	108,299.50	132,533.13

Note:

Welch is not listed as main supply base since 1/6/2019

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan 2020 - Dec 2020)	Actual (Oct 2019 - Sep 2020)	Forecast (Jan 2021 - Dec 2021)
Supplier ABC	0.00	41,561.87	0.00
Total	0.00	41,561.87	0.00

1.8 Certified Tonnage

	Estimated (Jan 2020 - Dec 2020)	Actual (Oct 2019 - Sep 2020)	Forecast (Jan 2021 - Dec 2021)
	FFB	FFB	FFB
Mill Capacity: 45 MT/hr	154,526.54	108,299.50	132,533.13
SCC Model: MB	CPO (OER: 20.5 %)	CPO (OER: 20.20 %)	CPO (OER: 20.0 %)
	31,677.94	21876.50	26,506.63
	PK (KER: 5.25 %)	PK (KER: 5.07 %)	PK (KER: 5.12 %)
	8112.64	5490.79	6785.69

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1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
N/A	N/A	N/A	N/A	N/A	N/A

1.10 Actual Sold Volume (PK)					
PK (MT)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
N/A	N/A	N/A	N/A	N/A	N/A

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 14 – 16/10/2020. The audit programme is included as in section 2.3. The approach to the audit was to treat the SOU 19 Pagoh Palm Oil Mill and Supply Base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members.

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)
Pagoh Palm Oil Mill	X	X	X	X	X
Lanadron Estate	X		X		X
Pengkalan Bukit Estate		X		X	
Pagoh Estate		X		X	X

Tentative Date of Next Visit: October 4, 2021 - October 6, 2021

Total No. of Mandays: 6 Mandays

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Muhammad Fadzli Masran	Team Leader	He holds Bachelor Degree in Forestry Science, graduated from University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of legal, environmental & biodiversity, agriculture best practices and SCC for CPO mill.
Daniel Francis	Team Member	He holds a Bachelor of Applied Science Degree in Food Science, graduated from Charles Sturt University, Australia. He has over 8 years of working experience in the oil and gas industry and 3 years in the food & beverage industry. He is an experienced auditor for several management system standards including ISO 9001, ISO 14001, OHSAS 18001 and Integrated Management System. He had completed the ISO 9001:2015 & ISO 14001:2015 Lead Auditor Course RSPO P&C and RSPO SCC Lead Auditor Course. He had been involved in the RSPO & MSP0 audits with various

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		companies in Malaysia. During assessment, he covers the legal issues and occupational safety and health.
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2.2 Accompanying Persons

No.	Name	Role
1.	Nicholas Cheong	Qualifying reviewer

2.3 Assessment Plan

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

Date	Time	Subjects	MFM	DF	NC
Tuesday 13/10/2020	PM	Audit Team Travelling	√	√	√
Wednesday 14/10/2020 Pengkalan Bukit Estate	08.30 - 09.00	Opening Meeting: • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit	√	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	09.00 - 11.30	Stakeholder interviews	√		
	12.30 - 13.30	Lunch	√	√	√
	13.30 - 16.30	Continue with document review DocumentreviewP1–P6 (MSP0 part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting (if any)	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Thursday 15/10/2020 Pagoh POM	08.30 - 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment tissues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√	√
	09.00 - 11.30	Stakeholder interviews	√		

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Date	Time	Subjects	MFM	DF	NC
	12.30 - 13.30	Lunch	√	√	√
	13.30 - 16.30	Continue with document review (MSPO part 4) P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P6: Best practices	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Friday 16/10/2020 Pagoh Estate	08.30 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	09.00 - 11.30	Stakeholder interviews	√		
	12.30 - 13.30	Lunch	√	√	√
	13.30 - 16.30	Continue with document review DocumentreviewP1–P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6: Best practices, P7: Development of New Planting (if any)	√	√	√
	16.30 - 17.00	Preparation of audit report	√	√	√
	17.00 - 17.30	Closing Meeting	√	√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & two (2) Minor nonconformities raised. The SOU 19 Pagoh Palm Oil Mill and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:	
Ref: 1966873-202010-M1	Area/Process: Plantation – Pagoh Estate and Pengkalan Bukit Estate Clause: 4.4.4.2 - Part 3 Issue Date: 16/10/2020 Due Date: 24/11/2020
Requirements:	The occupational safety and health plan should cover the following: c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: ii. all precautions attached to products shall be properly observed and applied i) A First Aid Kit equipped with approved contents should be available at each worksite.
Statement of Nonconformity:	The occupational safety and health plan was not effectively implemented.
Objective Evidence:	Pagoh Estate Based on the revised CHRA Report, dated 04th June 2020 by Assessor Dosh Reg: HQ/15/ASS/00/63, continue to carry out medical surveillance programme by a registered OHD due to the employees exposed or likely exposed to chemicals hazardous to health and the chemical used are concluded as having significant risk for work units: a) Premix (All Chemicals), d) Line Site Fogging (Malathion & Sumithion), e) Workshop (Manganese) – Welder. The medical surveillance programme should be conducted at intervals if not more than twelve months or at such shorter intervals as determined by the OHD. It was identified that there were 10 workers (Welders, Line-site Fogging & Pre-Mixers)

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	<p>that should be sent for medical surveillance at intervals of not more than 12 months. Medical Surveillance was conducted for these workers on 8th October 2020, 20 months after the previous medical surveillance (21st January 2019). The results have yet to be obtained by the operating unit.</p> <p>Pengkalan Bukit Estate</p> <p>The first aid box was sampled for the Spraying Gang, Water Treatment Plant Attendant/Nursery Mandore and Chemical Store.</p> <p>The First Aid boxes were found to be as below:</p> <ol style="list-style-type: none"> 1. The First Aid items in the First Aid Box were insufficient. There were less items in the box compared to the First Aid Items list that was in the box. 2. The First Aid items in the box were not labelled. (Acviflavine Lotion, Analgesic Cream) 3. The First Aid items in the box had no expiry date. (Acviflavine Lotion, Analgesic Cream) 4. Issues and Replenishment were not recorded in the first aid kit. The sampled first aid box holders (Spraying Mandore & Nursery Mandore) were not trained on the procedure to use the first aid box. <p>Sighted the First Aid Training dated 14.07.2020 did not include the sampled first aid kit holders. Interview with the mentioned workers indicated that they were not aware on how to use the First Aid Kit items.</p>
<p>Corrections:</p>	<p>Pagoh Estate</p> <p>The management has arranged for medical surveillance for employees as per recommendation in revised CHRA on 8/10/2020.</p> <p>Pengkalan Bukit Estate</p> <ol style="list-style-type: none"> 1. Old first aid box from water treatment plant was collected and disposed accordingly to prevent usage of expired items 2. All items in the first aid box is labelled on numbers as per checklist inside the box to easy identification. 3. The expiry date of each item is written on the first aid box. The movement of the items is recorded in daily basis including date and quantity of usage and replenishment. <p>First aiders are briefed on the usage of first aid box. Simple instruction is also provided in the first aid box for easy reference. The sampled first aider was absent during the refresher training session conducted in July 2020</p>
<p>Root cause analysis:</p>	<p>Pagoh Estate</p> <p>Delayed in conducting medical surveillance due to waiting for recommendation from revised CHRA report. Further delaying due CHRA re-assessment was put on hold since movement control order (MCO)</p> <p>Pengkalan Bukit Estate</p> <ol style="list-style-type: none"> 1. The first aid box at water treatment plant was replaced without collecting back the old one. The items in the old box was not replenished hence the items was found insufficient. 2. Medical Assistant is not trained on the requirement to label the item itself.

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	<ol style="list-style-type: none"> 3. Estate had purchased the item (Acviflavine Lotion, Analgesic Cream) in bulk and distribute into first aid box. The expiry date is at main container and was not replicated the expiry date into individual first aid box. 4. Medical Assistant has not been trained on the procedure to record issuances and replenishment of items in first aid box 5. The sampled first aider was absent during the refresher training session conducted in July 2020. Lack of follow up by the MA on the attendance of the first aiders hence no follow up training was conducted to the first aiders.
Corrective Actions:	<p>Pagoh Estate</p> <ol style="list-style-type: none"> 1. Medical surveillance programme is included in management plan with intervals within or less than 12 months interval. 2. Internal audit to check on the monitoring of the programme in accordance to the management plan. <p>Pengkalan Bukit Estate</p> <ol style="list-style-type: none"> 1. Estate's Medical Assistant to collect and monitor the condition of first aid box every 3 month. 2. To train medical assistant on the SOP of first aid kit 3. Estate Senior Assistant to verify on the monitoring record that includes issuance, replenishment, expiry date of the items. 4. To check during internal audit on the implementation of the SOP.
Assessment Conclusion:	<p>Evidence submitted and verified</p> <ol style="list-style-type: none"> 1. First Aid training has been conducted on 28/10/2020 with 24 attendees. 2. The Person Responsible for first aid monitoring has been issued reminder letter as per letter dated 07/11/2020. 3. Old first aid box with incomplete items has been replaced with new first aid box. 4. First aid monitoring records for 5 units of first aid box dated 07/10/2020 and 03/11/2020. 5. Updated Record of usage of First aid Items was included in the First Aid box. 6. All item in the first aid box has been listed include the description and usage. 7. All items with expiry date has been labelled. <p>All the evidence has been verified. The corrective action plan was effectively implemented. The major no-conformity was effectively closed on 24/11/2020</p>

Minor Nonconformities:		
Ref: 1966873-202010-N1	Area/Process: Plantation – Pagoh Estate and Pengkalan Bukit Estate	Clause: 4.5.1.5 - Part 3
	Issue Date: 16/10/2020	Due Date: Next Assessment
Requirements:	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.	
Statement of Nonconformity:	Awareness and training programme was not effectively implemented.	
Objective Evidence:	Pengkalan Bukit Estate & Pagoh Estate Sighted evidence of spillage at the lubricant store entrance and oil residues surrounding the oil traps during handling.	
Corrections:	Pagoh Estate	

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	<ol style="list-style-type: none"> To reduce number of stairs at lubricant store to avoid spillage To implement bund system outside the oil trap to avoid spillage <p>Pengkalan Bukit</p> <ol style="list-style-type: none"> To provide tray during process of top up lubricant in lubricant store. To educate general workers on the method of handling of oil residue recovery at oil trap.
Root cause analysis:	<p>Pagoh Estate</p> <ol style="list-style-type: none"> There is no containment for spillage at lubricant store. There is no containment for oil spillage at oil trap <p>Pengkalan Bukit Estate</p> <ol style="list-style-type: none"> No tray being provided for top up of lubricant at store There is no awareness training o general workers during process of recovery oil residue in oil trap
Corrective Actions:	<p>Pagoh Estate & Pengkalan Bukit Estate</p> <p>To monitor on spillage at lubricant store / oil trap by including the checklist for spillage in workplace inspection.</p>
Assessment Conclusion:	<p>The effectiveness of corrective action plan implementation will be assessed during next assessment</p>

Minor Nonconformities:		
Ref: 1966873-202010-N2	Area/Process: Plantation - Pengkalan Bukit Estate	Clause: 4.4.5.4- Part 3
	Issue Date: 16/10/2020	Due Date: Next Assessment
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:	The contractors employee were not paid based on Legal Requirement as per Employer’s Circular No. 3 Year 2018 issued by Perkeso	
Objective Evidence:	Noted during document review at Pengkalan Bukit Estate, there was no evidence of SOCSO contribution made from the contractor, Hayati Enterprise Sdn. Bhd. to workers with employment no. HESB/12901/019	
Corrections:	The management has communicated the legal requirement to the said contractor through email on the EIS contribution to its employees.	
Root cause analysis:	There’s no briefing on legal compliances to Hayati Ent by the management.	
Corrective Actions:	All third party contractor is ensured to comply with legal requirement by obtaining signed due diligence	
Assessment Conclusion:	The effectiveness of corrective action plan implementation will be assessed during next assessment	

Noteworthy Positive Comments	
1.	Good cooperation and commitment from the management and staff
2.	Good document retrieval and arrangement by the auditee.

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1841179-201906-M1	Area/Process: Palm Oil Mill	Clause: 4.4.5.9 - part 4
	Issue Date: 23/10/2019	Due Date: 19/11/2019
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	Wages documented in pay slip was not in line with legal regulations.	
Objective Evidence:	One worker (store keeper, employee ID: 147827) salary payment for May 2019; Total normal day work: 27 (punch card) & check roll report, official rest day: every Thursday Work on 9th, 23rd and 30th (rest day), output (pay slip and check roll only paid for normal day rate)	
Corrections:	Memo on salary reimbursement also has been issued to the store keeper on 21/10/2019 up on highlighted/ auditor. The adjustment reflected in the October payslip.	
Root cause analysis:	Wrongly keyed in daily input by the Supervisor due to transferred gang form General Worker to Workshop.	
Corrective Actions:	Monitoring and recording of daily input by the effected worker's reporting line (Supervisor)	
Assessment Conclusion:	Verified memo and salary reimbursement in October 2019. Evidence found to be sufficient thus the major NC is closed on 19/11/19. Continuous implementation will be further verified in the next surveillance audit.	
Verification Statement	No recurrence of issue noted and the major NC is remain closed.	

Major Nonconformities:		
Ref: 1841179-201906-M2	Area/Process: Plantations	Clause: 4.4.5.11 - part 3
	Issue Date: 23/10/2019	Due Date: 19/11/2019
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:	On-site living quarters provided was not promptly maintained to ensure decent and habitable living condition	
Objective Evidence:	Welch Estate Based on site visit at housing block 2/81 and 2/82, clogged/stagnant drain was observed and creating unpleasant condition at the backyard area. Observed collapse drain resulting from landslide which yet to be attended properly. Lanadron Estate Blocked/clogged drainage at side and backyard drain of house 144.	
Corrections:	Welch Estate: Clearing and repairing of the drainage was done on 25/10/2019	

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	Lanadron Estate: The clogged drain was cleared on 1/11/2019.
Root cause analysis:	No complaint or report on the drainage in the linesite inspection report.
Corrective Actions:	Welch Estate: 1. The broken drain for the two units of effected house was replace with PVC poly pipe. 2. Estate management has planted legumes cover crop at the embankment area to prevent soil erosion. Lanadron Estate: To include inspection of drainage and reported in the weekly inspection.
Assessment Conclusion:	Based on photographic evidence verification, it was found that the issue has been address effectively thus, the major NC is closed on 19/11/19. Continuous implementation will be further verified in the next surveillance audit.
Verification Statement	No recurrence of issue noted and the major NC is remain closed.

Major/Minor Nonconformities:

Ref: 1841179-201906-N1	Area/Process: Plantations	Clause: 4.4.5.11- part 3
	Issue Date: 23/10/2019	Due Date: 16/10/2020
Requirements:	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.	
Statement of Nonconformity:	Person responsible to monitor compliance of Immigration Regulation 1963, visit pass (temporary employment) reg.11 (10) was not effectively demonstrated.	
Objective Evidence:	One contractor's worker of Lotus Two Enterprise Sdn Bhd, passport no. BR0129087 subcontracted under Junjungan Pelangi Sdn Bhd. Single entry visa, valid until 11/3/20 under Junjungan Pelangi Sdn Bhd, employed as cleaner contrary with the actual work in the mill as workshop operator/fitter. In sector: services, in subsector: cleaning	
Corrections:	The employees with employment status as cleaner have been terminated from work.	
Root cause analysis:	Monitoring of documentation not effective.	
Corrective Actions:	The contractor has been requested to register all supplied labour with valid employment permit. Establishment of Foreign Workers Documentation Tracking and will be monitored by AAO.	
Assessment Conclusion:	Assessment verification Sighted, reviewed and verified the employment permit for the workers under contractors Lotus Two Enterprise Sdn. Bhd. with employment no. as follows: 1. BP0493276 2. BT0369617	

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	<p>3. BL0061393 4. BP0963048 Noted all the permits were in Manufacturing Sector.</p> <p>The mill monitors the employment status and salary payment for all the contractors' employee.</p>
Verification Statement	The evidence of effective implementation is found adequate. Thus, the minor non-conformity is closed.

3.4 Summary of the Nonconformities and Status



CAR Ref.	CLASS	ISSUED	STATUS
1693239-201809-M1	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M2	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M3	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M4	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M5	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-M6	Major	12/10/2018	Closed on 04/01/2019
1693239-201809-N1	Minor	12/10/2018	Closed on 23/10/2019
1693239-201809-N2	Minor	12/10/2018	Closed on 23/10/2019
1841179-201906-M1	Major	23/10/2019	Closed on 19/11/2019
1841179-201906-M2	Major	23/10/2019	Closed on 19/11/2019
1841179-201906-N2	Minor	23/10/2019	Closed on 16/10/2020
1966873-202010-M1	Major	16/10/2020	Closed on 24/11/2020
1966873-202010-N1	Minor	16/10/2020	To be verified during next assessment
1966873-202010-N2	Minor	16/10/2020	To be verified during next assessment

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues:
	NUPW representative raised on issue regarding less overtime work offered to the workers
	Management Responses:
	The mill management controlled the overtime work due to less operation during COVID 19 pandemic situation in the country as per instruction by the main office
	Audit Team Findings:
	No further issue

2	Issues: Headmaster from SK Paya Panjang raised issued on student transportation to school.
	Management Responses: The mill and estate has provided transportation to send student to school. However, some of the parents want to send their children by themselves.
	Audit Team Findings: No further issue
3	Issues: Headmaster from SK Paya Panjang request for donation especially for estate and mill employee children.
	Management Responses: The mill and estate management will contribute to the school upon request
	Audit Team Findings: No further issue
4	Issues: SCJ, FFB transportation workers raised issue on safety issue at the main road as their lorry has to make a U-turn before entering the mill entrance road.
	Management Responses: The mill informed that the issue was due to the JKR has closed the old entrance to the mill road. They will try to resolve the issue.
	Audit Team Findings: No further issue
5	Issues: Smallholders, Mr. Osseman raised issue regarding his farm was flooded during heavy rain due to estate drainage system.
	Management Responses: The estate and mill management has visited his farm and his farm was located at the flash flood area
	Audit Team Findings: No further issue

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 19 Pagoh Palm Oil Mill and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 19 Pagoh Palm Oil Mill and Supply Base Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: <i>SENIN B. SUMIRIN</i>	Name: Muhammad Fadzli Masran
Company name: <i>SIME DARBY PLANTATION BERHAD</i>	Company name: BSI Services (M) Sdn. Bhd
Title: <i>MANAGER</i>	Title: Client Manager
Signature:  SIME DARBY PLANTATION BERHAD (Company No. 647766-V) LADANG PENGKALAN BUKIT Senin Bin Sumirin Manager	Signature: 
Date: <i>3/3/2021</i>	Date: 28/01/2020

Appendix A: Summary of the findings by Principles and Criteria

MS 2530-3:2013 Part 3: General principles for oil palm 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	Policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantations Berhad has established Group Sustainability and Quality Policy Statement signed by the Group Managing Director dated 2/12/2019.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The Group Sustainability and Quality Policy was developed in line with Nations Sustainable Development Goals (UNSDG) 2030. In the policy statement stated the company commitment to: 1. Promoting good governance and transparency 2. Contributing to a better society 3. Minimising environmental harm 4. Delivering sustainability quality This policy being guided by the commitments spelt out in the Company's: - 1. Responsible Agriculture Charter (RAC) 2. Human Rights Charter (HRC)	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		3. Innovation and Productivity Charter (IPC)	
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 -	Sime Darby Plantations Berhad has established SOP for Internal Audit documented in Sime Darby Plantation, PSQM, Internal audit Procedure. Refer document no. SD/SDP/PSQM/IAP dated 1/11/2017. Based on the procedure, the internal audit is to be conducted annually as per Internal Audit Procedure.	Complied
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 non-conformities, in order to implement the necessary corrective action. - Major compliance -	Sime Darby Plantations Berhad has established SOP for Internal Audit documented in Sime Darby Plantation, PSQM, Internal audit Procedure. Refer document no. SD/SDP/PSQM/IAP dated 1/11/2017. <u>Pengkalan Bukit Estate</u> Latest internal audit was conducted on 24/6/2020 by Internal Auditor from RSQM. During the audit, 11 Major Non-Conformity, 4 Minor Non-Conformity and 7 Opportunity for Improvement were raised. The estate has submitted the Corrective Action Plan and accepted by the audit team on 30/7/2020. <u>Pagoh Estate</u> Internal audit was conducted combined for RSPO/MSPO and SCCS. Latest internal audit was conducted on 22/6/2020. 7 Major Non-Conformity, 7 Minor Non-Conformity and 7 Opportunity for Improvement were raised.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The finding of the audits has been discussed by the estate during the Management Review Meeting. Sighted the minutes meeting dated 30/6/2020.</p> <p>The estate has submitted the Corrective Action Plan and accepted by the audit team on 30/7/2020.</p>	
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by Estate Management within the acceptable timeframe.</p>	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>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.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantations Berhad has established SOP for Management Review documented in Standard Operation Manual, Sub-Section 5.6, dated: 25/5/2015. Based on the SOP established, the frequency for management review needs to be carried out at least once a year.</p> <p><u>Pengkalan Bukit Estate</u></p> <p>Latest management review was conducted on 2/7/2020. All pertinent agenda has been discussed for the effective implementation of MSPO.</p> <p><u>Pagoh Estate</u></p> <p>Latest management review was conducted on 30/6/2020. All pertinent agenda has been discussed for the effective implementation of MSPO.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
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>Both the estates have established a Management Plan covering safety, environment and social as listed herein; -</p> <ul style="list-style-type: none"> a. Environmental Management Plan b. Occupational Safety & Health Program c. Water Management Plan d. Kaizen Charter <p>Among the plans stated in Kaizen Charter are:</p> <p><u>Pagoh Estate</u></p> <ul style="list-style-type: none"> a) Saving on EFB application cost at field 2019A & 2019B due to application by checkroll workers on piece rated. b) To reduce FFB transporter cost by using farm tractor instead of mechanical buffalo. c) To reduce loose fruit transport cost at Pagoh Estate (1 tractor + driver, 2 loaders) d) Saving on palm planting cost at field 2019A & 2019B due to planting by checkroll workers on piece rated. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	The management continuously reviewed the estates performance and work method for a continual improvement to achieve better results. There is no new application of new technology implemented during the certification period. The current practices continued and guided by the Estate General Manager.	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 -	There is no new application of new technology implemented during the certification period. Both estates management will implement and monitor any new technologies being introduced and trained the personnel. Currently, both estates conducted the training based on the estate current practices.	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 adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Sime Darby has established Estate Quality Management System, Level 2, Standard Operation Manual Sub - Section 5.5 Management Responsibility Appendix 5.5.3.2 Procedure for External communication, version 1 Year 2008, Issue No 1 dated 1st Nov 2008. The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Requests from workers and management’s responses were recorded and maintained. Action may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were logged and registered in a log book. The record included types of complaints and the dates when they were made and attended to and remarks. Most records were mainly for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.	
4.2.1.2	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. - Major compliance -	Sime Darby Plantations Bhd website, http://www.simedarbyplantation.com/ have been a medium to disseminating public information ie; The Sustainability Report, Group Annual Report and Procedure for complaints and grievances. Information relating to land titles, safety and health plans, and pollution prevention plan is available at the Estate.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Sime Darby has established Estate Quality Management System, Level 2, Standard Operation Manual Sub - Section 5.5 Management Responsibility Appendix 5.5.3.2 Procedure for External communication, version 1 Year 2008, Issue No 1 dated 1st Nov 2008. The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		The mechanism is to enable effective and timely communication with employees and external interested parties.	
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	<p>The estate visited has appointed personnel to be responsible for Social Issues (consultation and communication with the relevant stakeholders) as per appointment letter which state the responsible of the PIC as follows:</p> <ol style="list-style-type: none"> 1. Investigate any complaint or grievances on social issue and suggest appropriate disciplinary action 2. Keep and keep secret every records of complaint or grievances on social issue 3. Give advice and counselling to workers 4. Organize social activity/program <p><u>Pengkalan Bukit Estate</u></p> <p>The estate has appointed the Assistant Manager as Person Responsible for Social Issue as per appointment letter dated 1/1/2019 signed by the Estate Manager.</p> <p><u>Pagoh Estate</u></p> <p>The estate has appointed the Assistant Manager as Person Responsible for Social Issue as per appointment letter dated 6/1/2020 signed by the Estate Manager.</p>	Complied
4.2.2.3	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.	The estates visited has established the list of Stakeholders and documented in the List of Stakeholders FY 2020. The stakeholders were categorized as Contractors, Vendors/Suppliers, Local Community	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>and Other Interested Parties (Government Agencies, School, Hospitals, Balai Polis and etc.)</p> <p>Consultation and communication were conducted through written reports and meetings.</p> <p><u>Pengkalan Bukit Estate</u></p> <p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook. No complaints or grievances were recorded from external stakeholders recorded. Government Agencies such as DOSH recorded their visit reports in the logbook. Sighted the latest visit report dated 15/5/2019.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair Logbook with latest report dated 13/10/2020. All complaints have been satisfactorily addressed by the estate.</p> <p>Sighted the minutes meeting with NUPW representative dated 1/10/2020 and Stakeholders Meeting dated 16/7/2020. No issue were raised during both meetings.</p> <p><u>Pagoh Estate</u></p> <p>Sighted the Housing Repair Logbook with latest report dated 9/10/2020. All complaints have been satisfactorily addressed by the estate.</p> <p>Sighted the minutes meeting with NUPW representative dated 1/10/2020 and Stakeholders Meeting dated 16/7/2020. Issue raised during the meeting has been addressed by the estate. Based on the results of the meetings, social management plan has been established.</p>	

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2.3 – Traceability			
4.2.3.1	<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>Standard Operating Procedures for Sustainable Supply Chain & Traceability Appendix 15, Version 2 2018 issuance Feb 2018 was established and to ensure effective implementation on sustainable supply chain and traceability of FFB.</p> <p>The Standard Operating Procedures also specifies the identified CCPs of which the risk of mixing of certified and non-certified FFB is possible as well as the control of the flow and transportation of the FFB from the harvesting block to the weighbridge and subsequently to the POM.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The management conducted regular inspections on compliance with the established traceability system.</p> <p>All bunches evacuated from field to BIN was recorded in the Bunch/BIN Chit and submitted to the mill through FFB consignment note.</p> <p>Sighted the Bunch/BIN Chit dated 13/10/2020 for field P08B and FFB consignment note no. 99379 and 99381.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>The estate visited has appointed personnel to be responsible for traceability as per appointment letter which state the responsible of the PIC as follows:</p> <ol style="list-style-type: none"> Assisting any Quality related internal/external certification (e.g.: Roundtable Sustainable Palm Oil (RSPO) / Malaysian Sustainable Palm Oil (MSPO) / Supply Chain Certification System (SCCS)) <p><u>Pengkalan Bukit Estate</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The estate has appointed the Assistant Manager as for traceability as per appointment letter dated 1/10/2020 signed by the Estate Manager.</p> <p><u>Pagoh Estate</u></p> <p>The estate has appointed the Assistant Manager as for traceability as per appointment letter dated 6/10/2020 signed by the Estate Manager.</p>	
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>FFB being sell to Pagoh POM, own mill and being monitored by Marketing Department.</p> <p>Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and mill). The weigh bridge operator will check the system before releasing the dispatch.</p>	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Both estates are operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>The company has established the Standard Operation Manual (SOM) Sub-Section 5.2 Customer Focus, Appendix 5.2.4 – Procedure for Legal and Other Requirements prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.</p> <p>Sample of licenses or permit at Pengkalan Bukit Estate:</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> 1. MPOB sell and transport FFB license: 518941002000 valid from 01/03/2020 until 28/02/2021. 2. Lesen Melencong atau Mengabstrak Air Sungai [Seksyen 7] License no: 07/A/Muar/119; BAKAJ:334/300/05/03/07/6 valid till 31st December 2020 for 13m3/day. 3. Certificate of Fitness for Air Compressor PMT-JH/19 81742; MK PMT 1887 valid till 12/11/2020. 4. Permit Barang Kawalan Berjadual, Serial no: J001145; Ref: MR/PD/SK-0344@SKS 88 – Diesel (Euro 2M) 8,000 liter validity 26/07/2020 until 25/07/2021. <p>Sample of licenses or permit at Pagoh Estate:</p> <ol style="list-style-type: none"> 1. MPOB sell and transport FFB license: 508589902000 valid from 24/08/2020 until 30/04/2021. 2. MPOB generate, sell, transport and store FFB license: 597369011000 valid from 01/05/2020 until 30/04/2021. 3. Certificate of Fitness for Air Compressor PMT-JH/20 100686; MK PMT 722 valid till 12/04/2021. 4. Permit Barang Kawalan Berjadual, Serial no: J001098; Ref: MR/PD/SK-1079@SKS 199 – Diesel (Euro 2M) 18,000 liter validity 18/06/2020 until 17/06/2021. 5. Lesen Melencong atau Mengabstrak Air Sungai [Seksyen 7] License no: 06/A/Muar/011; BAKAJ:334/300/05/03/06/1 valid till 31st December 2020 for 100m3/day. 	

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Criterion / Indicator		Assessment Findings	Compliance
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>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated was done on 9/6/2020 for Prevention and Control of Infectious Diseases Amendment 2020.</p>	Complied
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 under SOU1. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The was no evidence to show that Oil Palm cultivation activities of both the estates had diminished the land use rights of others. The management had documents to show legal ownership of its land.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Documents showing legal ownership or lease, history of land tenure and the actual legal use (agriculture) of the land were made available at all visited sites. Sample of land title based on the latest quit rent for 2020 are: <u>Pengkalan Bukit Estate</u> i) Grant# GRN 00486793, Lot #00006356, area: 553.5ha, District: Muar, Mukim: Jorak, legal ownership: freehold, land use type: no category	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		ii) Grant# GRN 00002015, Lot #00000032, area: 2.6962ha, District: Muar, Mukim:Jorak, legal ownership: freehold, land use type: agriculture <u>Pagoh Estate</u> i) Grant#89107, Lot #28, area: 407.5184ha, District: Muar, Mukim:Jorak, legal ownership: lease hold for 99 years until 22/5/2100. Land use type: agriculture ii) Grant#89110, Lot #65, area: 37.2563ha, District: Muar, Mukim Jorak, legal ownership: lease hold for 99 years until 12/6/2100. Land use type: agriculture	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Both estate maps clearly showing the estates boundary. The demarcation at Pengkalan Bukit and Pagoh Estate was by using concrete pegging and boundary trenching. During field visit, a few physical boundary stones being checked and verify it with company's GPS coordinate and our own GPS coordinate. The coordinate checked by are matched to the data that prepared by Estate.	Complied
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 -	At time of visit, there was no evidence to show of any land disputes in SOU19 estates.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
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 -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	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 impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The estates visited has conducted Social Impact Assessment (SIA) conducted in May 2015. The assessment conducted was include the feedbacks from the stakeholder engagement meeting Besides providing socio-economic baseline data ,the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of the respective estates and mill(in SOU19) action plans for handling the identified issues were also presented in the report. <u>Pengkalan Bukit Estate</u>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>The estate has conducted Social Impact Assessment (SIA) on Replanting Activity dated 20/7/2020. The estate has established Social Management Plan for the Replanting Activity with objectives to:</p> <p>1. Harvester requested to consider offering additional works to mitigate the impact of low yield at newly matured field</p>	
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>Sime Darby has established Estate Quality Management System, Level 2, Standard Operation Manual Sub - Section 5.5 Management Responsibility Appendix 5.5.3.2 Procedure for External communication, version 1 Year 2008, Issue No 1 dated 1st Nov 2008.</p> <p>The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.</p> <p>The mechanism is to enable effective and timely communication with employees and external interested parties.</p>	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>- Major compliance -</p>	<p>Consultation and communication were conducted through written reports and meetings.</p> <p><u>Pengkalan Bukit Estate</u></p> <p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook. No complaints or grievances were recorded from external stakeholders recorded.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Government Agencies such as DOSH recorded their visit reports in the logbook. Sighted the latest visit report dated 15/5/2019.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair Logbook with latest report dated 13/10/2020. All complaints have been satisfactorily addressed by the estate on timely manners.</p> <p><u>Pagoh Estate</u></p> <p>Sighted the Housing Repair Logbook with latest report dated 9/10/2020. All complaints have been satisfactorily addressed by the estate.</p> <p>Sighted the minutes meeting with NUPW representative dated 1/10/2020 and Stakeholders Meeting dated 16/7/2020.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>Both Estate has established communication book/form for internal and external complaint. The communication log book/forms is available at Estate office.</p> <p>In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail.</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>Interview with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	Record review found that previous complaints and requests for the past 24 months were still available.	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 -	Among contribution made to the local communities as follows: 1. Donation to PIBG S.K Paya Panjang as per Payment Voucher no. PV010/08/2019 dated 9/8/2019 2. MaulidurRasul Celebration in Collaboration with Kg. Paya Panjang dated 6/3/2020	Complied
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 -	Sighted the Group Upstream Malaysia Health, Safety & Environment (HSE) Policy Statement, established on 1 st June 2020 which was approved by En Roslin Azmy Hassan, Chief Executive Officer, Upstream Malaysia. Sime Darby Plantation Sdn Bhd has developed Occupational Safety and Health Manual dated 20th August 2008 by Plantation Sustainability and Quality Management Department. Environment and Safety Health Plan for 2020 is available. The policy being displayed prominently on notice boards in English and local language Bahasa Malaysia.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <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 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). 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. 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>Sighted the Group Upstream Malaysia Health, Safety & Environment (HSE) Policy Statement, established on 1st June 2020 which was approved by En Roslin Azmy Hassan, Chief Executive Officer, Upstream Malaysia.</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).</p> <p>HIRARC sighted for the followings work operation: -</p> <ol style="list-style-type: none"> 1. Office 2. Security 3. Weeding 4. Pest and Diseases 5. Boundary Management 6. Census 7. Road, Bridges and culverts 8. Drainage 9. Pruning and Sanitation 10. Manuring 	<p>Major NC</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>11. General work 12. Supervision 13. Replanting 14. Emergency, Preparedness and Response 15. Waste 16. Harvesting 17. Collection 18. Workshop 19. Store 20. Nursery 21. Breaktime 22. Transporting workers 23. Weighbridge 24. Clinic 25. Trunk Injection 26. Water Treatment</p> <p>The last reviewed was 29/04/2020 at Pengkalan Bukit Estate on Covid-19 Monitoring and 26/06/2020 at Pagoh Estate on Road, Bridges and Culverts.</p>	

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Criterion / Indicator	Assessment Findings	Compliance																								
	<p>Both estates has a comprehensive annual training plan for the staffs and workers and this was sighted in the training records file. The training programme has been determined and programmed by SQM.</p> <p>Sample Training Matrix FY 2020 at Pengkalan Bukit Estate as listed herein:</p> <table border="1" data-bbox="1050 639 1868 940"> <thead> <tr> <th>No</th> <th>Topic</th> <th>Month Programme</th> <th>Status Done</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Briefing tentang Jentera MB</td> <td>October</td> <td>06/10/2020</td> </tr> <tr> <td>2</td> <td>Circle Racking</td> <td>September</td> <td>01/09/2020</td> </tr> <tr> <td>3</td> <td>Inter Pump Training</td> <td>August</td> <td>28/08/2020</td> </tr> <tr> <td>4</td> <td>First Aid Training</td> <td>July</td> <td>14/07/2020</td> </tr> <tr> <td>5</td> <td>Penyelenggaraan Pump Racun Kelas-kelas Racun dan Safety Data Sheet</td> <td>February</td> <td>14/02/2020</td> </tr> </tbody> </table> <p>Samples training conducted at Pengkalan Bukit Estate was 1st Aid Training was sighted on 14th July 2020. 10 participants attended the training conducted by Estate Medical Assistant.</p> <p>Estate has provided appropriate PPE for all workers in their operations. Sighted, PPE Issuance and replacement record for: -</p> <ol style="list-style-type: none"> a. Staff/AP b. Harvesters c. Field Workers d. General Workers 	No	Topic	Month Programme	Status Done	1	Briefing tentang Jentera MB	October	06/10/2020	2	Circle Racking	September	01/09/2020	3	Inter Pump Training	August	28/08/2020	4	First Aid Training	July	14/07/2020	5	Penyelenggaraan Pump Racun Kelas-kelas Racun dan Safety Data Sheet	February	14/02/2020	
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Criterion / Indicator	Assessment Findings	Compliance
	<p>During field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.</p> <p>Evidence, PPE briefing to mandores was conducted on 15th February 2020 at Pengkalan Bukit Estate.</p> <p>All workers involved in the operations have been adequately trained in safe working practice.</p> <p>Sighted, CHRA report dated 4th June 2020 at Pengkalan Bukit Estate and Pagoh Estate reported by Nor Khairunnisa Liyana Binti Ahmad (HQ/15/ASS/00/363).</p> <p>A total of 5 workers at Pengkalan Bukit Estate have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray.</p> <p>The workers are from the categories of sprayers, manurers, water treatment plant and storekeeper.</p> <p>Medical Surveillance have been conducted on 23rd & 24th July 2020 from Pengkalan Bukit Estate. The assessment was conducted by Clinic TTMC Ayer Keroh. All of them are fit for work.</p> <p><u>Pagoh Estate</u></p> <p>Based on the revised CHRA Report, dated 04th June 2020 by Assessor Dosh Reg: HQ/15/ASS/00/63, continue to carry out medical surveillance programme by a registered OHD due to the employees exposed or likely exposed to chemicals hazardous to health and the chemical used are concluded as having significant risk for work units: a) Premix (All Chemicals), d) Line Site Fogging (Malathion & Sumithion), e) Workshop (Manganese) – Welder.</p>	

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	<p>The medical surveillance programme should be conducted at intervals if not more than twelve months or at such shorter intervals as determined by the OHD.</p> <p>It was identified that there were 10 workers (Welders, Line-site Fogging & Pre-Mixers) that should be sent for medical surveillance at intervals of not more than 12 months. Medical Surveillance was conducted for these workers on 8th October 2020, 20 months after the previous medical surveillance (21st January 2019). The results have yet to be obtained by the operating unit.</p> <p><u>Pengkalan Bukit Estate</u></p> <p>The first aid box was sampled for the Spraying Gang, Water Treatment Plant Attendant/Nursery Mandore and Chemical Store.</p> <p>The First Aid boxes were found to be as below:</p> <ol style="list-style-type: none"> 1. The First Aid items in the First Aid Box were insufficient. There were less items in the box compared to the First Aid Items list that was in the box. 2. The First Aid items in the box were not labelled. (Acviflavine Lotion, Analgesic Cream) 3. The First Aid items in the box had no expiry date. (Acviflavine Lotion, Analgesic Cream) 4. Issues and Replenishment were not recorded in the first aid kit. <p>The sampled first aid box holders (Spraying Mandore& Nursery Mandore) were not trained on the procedure to use the first aid box.</p>	

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	<p>Sighted the First Aid Training dated 14.07.2020 did not include the sampled first aid kit holders. Interview with the mentioned workers indicated that they were not aware on how to use the First Aid Kit items.</p> <p>OSH Committee Chart 2020 sighted. Seen, letter of appointment for committee members in the file.</p> <p>OSH Chairman is En Senin Bin Sumirin, Pengkalan Manager appointed on 1stFebruary 2016 signed by Mr Rajkumar V Ramasamy, General manager – Plantation Upstream (Malacca Zone).</p> <p>Pagoh Estate Manager, EnRosli Bin Mohamad was appointed the OSH Chairman on 11thJune 2019 signed by Mr. Harry Thomas Brock, Regional Chief Executive Officer, Central West.</p> <p>The committee meeting has been conducted at quarterly interval for both Estates as per Regulations. As seen at Pengkalan Bukit Estate meeting conducted on 11th September 2020, 26th June 2020 &6th March 2020.</p> <p>Sighted latest meetings conducted on 11th September 2020 and attended by 28 people. The meeting discussed all issues regarding worker’s safety and health, Work place inspection, accident/incident update & review, legal compliance, review of HIRARC and OSH training program.</p> <p>Sighted the Emergency Response Team Chart and Procedure for the Estate. Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>Seen, Fire extinguisher placement at both estate infrastructure areas. All fire Extinguisher being placed have permits are still valid.</p> <p>Evidence taken from Pengkalan Bukit Estate - Chemical store valid until 06/10/2021.</p> <p>Seen during site verification, First Aid kit equipped with approved contents are available at each worksite. The First Aid kit carried by the mandora.</p> <p>Records of all accidents are available and discussed quarterly during OSH Meeting. Accident is handled according to the national OSH department (JKKP) includes reporting any accident case, investigation and calculation of LTA.</p> <p>Seen in the accident record (to-date):</p> <ol style="list-style-type: none"> 1. 1 accident occurred at Pengkalan Bukit Estate. 2. 1 accident occurred at Pagoh Estate. <p>Both estates has submitted JKKP 8 (I & II)/(IV) on annually basis to the DOSH.</p> <p>LTA calculation based on local interpretation from DOSH. JKKP 8 was submitted on 26th June 2020 by Pengkalan Bukit Estate and 31st January 2020 by Pagoh Estate.</p>	
<p>Criterion 4.4.5: Employment conditions</p>		

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 human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2. Communication to employees was done through briefing during morning muster call, formal training and displayed at the notice board.</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" mention 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>Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2020 and collective agreement. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.</p> <p>Sampled workers contract and pay slips verified as follows</p> <table border="1" data-bbox="1048 1187 1877 1252"> <tr> <td></td> <td>Pengakalan Bukit Estate</td> <td>Pagoh Estate</td> </tr> </table>		Pengakalan Bukit Estate	Pagoh Estate	Complied
	Pengakalan Bukit Estate	Pagoh Estate				

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Criterion / Indicator		Assessment Findings			Compliance
		Employment No.	11775 55666 101220 123616 102028	11589 99691 115277 140860 149789	
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>Contractor for the estate were mainly for works such as FFB evacuation and transportation and replanting works. Noted that all the contract workers were provided with appropriate employment contract. A copy of employment contract and pay slips were submitted to the estates visited for monitoring purpose.</p> <p><u>Pengkalan Bukit Estate</u></p> <p>Sighted and review the employment contract and pay slips for replanting contractor, Hayati Enterprise Sdn. Bhd. as per employment no as follows:</p> <ol style="list-style-type: none"> 1. HESB/12901/019 2. HESB/12901/020 <p>Noted there was no evidence of SOCSO contribution made from the employer to workers with employment no. HESB/12901/019.</p>			Minor NC
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>The estate has established the workers master list which contain information such as Checkroll type, designation, race, religion, nationality, sex, name, date of birth, date joined, work permit expiry date, passport expiry date, EPF no., Work permit no, SOCSO, IC/Permit no., Income tax no, Employment no.</p>			Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>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 is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>All the workers were provided with fair contracts which has been explained, understand, agreed and signed by bot employee and employer. In the contract stated the terms and conditions such as:</p> <ol style="list-style-type: none"> 1. Transfer/secondment 2. Salary 3. Working hours 4. Medical 5. Accommodation 6. Compliance 7. SOCSO/Employment Injury Scheme 8. Income tax 9. Rest Day 10. Public Holiday 11. Sick leave 12. Annual leave 13. Maternity leave 14. Retirement age 15. Transportation 16. Equipment tools 17. Termination of service 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance																		
		18. Safety and health 19. Other terms and conditions 20. Variation of term and conditions Sampled workers contract and pay slips verified as follows: <table border="1" data-bbox="1048 639 1872 871"> <thead> <tr> <th></th> <th>Pengkalan Bukit Estate</th> <th>Pagoh Estate</th> </tr> </thead> <tbody> <tr> <td>Employment No.</td> <td>0000011775</td> <td>11589</td> </tr> <tr> <td></td> <td>0000055666</td> <td>99691</td> </tr> <tr> <td></td> <td>0000101220</td> <td>115277</td> </tr> <tr> <td></td> <td>0000123616</td> <td>140860</td> </tr> <tr> <td></td> <td>0000102028</td> <td>149789</td> </tr> </tbody> </table>		Pengkalan Bukit Estate	Pagoh Estate	Employment No.	0000011775	11589		0000055666	99691		0000101220	115277		0000123616	140860		0000102028	149789	
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4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	All the daily attendance and overtime work were recorded in Estate Daily Attendance Report. Sighted the report for the month of March, April and May 2020 for the workers as follows: <table border="1" data-bbox="1048 1002 1872 1246"> <thead> <tr> <th></th> <th>Pengkalan Bukit Estate</th> <th>Pagoh Estate</th> </tr> </thead> <tbody> <tr> <td>Employment No.</td> <td>0000011775</td> <td>11589</td> </tr> <tr> <td></td> <td>0000055666</td> <td>99691</td> </tr> <tr> <td></td> <td>0000101220</td> <td>115277</td> </tr> <tr> <td></td> <td>0000123616</td> <td>140860</td> </tr> <tr> <td></td> <td>0000102028</td> <td>149789</td> </tr> </tbody> </table>		Pengkalan Bukit Estate	Pagoh Estate	Employment No.	0000011775	11589		0000055666	99691		0000101220	115277		0000123616	140860		0000102028	149789	Complied
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4.4.5.8	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	All the daily attendance and overtime work were recorded in Estate Daily Attendance Report. Sighted the report for the month of March, April and May 2020.	Complied																		

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	and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -																				
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 -	<p>Wages and overtime were paid according to the Estate Daily Attendance Report. Total hours of overtime and daily attendance has recorded in the Estate Daily Attendance Sighted the report for the month of March, April and May 2020 for the workers as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Pengkalan Bukit Estate</th> <th>Pagoh Estate</th> </tr> </thead> <tbody> <tr> <td>Employment No.</td> <td>0000011775</td> <td>11589</td> </tr> <tr> <td></td> <td>0000055666</td> <td>99691</td> </tr> <tr> <td></td> <td>0000101220</td> <td>115277</td> </tr> <tr> <td></td> <td>0000123616</td> <td>140860</td> </tr> <tr> <td></td> <td>0000102028</td> <td>149789</td> </tr> </tbody> </table> <p>All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2020 i.e. RM1200/month or RM46.15/day. Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.</p>		Pengkalan Bukit Estate	Pagoh Estate	Employment No.	0000011775	11589		0000055666	99691		0000101220	115277		0000123616	140860		0000102028	149789	Complied
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4.4.5.10	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. - Minor compliance -	The management has contributed 10 kg of rice once every 2 months for all their workers. Apart from that, all the workers are provided with free medical facilities. In additional, all the workers are entitled with the phone allowance of RM5 for every month. Free housing facilities were provided to all the workers and their families.	Complied																		

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<p>4.4.5.11 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 mill management has provided free housing facilities to all their workers. Basic amenities such as water, electricity, football field and etc. were provided to the workers. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interview with the workers confirmed that they did not have any complain or grievance related to housing to be reported.</p>	<p>Complied</p>
<p>4.4.5.12 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" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.</p>	<p>Complied</p>
<p>4.4.5.13 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>- Major compliance -</p>	<p>SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention 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. The mill management allowed their workers to form or join any association such as NUPW. Document reviewed on their payslip found that they are deducted for the UNION subscription fees of RM 8 monthly.</p> <p>UNION meeting was conducted on 8/6/2020 with the members and management representatives to discuss issues related to workers. The minutes of meeting were available for verification and found properly documented. Interview with the workers confirmed that they are allowed to join any trade union freely.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.14	<p>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 exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mention 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.</p>	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Sime Darby has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1st Nov 2008. Under clause 6.2.2 stated the Competency, Awareness and Training procedures.</p> <p>The process of training includes: -</p> <ul style="list-style-type: none"> a. Determining competency requirements of each function. b. Identify training needs and provide appropriate trainings. c. Evaluating the effectiveness of training at defined intervals. d. Maintaining appropriate records of employees' training, skills and experience 	Complied

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Criterion / Indicator		Assessment Findings	Compliance																																				
		<p>Both Estates has a comprehensive annual training plan for the Staff and Workers and this was sighted in the training records file. The training programme has been determined and programmed by SQM.</p> <p>Sample Training Matrix FY2020 at Pengkalan Bukit Estate as listed herein:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Topic</th> <th>Month Programme</th> <th>Status Done</th> </tr> </thead> <tbody> <tr> <td colspan="4">Occupational Safety & Health</td> </tr> <tr> <td>1</td> <td>Briefing tentang Jentera MB</td> <td>October</td> <td>05/10/2020</td> </tr> <tr> <td>2</td> <td>Front Stacking</td> <td>August</td> <td>08/08/2020</td> </tr> <tr> <td>3</td> <td>First Aid Training</td> <td>July</td> <td>14/07/2020</td> </tr> <tr> <td colspan="4">Environment</td> </tr> <tr> <td>1</td> <td>Circle Racking</td> <td>September</td> <td>01/09/2020</td> </tr> <tr> <td>2</td> <td>Inter Pump Training</td> <td>August</td> <td>28/08/2020</td> </tr> <tr> <td>3</td> <td>Spraying technique, Chemical Handling & PPE</td> <td>August</td> <td>13/08/2020</td> </tr> </tbody> </table> <p>Evidence training on Fire Drill and Fire Safety at Pengkalan Bukit Estate dated 26th August 2020 attended by 32 participants conducted by BOMBA Pagoh.</p>	No	Topic	Month Programme	Status Done	Occupational Safety & Health				1	Briefing tentang Jentera MB	October	05/10/2020	2	Front Stacking	August	08/08/2020	3	First Aid Training	July	14/07/2020	Environment				1	Circle Racking	September	01/09/2020	2	Inter Pump Training	August	28/08/2020	3	Spraying technique, Chemical Handling & PPE	August	13/08/2020	
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4.4.6.2	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	Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.	Complied																																				

Criterion / Indicator		Assessment Findings	Compliance
	competency required to all employees based on their job description. - Major compliance -	Sighted the Training Need Analysis of all workers which are based on their competencies and job description.	
4.4.6.3	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. - Minor compliance -	This is in compliance with 4.4.6.1. Training program are planned on annual basis and subject for a review during the financial year. The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the estate along with the MSPO certification standards.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	The Company has established the Group Upstream Malaysia Health, Safety & Environment (HSE) Policy Statement, established on 1 st June 2020 which was approved by En Roslin Azmy Hassan, Chief Executive Officer, Upstream Malaysia. The policy stated commitment to comply to emission & effluent standards, efficient use of water & energy, reduce GHG footprint, minimize waste and protect ecosystem.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		The communication to the internal and external stakeholders being relay through town hall session, training and morning muster.	
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 Company has established the Standard Operation Manual (SOM) Sub-Section 5.4 Planning, Appendix 5.4.1b – Environmental Aspect/Impacts Evaluation Procedure prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.</p> <p>The Company has also established the Environmental Aspect and Impact Identification & Environmental Impact Evaluation Form.</p> <p>The EIE for Pengkalan Bukit Estate was revised by En Shahir Mohamed Salleh and approved by the Pengkalan Bukit Estate Manager on 20.01.2020. There is no change on the existing identified environmental aspects.</p> <p>In Pagoh Estate, the Environmental Aspect and Impact Identification & Environmental Impact Evaluation Form revised by En Mohd Azmil Samsudin and approved by the Pagoh Estate Manager on 12.06.2020. There is no change on the existing identified environmental aspects.</p> <p>EIE is being reviewed on annual basis.</p> <p>The environmental impact assessment has covered 12 keys activities of the estates such as:</p> <ol style="list-style-type: none"> 1. Compound, 2. Main Entrance 3. Field- weeding and spraying, 	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>4. Field – FFB transportation, 5. Road, 6. Diesoline, 7. Dispensary, 8. Harvesting & collection. 9. Petrol 10. Manuring 11. Store 12. Schedule Waste</p> <p>The environmental consequences for each activity are classified into 9 impact categories such as:</p> <p>1. ozone layer depletion, 2. global warming, 3. air pollution, 4. water pollution, 5. land contamination, 6. unpleasant working environment, 7. depletion of natural resources,</p>	

Criterion / Indicator		Assessment Findings				Compliance																				
		8. community impact 9. Business impact. Sample taken on the following activities at Pengkalan Bukit Estate: Environmental Aspect and Impact Identification <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Activity</th> <th>Environmental Aspects</th> <th>Environmental Impact</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">FFB transport to mill</td> <td>Leaking or spillage of oil</td> <td>Water pollution Land Contamination</td> </tr> <tr> <td>Smoke from vehicle</td> <td>Global waring Air pollution</td> </tr> <tr> <td>2</td> <td>Loading Loose fruit</td> <td>Loose fruit fall to river / stream</td> <td>Water pollution</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Manuring manual application</td> <td>Fertilizer spilled on the ground</td> <td>Water pollution Land Contamination</td> </tr> <tr> <td>Fertilizer washed off during raining</td> <td>Water pollution Land Contamination</td> </tr> </tbody> </table>				No	Activity	Environmental Aspects	Environmental Impact	1	FFB transport to mill	Leaking or spillage of oil	Water pollution Land Contamination	Smoke from vehicle	Global waring Air pollution	2	Loading Loose fruit	Loose fruit fall to river / stream	Water pollution	3	Manuring manual application	Fertilizer spilled on the ground	Water pollution Land Contamination	Fertilizer washed off during raining	Water pollution Land Contamination	
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4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	The Environmental Management Plan year 2020 were sighted.				Complied																				

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Criterion / Indicator		Assessment Findings					Compliance																				
		Pengkalan Bukit Estate identified the following activities and areas for improvement plan: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Objective</th> <th>Category</th> <th>Action</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>To identify and mitigate the potential impact of operation to the environment</td> <td>Administration</td> <td>To review EAI/EIE for any changes in operation</td> <td>Annually</td> </tr> <tr> <td>2</td> <td>Proper disposal of waste in accordance to SOP and legal requirements</td> <td>Domestic Waste</td> <td>To segregate recyclable materials before dispose at landfill</td> <td>As and when needed</td> </tr> <tr> <td>3</td> <td>Towards waste utilization (where possible)</td> <td>Recycleable waste</td> <td>To store container in locked store for reuse/refill with premixed pesticides</td> <td>As and when necessary</td> </tr> </tbody> </table>					No	Objective	Category	Action	Frequency	1	To identify and mitigate the potential impact of operation to the environment	Administration	To review EAI/EIE for any changes in operation	Annually	2	Proper disposal of waste in accordance to SOP and legal requirements	Domestic Waste	To segregate recyclable materials before dispose at landfill	As and when needed	3	Towards waste utilization (where possible)	Recycleable waste	To store container in locked store for reuse/refill with premixed pesticides	As and when necessary	
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4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Evidence, the positive impact has been included into the continual improvement plan under Environmental Management Plan and Kaizen Charter.					Complied																				

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Criterion / Indicator		Assessment Findings	Compliance
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 -	Both the estates have a comprehensive annual training matrix for its staffs and workers. The Environmental training for 2020 are Scheduled Waste Management and High Conservation Value (HCV). <u>Pengkalan Bukit Estate & Pagoh Estate</u> Sighted evidence of spillage at the lubricant store entrance and oil residues surrounding the oil traps during handling.	Minor NC
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	OSH Meeting & Awareness ESH Legal & Other Requirement was conducted at Pengkalan Bukit Estate dated 11 th September 2020 attended by 28 personnel. The meeting being chaired by En Senin Sumirin, Pengkalan Bukit Estate Manager. OSH Meeting (covering ESH) was conducted at Pagoh Estate dated 8 th October 2020 attended by 24 personnel. The meeting being chaired by En Rosli Bin Mohamad, Pagoh Estate Manager. In addition, dialogue/ safety meeting/briefing during muster are forums used by the management in disseminating issues relating to environment.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	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	Monthly record on monitoring the usage of Diesel and Electricity consumption of the estates were kept and documented. It is monitored to optimize use of renewable energy and the consumption is monitor on a monthly basis.	Complied

Criterion / Indicator		Assessment Findings	Compliance																			
	operations over the base period. - Major compliance -	<p>Sample taken on diesel consumption as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Estate</th> <th>To-date Diesel</th> <th>To-date FFB</th> <th>Fuel Efficiency</th> <th>Baseline value (2-yr average)</th> </tr> <tr> <th>Liter</th> <th>Mt</th> <th colspan="2">Liter/Mt FFB</th> </tr> </thead> <tbody> <tr> <td>Pengkalan Bukit</td> <td>51,835.31</td> <td>40,460.84</td> <td>1.35</td> <td>1.55</td> </tr> <tr> <td>Pagoh</td> <td>59,189</td> <td>27,358.11</td> <td>2.17</td> <td>2.68</td> </tr> </tbody> </table>	Estate	To-date Diesel	To-date FFB	Fuel Efficiency	Baseline value (2-yr average)	Liter	Mt	Liter/Mt FFB		Pengkalan Bukit	51,835.31	40,460.84	1.35	1.55	Pagoh	59,189	27,358.11	2.17	2.68	
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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 use by contractors, including 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 -	At the moment, there is no renewable energy been practiced at all estates.	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 Environmental Management Plan.</p> <p>The compilation for Financial Year 2020 was made at SOU level.</p> <p>Details of waste generated from the estates among others are shown below:</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Items</th> <th>Location</th> </tr> </thead> <tbody> </tbody> </table>	Type of waste	Items	Location	Complied																
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Criterion / Indicator		Assessment Findings			Compliance									
		Domestic waste rubbish	Rubbish	Line sites, office, workshop, store,										
		Industrial waste	Scrap Metal, Fertilizer bag	Empty bags store										
		SW410	Rags, plastics, papers or filters contaminated with scheduled wastes	Workshop										
		SW 305	Spent Lubricant Oil											
		SW 306	Spent Hydraulic Oil											
		SW 404	Clinical Waste	Clinic										
		SW409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.	Scheduled Waste Store										
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>All Estates have drawn-up their Environmental Management Plan for FY 2020.</p> <p>Listed below the the action plan of Pengkalan Bukit Estate:</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Line sites, office, workshop, store,</td> <td>1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill</td> </tr> <tr> <td>Industrial waste</td> <td>Empty bags store</td> <td>1. Collect and record amount of scrapiron and empty bag. 2. Store at designated area.</td> </tr> </tbody> </table>			Type of waste	Location	Action Plan	Domestic waste rubbish	Line sites, office, workshop, store,	1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill	Industrial waste	Empty bags store	1. Collect and record amount of scrapiron and empty bag. 2. Store at designated area.	Complied
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Criterion / Indicator		Assessment Findings			Compliance
				3. Reuse for loose fruit collection the bags 4. Sell to appointed contractor	
		SW410	Workshop	1. Collect and record amount of relevant scheduled waste in the Eswiss. 2. Store all the scheduled waste in the Scheduled Waste store. 3. Disposed through licensed contractor.	
		SW 305		1. Collect by SDI upon completion of any maintenance	
		SW 306			
		SW 404	Clinic	1. Collect and record amount of relevant clinical waste in the E-swiss. 2. Store the waste in sharp bin in clinic 3. Disposed through Kualiti Alam 4. Monitoring by Medical Assistant	
		SW409	Scheduled Waste Store	1. Store all the scheduled waste in the Scheduled Waste store. 2. Collect and record amount of empty container 3. Empty chemical containers collect by SS Setia Teknologi Enterprise.	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.3 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 Company has established the Standard Operation Manual (SOM) Chapter 9 on Chemical Safety Management issue No. 1, prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 20.08.2008.</p> <p>The SOM covers the following;</p> <ol style="list-style-type: none"> 1) Procedures for receiving 2) Procedures for handling 3) Procedures for storage 4) Procedures for disposal 5) etc <p>Seen, List of Chemical Hazardous to Health of Pengkalan Bukit Estate registered 22 chemical. The data prepared by the Store Clerk and reviewed by Sr Assistant on 05/02/2020.</p> <p>List of Chemical Hazardous to Health of Pagoh Estate registered 36 chemical. The data prepared by the Store Clerk and reviewed by Manager on 01/06/2020.</p>	<p>Complied</p>
<p>4.5.3.4 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>During site visit it has been sighted that the chemical containers are punctured and disposed in an environmentally and socially responsible way to prevent contamination of water source or to human health.</p> <p>Evidence, the empty pesticide containers at Pagoh Estate are disposed to SS on at 17th October 2020 as follows: -</p> <ol style="list-style-type: none"> 1. Guni – 660 kg 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	2. Chemical container – 15 pcs 3. Ally Bottle – 25 kg	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	The Pengkalan Bukit Estate landfill is identified at Block P99A and Pagoh Estate landfill is identified at field 09 which is away from the housing complex. Collection is 2 to 3x/week. Monitoring is made by an Executive & staff.	Complied
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 -	The assessment of polluting activities is identified and documented in the Environmental Aspect and Impact Assessment and Management Plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the Environmental Management Plan. Data on the level of Greenhouse gases (GHG) emissions are monitored and compiled on yearly basis through the GHG calculation methodology accepted for RSPO and ISCC GHG calculations and certifications which are analysed. As evidence, sighted the GHG Calculation for Estate and Mill under SOU 19 for year 2020 using GHG Emissions Calculation Methods, RSPO PalmGHG Calculator, V.3.0.1.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental	Complied

Criterion / Indicator		Assessment Findings	Compliance															
		<p>Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP).</p> <p>As evidence in Pengkalan Bukit Estate, Environmental Management Plan being established and documented with mitigation measures are identified to prevent or minimize pollution. The EMP last reviewed and updated on 18th July 2020.</p>																
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.). 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>The Water Management Plan for all the estates has been established and documented.</p> <p>The Water Management Plan for the Estate as follows:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Objective</th> <th>Category</th> <th>Action</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Protection of watercourse and wetland</td> <td>-</td> <td>To monitor the water quality by sending water sampling for analysis by R&D</td> <td>Quarterly</td> </tr> <tr> <td>2</td> <td>Water consumption & contingency plan during water shortage, dry</td> <td>Water consumption</td> <td>To purchase water from vendor/sister estates/SAJ</td> <td>If necessary</td> </tr> </tbody> </table>	No	Objective	Category	Action	Frequency	1	Protection of watercourse and wetland	-	To monitor the water quality by sending water sampling for analysis by R&D	Quarterly	2	Water consumption & contingency plan during water shortage, dry	Water consumption	To purchase water from vendor/sister estates/SAJ	If necessary	Complied
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Criterion / Indicator		Assessment Findings					Compliance	
	e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. - Major compliance -		spell or severe water pollution					
		3	Monitoring of water usage	Daily consumption	To instill awareness to workers on water consumption	Monthly		
		4	Recycling water from pre-mix area	Wastewater	To collect wastewater in sump for re-use for pre-mixing	As and when necessary		
		Water Management plan for Pagoh Estate as stated herein:-						
		No	Objectives	Category	Types/L ocation	Actions	Frequency	
		1	To monitor the usage of treated water in monthly basis	Daily consumption	SAJ Tube well	Recording of water consumption	Monthly	
				Harvestin g rain water	Rain water	To monito r ground water table level	Annually	

Criterion / Indicator		Assessment Findings					Compliance												
		2	To reuse/recycle	Wastewater	Pre-mixing area	To collect wastewater in sump for re-use for pre-mixing	As and when necessary												
		<p>The Water Management Plan being prepared by the Assistant Manager and approved by respective Managers at both Estates.</p> <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).</p> <p>The buffer zones established are as following:</p> <table border="1"> <thead> <tr> <th>River width (meter)</th> <th>Buffer Zone (meter)</th> </tr> </thead> <tbody> <tr> <td>5-10</td> <td>50</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td><5</td> <td>5</td> </tr> </tbody> </table> <p>Sighted, water sample analysis at Pengkalan Bukit Estate covering raw water, after treatment and end-user water.</p>					River width (meter)	Buffer Zone (meter)	5-10	50	20-40	40	10-20	20	5-10	10	<5	5	
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		Latest analysis report was on 3rdAugust 2020 for test report no: IE554/2020. The results as follow: <table border="1" data-bbox="1048 576 1870 842"> <thead> <tr> <th></th> <th>Raw Water</th> <th>After Treatment</th> <th>End-User</th> <th>Parameter Domestic Use</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>6.8</td> <td>8.7</td> <td>8.3</td> <td>6.6 – 9.0</td> </tr> <tr> <td>TDS</td> <td>92</td> <td>156</td> <td>100</td> <td>1000</td> </tr> <tr> <td>Turbi</td> <td>19.4</td> <td>2.2</td> <td>0.3</td> <td>5</td> </tr> <tr> <td>Chloride</td> <td>22</td> <td>25</td> <td>24</td> <td>250</td> </tr> <tr> <td>Al</td> <td>5.261</td> <td>5.770</td> <td>5.768</td> <td>0.2</td> </tr> </tbody> </table>						Raw Water	After Treatment	End-User	Parameter Domestic Use	pH	6.8	8.7	8.3	6.6 – 9.0	TDS	92	156	100	1000	Turbi	19.4	2.2	0.3	5	Chloride	22	25	24	250	Al	5.261	5.770	5.768	0.2	
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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 -	During site verification, no evidence construction of bunds, weirs and dams across main rivers or waterways passing through an estate.					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 -	Road side pits were also available at every 3 palm rows, to divert in event of water overflowing and to benefit the nearest palm at the pit end to obtain additional moisture.					Complied																														
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																																					
4.5.6.1	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:	The high biodiversity is included in the HCV Re-assessment report dated August 2016.					Complied																														

Criterion / Indicator	Assessment Findings	Compliance
<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 (e.g. 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>Birds, mammals, reptiles, insect (least concern and vulnerable) and totally protected and protected wildlife were identified based on the latest HCV report.</p> <p>For example, vulnerable animal; bearded pig (mammals) under category totally protected.</p> <p>Water catchment covering 2.87 hectare being categorized as HCV 4 at Pengkalan Bukit Estate.</p> <p>In Pagoh Estate, HCV 4 is for water catchment covering 9.10 hectare.</p> <p>The established management plan has been incorporated the action plan for those identified animals (IUCN and WCA 2010) for proper monitoring.</p>	
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>There is no RTE recorded.</p> <p>Evidence during site verification, discourage illegal or hunting, fishing or collecting activities signboard were maintained and implemented.</p> <p>Sighted Monitoring of HCV & Conservation areas at Pengkalan Bukit Estate being conducted on monthly basis by En Mohd Azizi B Abd Rahim, Sr. Assistant.</p>	Complied
<p>4.5.6.3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The estate had developed the High Conservation Value Area Management Plan.</p>	Complied

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Criterion / Indicator		Assessment Findings					Compliance
		The plan for Pengkalan Bukit Estate as follows:					
		No	Objective	Category	Action	Frequency	
		1	To ensure the signage at site and retrievable on map	Slope/river Reserve area	Marking of slope on the map in the field.	As and When necessary	
			To update the monitoring record of terracing		Monitoring by photo of terracing in the field	As and When necessary	
		2	To promote awareness on HCV	Policy concerning Management and protection of the environment according to the applicable law.	Muster briefing to include HCV related	Quarterly	
		3	To identify how tasks relating to HCV/Biodiversity Are to be performed and competencies required		Competencies/ awareness training on how to manage HCV at Estates.	Annually	
		4	To manage human wildlife conflict		Warning signage prohibiting illegal activities	As and When necessary	
		5	To maintain / enhance the			As and When	

Criterion / Indicator		Assessment Findings				Compliance
			biodiversity in the Estate		such as fishing, hunting, cutting of protected flora	necessary
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 -	<p>The Group policy of Zero open burning is enforced since July 2008. The operating units adhered to the policy of Zero open burning for any replanting.</p> <p>From field visits and interviews with the workers there is no open burning being practiced in the estates.</p> <p>Zero burning technique was established by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation as stated in the Standard Operation Manual (SOM) Section 5– Planning, issue No. 1, dated 01.11.2008.</p> <p>During site visit, no evidence of open burning in estate area either in the plantation or in linesite area.</p>				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 -	<p>There is a replanting works carried out by the Pengkalan Bukit Estate and Pagoh Estate.</p> <p>No outbreak of pest and diseases reported in the estate. Thus, no special approval needed to carry out the open burning.</p>				Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	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.	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 -	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.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Standard Operating procedures on best management practices for Sime Darby Plantation is available in Agricultural Reference Manual for Oil Palm Estates (Ver.1; date: 1 Jul 2008). The SOP includes: <ol style="list-style-type: none"> 1. Planting Material 2. Nursery Techniques 3. Replanting 4. Land Preparation 5. Planting Density 6. Maturity Age 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		7. Field Upkeep 8. Manuring 9. Canopy Management 10. Water Management in coastal/ peat plantings 11. Ablation 12. Ripeness standard 13. Harvesting interval 14. Loose fruit collection 15. Plant protection 16. Weed control 17. Leguminous cover crop establishment	
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>Sighted, Slope and River Protection Policy dated January 2015 signed by Managing Director, Datuk Franki Anthony Dass stated:</p> <p>a) Slopes >25 degree must be excluded from any new plantation development and replanting programme.</p> <p>b) Slopes <25 degree the existing crop and vegetation shall be maintained accordingly.</p> <p>Planting of forest trees for enrichment of the species is recommended.</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p>	<p>During site verification, seen all fields are marked and identified.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every fields.	
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 as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 5 year projection. (Budget year, PY2, PY3, PY4, PY5) This business plan is prepared as guidance for future planning. The budget contains palm year of planting, age categories, and FFB production. Component of operating expenditure includes: a) Administration, b) harvesting & collection, c) field upkeep, transportation, d) road and bridges, e) labour overhead, f) EVIT (running accounts for engines, vehicles, implements & tractors. Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building, vehicles	Complied

Criterion / Indicator		Assessment Findings	Compliance																		
		replacement, workers' amenities etc. the budget for 2020 for both the estates was sighted and verified.																			
4.6.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>Both estates established a replanting program spanned over a 5-year period till 2023/24. All programs were sighted.</p> <p>All replanting program and planning in all the Group Estates are monitored by the Replanting Unit. Assistance and audit are performed as and when required and necessary.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Pengkalan Bukit</td> <td>0</td> <td>0</td> <td>164.53</td> <td>134.58</td> <td>166.05</td> </tr> <tr> <td>Pagoh</td> <td>0</td> <td>0</td> <td>139.45</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Estate	2021	2022	2023	2024	2025	Pengkalan Bukit	0	0	164.53	134.58	166.05	Pagoh	0	0	139.45	0	0	Complied
Estate	2021	2022	2023	2024	2025																
Pengkalan Bukit	0	0	164.53	134.58	166.05																
Pagoh	0	0	139.45	0	0																
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p> <p>The estates had a format and guideline to calculate the returns on the field operations i.e. Income=sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). This format is sighted.</p>	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report.</p> <p>a) Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein.</p> <p>b) The management also provides variance report on the performance and reviewed on a monthly basis.</p> <p>c) The supervisory personnel maintained a daily cost for the field operations.</p> <p>The SOU meeting involving the Managers sits monthly with the Regional CEO for the performance review.</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The pricing mechanism was conducted as per contract agreement between the FFB Transporter and Replanting Contractor with Sime Darby Plantation Berhad. Stated in the agreement under section 8. Pricing of the FFB shown in the Third Schedule in the contract agreement. Sighted sampled contract/Letter of Award between FFB Supplier and Sime Darby Plantation Berhad as follows:</p> <ol style="list-style-type: none"> Letter of Award between Greenvision Trading and Services Sdn. Bhd. with Sime Darby. Refer letter no. FP/COR/101/933 dated 27/9/2020. Contract between Hayati Enterprise Sdn. Bhd. Sime Darby dated 1/1/2020. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Payment for FFB purchased has been stated in the contract agreement under section 9. Payment and set out in Section 5 of the First Schedule.</p> <p>Sighted the sampled payment made as per contract agreement as follows:</p> <p>Greenvision Trading Sdn. Bhd. for the month of September 2020. Payment voucher no. 1600041925 dated 8/10/2020.</p> <p>Hayati Trading Sdn. Bhd. for the month of August 2020. Payment voucher no. 1600036490 dated 8/9/2020.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors were made to understand the MSPO requirements and shall provide the required documentation and information through meetings and trainings. Records of attendance of the meetings were available for verification.</p> <p>All contracted parties/vendors were required to signed Vendor Integrity Pledge (VIP) and to comply with para</p> <ul style="list-style-type: none"> - a (i); Vendor Code of Business Conduct (VCOBC) - a (ii); all applicable laws and regulations related anti-bribery, fraud and corruption. <p>Sighted the sampled contracts as follows:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Letter of Award between Greenvision Trading and Services Sdn. Bhd. with Sime Darby. Refer letter no. FP/COR/101/933 dated 27/9/2020. 2. Contract between Hayati Enterprise Sdn. Bhd. Sime Darby dated 1/1/2020. 	
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	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.	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p>	<p>Sime Darby has issued Memorandum to all contractors dated 22/6/2020. In the memorandum stated the contractors have to comply as follows;</p> <ol style="list-style-type: none"> i. Comply with local legal requirements ii. Attend the RSPO/ISCC/MSPO/SCCS briefing or training organized by the company iii. Having signed and enforceable agreement with the company iv. Provide access to the auditors to contractors' operation site(s) and employees whenever deemed necessary v. Having related working permits vi. Ensure PPE utilization by contractors' employee while being in the company premise. <p>Additionally all contracted parties/vendors have signed the 'Agreement Letter to be Audit by MSPO/SCCS Auditor'.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Sighted the memorandum accepted and signed by <ol style="list-style-type: none"> 1. Greenvision Trading and Services Sdn. Bhd. dated 7/7/2020. 2. Gunalabur (M) Sdn. Bhd. dated 30/6/2020 3. Hayati Enterprise Sdn. Bhd. dated 17/7/2020 	
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 estates personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering and Mill Services Dept.	Complied
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 -	No development of new planting at the estates visited.	Complied
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	No development of new planting at the estates visited.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -		
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 -	No development of new planting at the estates visited.	Complied
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
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 -	No development of new planting at the estates visited.	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 -	No development of new planting at the estates visited.	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.	No development of new planting at the estates visited.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	No development of new planting at the estates visited.	Complied
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	No development of new planting at the estates visited.	Complied
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 -	No development of new planting at the estates visited.	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 -	No development of new planting at the estates visited.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	No development of new planting at the estates visited.	Complied
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	No development of new planting at the estates visited.	Complied
Criterion 4.7.6: Customary land			
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 -	No development of new planting at the estates visited.	Complied
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	No development of new planting at the estates visited.	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	No development of new planting at the estates visited.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	of payment or provision of agreed compensation shall be made available. - Major compliance -		
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 -	No development of new planting at the estates visited.	Complied
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	No development of new planting at the estates visited.	Complied
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	No development of new planting at the estates visited.	Complied
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	No development of new planting at the estates visited.	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.	No development of new planting at the estates visited.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	- Minor compliance -	

MS 2530-4:2013 Part 4: General Principles for Palm Oil Mills

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 -	Sime Darby Plantations Berhad has established Group Sustainability and Quality Policy Statement signed by the Group Managing Director dated 2/12/2019.	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 -	The Group Sustainability and Quality Policy was developed in line with Nations Sustainable Development Goals (UNSDG) 2030. In the policy statement stated the company commitment to: <ol style="list-style-type: none"> 1. Promoting good governance and transparency 2. Contributing to a better society 3. Minimising environmental harm 4. Delivering sustainability quality This policy being guided by the commitments spelt out in the Company's: - <ol style="list-style-type: none"> 1. Responsible Agriculture Charter (RAC) 2. Human Rights Charter (HRC) 3. Innovation and Productivity Charter (IPC) 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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 -	Sime Darby Plantations Berhad has established SOP for Internal Audit documented in Sime Darby Plantation, PSQM, Internal audit Procedure. Refer document no. SD/SDP/PSQM/IAP dated 1/11/2017. Based on the procedure, the internal audit is to be conducted annually as per Internal Audit Procedure.	Complied
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 -	Sime Darby Plantations Berhad has established SOP for Internal Audit documented in Sime Darby Plantation, PSQM, Internal audit Procedure. Refer document no. SD/SDP/PSQM/IAP dated 1/11/2017. Latest combine Internal Audit for RSPO/MSPO and MSPO SCCS was conducted on 25/6/2020. 1 Major Non-Conformance for SCCS, 2 Minor Non-Conformance and 6 Opportunity for Improvement were raised during the audit. All the Non-Conformance has been addressed and closed on 22/7/2020.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by Estate Management within the acceptable timeframe.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>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.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantations Berhad has established SOP for Management Review documented in Standard Operation Manual, Sub-Section 5.6, dated: 25/5/2015. Based on the SOP established, the frequency for management review needs to be carried out at least once a year.</p> <p>Latest management review was conducted on 9/7/2020. All pertinent agenda has been discussed for the effective implementation of MSPO.</p>	Complied
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 continual improvement plan includes environmental, occupational health and safety and operation improvement.</p> <p>Sighted the Continual Improvement Plan for Pagoh Oil Mill FY2020 which includes items such as:</p> <ol style="list-style-type: none"> 1. To sell decanter solid cake to potential buyer 375mt per month. 2. To sell sludge oil to potential buyer. 3. Reduce losses at mill raw effluent from 0.55% to 0.50% per FFB. 4. To reuse press worm screw. Reduce cost purchasing new material. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>5. Reduce chemical consumption by effectively treating boiler water.</p> <p>Among the plans stated in Kaizen Charter are:</p> <ol style="list-style-type: none"> 1. To increase revenue by selling 100mt of scrap iron by September 2019 at KKS Pagoh. 2. To increase revenue by selling 100mt of sludge oil by April 2019 at KKS Pagoh. 3. Reduce cost for grass cutting from RM8,900/month to RM5,750/month by August 2019. <p>The mill has also developed LSS Project Idea FY 2019.</p>	
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>The company has established training programme for mill staffs and workers on various topics that enhance continuous improvement of mill performance.</p> <p>Dissemination of new information and techniques to the mill employees are made through daily briefing, dialogues and training.</p>	Complied
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>Sime Darby has established Estate Quality Management System, Level 2, Standard Operation Manual Sub - Section 5.5 Management Responsibility Appendix 5.5.3.2 Procedure for External</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>communication, version 1 Year 2008, Issue No 1 dated 1st Nov 2008.</p> <p>The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.</p> <p>Requests from workers and management’s responses were recorded and maintained. Action may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were logged and registered in a log book. The record included types of complaints and the dates when they were made and attended to and remarks. Most records were mainly for request for repairs of the workers quarters. Correspondence with stakeholders such as DOSH and local communities were maintained.</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 website, http://www.simedarbyplantation.com/ have been a medium to disseminating public information ie; The Sustainability Report, Group Annual Report and Procedure for complaints and grievances.</p> <p>Information relating to land titles, safety and health plans, and pollution prevention plan is available at the Estate.</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.	Sime Darby has established Estate Quality Management System, Level 2, Standard Operation Manual Sub - Section 5.5 Management	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Responsibility Appendix 5.5.3.2 Procedure for External communication, version 1 Year 2008, Issue No 1 dated 1st Nov 2008.</p> <p>The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.</p> <p>The mechanism is to enable effective and timely communication with employees and external interested parties.</p>	
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>The mill visited has appointed personnel to be responsible for Social Issues (consultation and communication with the relevant stakeholders) as per appointment letter which state the responsible of the PIC as follows:</p> <ol style="list-style-type: none"> 1. Investigate any complaint or grievances on social issue and suggest appropriate disciplinary action 2. Keep and keep secret every records of complaint or grievances on social issue 3. Give advice and counselling to workers 4. Organize social activity/program <p>The mill has appointed the Assistant Engineer as Person Responsible for Social Issue as per appointment letter dated 15/1/2020 signed by the Mill Manager.</p>	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders	The estates visited has established the list of Stakeholders and documented in the List of Stakeholders FY 2020. The stakeholders	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>shall be properly maintained.</p> <p>- Major compliance -</p>	<p>were categorized as Contractors, Vendors/Suppliers, Local Community and Other Interested Parties (Government Agencies, School, Hospitals, Balai Polis and etc.)</p> <p>Consultation and communication were conducted through written reports and meetings.</p> <p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook or complaints form for stakeholders. Latest complaints from Stakeholders were made by Palm Kernel buyer regarding product non-conformity on 28/11/2019. The issue has been addressed by the mill on 9/3/2020.</p> <p>Government Agencies such as DOSH and DOE recorded their visit reports in the logbook. Sighted the latest visit report from DOSH dated 21/9/2020 and DOE dated 26/2/2019.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair form with latest report dated 17/9/2020. All complaints have been satisfactorily addressed by the estate.</p> <p>Sighted the minutes meeting for Stakeholders Meeting dated 16/7/2020. No issue were raised during the meeting.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<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>Standard Operating Procedures for Sustainable Supply Chain & Traceability Appendix 15, Version 2 2018 issuance Feb 2018 was established and to ensure effective implementation on sustainable supply chain and traceability of FFB.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The Standard Operating Procedures also specifies the identified CCPs of which the risk of mixing of certified and non-certified FFB is possible as well as the control of the flow and transportation of the FFB from the harvesting block to the weighbridge and subsequently to the POM.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The Sustainable Plantation Management System Appendix 15, Ver:2, issue: 5 dated April 2019 documented the procedure for traceability. The procedure requires validation of certificate of supplying estate. The procedure had identified critical control points to prevent contamination of non-certified FFB. The current traceability system is Sime Weigh System.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The mill visited has appointed personnel to be responsible for traceability as per appointment letter which state the responsible of the PIC as follows: 2. Assisting any Quality related internal/external certification (e.g.: Roundtable Sustainable Palm Oil (RSPO) / Malaysian Sustainable Palm Oil (MSPO) / Supply Chain Certification System (SCCS)) The mill has appointed the Assistant Engineer and Weighbridge Clerk as for traceability as per appointment letter dated 15/1/2020 and 7/1/2020 signed by the Mill Manager.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.3.4 Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>The mill maintains the records of CPO/PK storage and recorded in the Daily Production Details Report. Sighted the report dated 13/10/2020 and 14/10/2020.</p> <p>For CPO and PK dispatch, the mill maintains records in Oil Dispatch Summary form. Sighted the CPO and PK dispatch as follows:</p> <p>CPO</p> <p>Date: 30/9/2020</p> <p>Weighbridge Ticket no.: 012531</p> <p>Weight: 41.26 ton</p> <p>Buyer: SDO Trading Hedging</p> <p>Contract no.: S/PSD/2008/CPO0194</p> <p>PKO</p> <p>Date: 5/10/2020</p> <p>Weighbridge Ticket no.: 012549</p> <p>Weight: 41.06 ton</p> <p>Buyer: SDO Carey KCP</p> <p>Contract no.: S/C-PSD/2010/PKO199</p>	<p>Complied</p>

4.3 Principle 3: Compliance to legal requirements

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The Mill is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>The Company has established the Standard Operation Manual (SOM) Sub-Section 5.2 Customer Focus, Appendix 5.2.4 – Procedure for Legal and Other Requirements prepared by the Standards & Compliance Section, Total Quality and Environmental Management (TQEM) Plantation dated 01.11.2008.</p> <p>Sample of licenses or permit viewed were:</p> <ol style="list-style-type: none"> 1. MPOB license: 565809104000, validity period until 31/10/2021 for 180,000MT. 2. Lesen Jabatan Alam Sekitar No 002366 for period 30.06.2021 3. Akta Bekalan Elektrik 1990, No. Siri 004035/2020 under ST(SJB)P/S/JHR/01967 issue date 22/07/2020, validity 1 year. 4. Lesen Abstraksi Air Permukaan, No Lesen 08/A/Muar/020-BAKAJ:334/300/05/03/08/2 valid till 31/12/2020 for 600m3/day. 5. Air Compressor, PMT-JH/20 114083, JH PMT 16778 valid till 08/09/2021. 6. Air Receiver, PMT-JH/20 114064, JH PMT 20167 valid till 08/09/2021. 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>7. Deaerator Header SS - PMT-JH/20114065, JH PMT 20168 valid till 08/09/2021.</p> <p>8. Inclined Sterilizer - PMT-JH/20114075, JH PMT 20179 valid till 08/09/2021.</p>	
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>Documented procedure has been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>The mill has established list of all relevant laws and requirement and documented in Legal and Requirement Register. The list were updated on annually basis or new updates on the register. Latest updated was done on 9/6/2020 for Prevention and Control of Infectious Diseases Amendment 2020.</p>	Complied
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 under SOU1. PSQM Department and respective operating units will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites as well as from MAPA circulars.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling 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.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Pagoh POM is located within Pagoh Estate. Pagoh estate has been established since 1963/1964. The land title applicable to Pagoh POM with Grant number 93881 (lot 2159) registered to Sime Darby Plantation Sdn Bhd (now Sime Darby Plantation Berhad) on 03/07/2013. The usage of land is not stated. The land was granted by the Johor State. Hence it is applicable for any usage.	Complied

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		The original land title was registered on 25/11/2002.	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The mill area is within the area of Pagoh Estate’s land title. The permanent fence had been constructed to demarcate the vicinity of the mill milling area.	Complied
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 -	At time of visit, there was no evidence to show of any land disputes in SOU19 estates.	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 -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The mill visited has conducted Social Impact Assessment (SIA) conducted in June 2013. The assessment conducted was include the feedbacks from the stakeholder engagement meeting Besides providing socio-economic baseline data, the report highlighted various issues (complaints, requests and comments) raised by the stakeholders of mill. The mill has established action plan for Social Assessment FY 2020. The action plan taking consideration issue such as housing condition, maintaining road condition, corporate social responsibility and COVID-19.	Complied
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 -	Sime Darby has established Estate Quality Management System, Level 2, Standard Operation Manual Sub - Section 5.5 Management Responsibility Appendix 5.5.3.2 Procedure for External communication, version 1 Year 2008, Issue No 1 dated 1 st Nov 2008. The procedure for handling social issue was described in the Sustainable Plantation Management System, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008 on Flowchart and Procedures on handling Social Issues.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The mechanism is to enable effective and timely communication with employees and external interested parties.	
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>- Major compliance -</p>	<p>Consultation and communication were conducted through written reports and meetings.</p> <p>Any communication/request/grievances from external stakeholder were recorded in the communication logbook or complaints form for stakeholders. Latest complaints from Stakeholders were made by Palm Kernel buyer regarding product non-conformity on 28/11/2019. The issue has been addressed by the mill on 9/3/2020.</p> <p>Government Agencies such as DOSH and DOE recorded their visit reports in the logbook. Sighted the latest visit report from DOSH dated 21/9/2020 and DOE dated 26/2/2019.</p> <p>For internal stakeholders, main grievances recorded were regarding housing repair. Sighted the Housing Repair form with latest report dated 17/9/2020. All complaints have been satisfactorily addressed by the estate.</p> <p>Sighted the minutes meeting for Stakeholders Meeting dated 16/7/2020. No issue were raised during the meeting.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>The mill has established communication book/form for internal and external complaint. The communication log book/forms is available at mill office.</p> <p>In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		email to Senior Director or Whistleblowing committee or toll-free number or fax or by mail	
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 -	Interview with the internal and external stakeholders during stakeholder consultation found that they were aware of the complaint procedure and they were briefed by the management during stakeholder meeting.	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 -	Record review found that previous complaints and requests 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. - Minor compliance -	Since the last assessment, among the contributions from the mill were: 1. Maulidur Rasul Celebration in Collaboration with Kg. Paya Panjang dated 6/3/2020	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	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.	Sighted the Group Upstream Malaysia Health, Safety & Environment (HSE) Policy Statement, established on 1st June 2020 which was approved by En Roslin Azmy Hassan, Chief Executive Officer, Upstream Malaysia.	Complied

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<p>- Major compliance -</p>	<p>Sime Darby Plantation Sdn Bhd has developed Occupational Safety and Health Manual dated 20th August 2008 by Plantation Sustainability and Quality Management Department.</p> <p>Environment and Safety Health ProgramFY2020 is available.</p> <p>The policy being displayed prominently on notice boards in English and local language Bahasa Malaysia.</p>	
<p>4.4.4.2 The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; 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). 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 	<p>Sighted the Group Upstream Malaysia Health, Safety & Environment (HSE) Policy Statement, established on 1st June 2020 which was approved by En Roslin Azmy Hassan, Chief Executive Officer, Upstream Malaysia.</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>Risk assessment was conducted through HIRARC based on the severity and the likelihood.</p> <p>HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).</p> <p>HIRARC sighted for the followings work operation: -</p> <ol style="list-style-type: none"> 1. Weighbridge 2. Ramp 3. Sterilization 4. Threshing Station 	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>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 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>5. Pressing</p> <p>6. Clarification</p> <p>7. Nut Cracking Station</p> <p>8. Kernel Storage</p> <p>9. CPO Storage</p> <p>10. Boiler Station</p> <p>11. Engine Room</p> <p>12. Workshop – Mechanical</p> <p>13. Workshop – Electrical</p> <p>14. General -Cleaning and others</p> <p>15. Store</p> <p>16. Laboratory</p> <p>17. Effluent Treatment Plant</p> <p>18. Water Treatment Workshop</p> <p>19. Office</p> <p>20. Security</p> <p>21. Manager Bungalow</p> <p>22. Biological Hazard</p> <p>23. Tractor</p>	

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Criterion / Indicator		Assessment Findings	Compliance												
		<p>24. Canteen</p> <p>25. JCB Backhoe</p> <p>26. Covid 19</p> <p>27. Noise</p> <p>28. Off Road</p> <p>Latest HIRARC reviewed and approved on 15/08/2020 where excessive noise level had been included in the HIRARC.</p> <p>Sighted HIRARC revision reviewed and approved on 24/06/2020 for the Threshing Station for inspect and cleaning the EFB press/stuck bunch where an incident had occurred on 22/06/2020.</p> <p>Sighted HIRARC prepared and checked on 15/08/2020 for Off Road which includes activities such as riding motorcycle, stop at junction and temporary parking at road side.</p> <p>The Mill has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers.</p> <p>Training Matrix FY2020 includes:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Topic</th> <th>Month Programme</th> <th>Status Done</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>OSH Committee Function & NADAPOD</td> <td>September 2020</td> <td>21/09/2020</td> </tr> <tr> <td>2</td> <td>Scheduled Waste Handling/ Store/ Labelling</td> <td>September 2020</td> <td>07/09/2020</td> </tr> </tbody> </table>	No	Topic	Month Programme	Status Done	1	OSH Committee Function & NADAPOD	September 2020	21/09/2020	2	Scheduled Waste Handling/ Store/ Labelling	September 2020	07/09/2020	
No	Topic	Month Programme	Status Done												
1	OSH Committee Function & NADAPOD	September 2020	21/09/2020												
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		3	Chemical Handling Training	August 2020	24/08/2020	
		4	LOTO System	August 2020	06/08/2020	
		5	EFB Press Operation Training	July 2020	07/07/2020	
		<p>Samples training conducted at Mill was Chemical Spill Drill dated 24th September 2020 conducted by SQM Team.</p> <p>Mill has provided appropriate PPE for all workers in their operations. Sighted, PPE Issuance and replacement record for: -</p> <ul style="list-style-type: none"> a. Staff/AP b. General Workers <p>During mill visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.</p> <p>All workers involved in the operations have been adequately trained in safe working practice.</p> <p>Sighted, CHRA report dated 10th to 30th April 2018 reported by Mr. Tan Tiong Ping (HQ/03/ASS/00/160-2018/057).</p> <p>A total of 8 workers have undergone medical surveillance. They were tested on Manganese as per recommended by the CHRA assessor. Sighted letter dated 03/11/2018 for the removal and elimination of n-Hexane from the laboratory testing.</p> <p>Medical Surveillance to the above workers has been conducted on 17th – 18th February 2020. Total 3 have completed re-test and 1</p>				

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	<p>had been placed under the Medical Removal Protection (MRP). Sighted letter dated 21/09/2020. All others are fit to work.</p> <p>Audiometry Test was conducted on 11th June 2020 to 52 workers. Concluded 29 workers with normal audiogram and 23 workers with abnormal audiometric results.</p> <p>Re-test to 22 workers was conducted on 14th, 18th & 25th August 2020. Another 1 worker has retired. Sighted Audiometric report – Action plan dated 17th September 2020 approved by En Mohd Fadzil Bin Hasbullah, Mill Manager.</p> <p>Sighted OSH Committee Chart dated 16th January 2020 and the letter of appointment for committee members were kept in the file.</p> <p>Person in-charge of OSH is Mr. Mohd Fadzil bin Hasbullah, the KKS Pagoh Manager dated 1st July 2020 signed by En Mohd Zulkifli Mohd Isa, Regional General manager Central West.</p> <p>The committee meeting has been conducted to discuss all issues regarding worker's safety and health.</p> <p>Sighted latest meetings conducted on 17th August 2020 and attended by 14 people. All issues raised and discussed during conducted meeting has been resolved and taken action by Mill management with proper action and target date.</p> <p>Sighted the Emergency Procedure for the Mill. Emergency response plan available in local language (Malay and English).</p> <p>The ERP has been explained to all workers and staffs during training.</p>	

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		<p>1. Chemical Spill Drill (Main Lab) – 24/09/2020</p> <p>2. Fire Drill – 15/08/2020</p> <p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>Sighted ERP for Fire, Effluent Spillage, Chemical Spill, Explosion and Working at Heights which was last reviewed on 21/01/2020.</p> <p>The first aider for the mill is have attended training on Basic Occupational First Aid, CPR and AED dated 24th and 25th July 2018 and the certificate valid until 25th July 2021.</p> <p>Records of all accidents are available and discussed quarterly during OSH Meeting. Accident is handled according to the national OSH department (JKKP) includes reporting any accident case, investigation and calculation of LTA.</p> <p>Seen, 5 accidents occurred in 2020 mainly on travelling in connection with work and operating the machinery/plant.</p> <p>Mill has submitted JKKP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH.</p> <p>JKKP 8 was submitted on 23rd January 2020.</p>	
Criterion 4.4.5:Employment conditions			
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy	SDPB has incorporated its policy on human rights in the "Group Sustainability & Quality Policy Statement" mention in Indicator	Complied

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	shall be signed by the top management and communicated to the employees. - Major compliance -	4.1.1.2. Communication to employees was done through briefing during morning muster call, formal training and displayed at the notice board.	
4.4.5.2	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. - Major compliance -	SDPB has incorporated its policy on discriminatory in the "Group Sustainability & Quality Policy Statement" mention in Indicator 4.1.1.2 where the management is committed to treat all employees fairly in terms of recruitment, progression, terms and conditions of work and representation regardless of race, caste, nationality, gender, sexual orientation, union membership, political view, religion and/or age. Interview with the workers showed that there was no evidence of discrimination among the employees.	Complied
4.4.5.3	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. - Major compliance -	Employment contracts for workers were available for verification. Pay and conditions are documented and in line with the Minimum Wage Order 2020 and collective agreement. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Sampled workers contract and pay slips verified as follows: 1. 0000086340 2. 0000086600 3. 0000102552 4. 0000130722 5. 0000154321	Complied

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<p>4.4.5.4 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>Contractors, lotus Two provided the workers for non-production work at the workshop. Sighted and verified the the employment contract and payment advice for the month of June – September 2020 for the contractor workers as follows:</p> <p>Passport no:</p> <ol style="list-style-type: none"> 1. BP0493276 2. BT0369617 3. BL0061393 4. BP0963048 <p>Noted that the daily pay rate for the contractor workers was pat at average of RM 50.00 – RM 60.00 which is higher than daily rate at RM 46.15.</p>	<p>Complied</p>
<p>4.4.5.5 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>The mill has established the workers master list which contain information such as the Employee name, Race, Religion, Employee no., date of birth, date joined, IC/Passport no., Check roll type, Designation and Nationality.</p>	<p>Complied</p>
<p>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.</p> <p>- Major compliance -</p>	<p>All the workers were provided with fair contracts which has been explained, understand, agreed and signed by bot employee and employer. In the contract stated the terms and conditions such as:</p> <ol style="list-style-type: none"> 1. Transfer/secondment 	<p>Complied</p>

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		2. Salary 3. Working hours 4. Medical 5. Accommodation 6. Compliance 7. SOCSO/Employment Injury Scheme 8. Income tax 9. Rest Day 10. Public Holiday 11. Sick leave 12. Annual leave 13. Maternity leave 14. Retirement age 15. Transportation 16. Equipment tools 17. Termination of service 18. Safety and health 19. Other terms and conditions 20. Variation of term and conditions	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sampled workers contract and pay slips verified as follows:</p> <ol style="list-style-type: none"> 1. 0000086340 2. 0000086600 3. 0000102552 4. 0000130722 5. 0000154321 	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the individual card. Besides, the summary of Mill Daily Attendance Report for every month was developed and maintained as well.</p>	Complied
4.4.5.8	<p>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.</p> <p>- Major compliance -</p>	<p>All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the individual card.</p> <p>Sime Darby Plantation has obtain permit for overtime work not more than 130 hours per month from Peninsular Malaysia Labour Office as per letter dated 27/3/2017. Refer letter ref. no. BHG.PU/9/134 JLD 9 (11).</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>Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in the individual card. Below were the sampled workers ID number whom payslips for Aug 2019, Dec 2019 and Jan 2020 were verified:</p> <ol style="list-style-type: none"> 1. 0000086340 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. 0000086600 3. 0000102552 4. 0000130722 5. 0000154321 All of the sampled employees above have been paid in accordance to the Minimum Wage Order 2020 i.e. RM1200/month or RM46.15/day. Hours of overtime has recorded in the payslip and the payment for overtime were paid according to the legal requirements.	
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 -	The management has contributed 10kg of rice once every 2 months for all their workers. Apart from that, all the workers are provided with free medical facilities. In additional, all the workers are entitled with the phone allowance of RM5 for every month. Free housing facilities were provided to all the workers and their families.	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 mill management has provided free housing facilities to all their workers. Basic amenities such as water, electricity, football field and etc. were provided to the workers. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Interview with the workers confirmed that they did not have any complain or grievance related to housing to be reported.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<p>The management shall establish a policy 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" mention in Indicator 4.1.1.2 where the management is committed to prevent sexual harassment and other forms of violence. Interview with some of the workers showed no evidence of sexual harassment or violence happened so far.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on freedom of association in the "Group Sustainability & Quality Policy Statement" mention 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. The mill management allowed their workers to form or join any association such as NUPW. Document reviewed on their payslip found that they are deducted for the UNION subscription fees of RM 8 monthly.</p> <p>UNION meeting was conducted on 8/6/2020 with the members and management representatives to discuss issues related to workers. The minutes of meeting were available for verification and found properly documented. Interview with the workers confirmed that they are allowed to join any trade union freely.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>SDPB has incorporated its policy on protecting the rights of children in the "Group Sustainability & Quality Policy Statement" mention 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.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance																	
Criterion 4.4.6: Training and competency																			
<p>4.4.6.1</p>	<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>Sime Darby has established Estate Management System, Level 1, Quality Management Manual Section 6.0 Resource Management, Version 1 Year 2008, Issue No 1 dated 1st Nov 2008. Under clause 6.2.2 stated the Competency, Awareness and Training procedures.</p> <p>The process of training includes: -</p> <ul style="list-style-type: none"> a. Determining competency requirements of each function. b. Identify training needs and provide appropriate trainings. c. Evaluating the effectiveness of training at defined intervals. d. Maintaining appropriate records of employees’ training, skills and experience <p>The Mill has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers.</p> <p>Training Matrix FY2020 includes:</p> <table border="1" data-bbox="1088 1114 1868 1340"> <thead> <tr> <th>No</th> <th>Topic</th> <th>Month Programme</th> <th>Status Done</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">Occupational Safety & Health</td> </tr> <tr> <td>1</td> <td>Use of PPE at Work Place</td> <td>January 2020</td> <td>06/01/2020</td> </tr> <tr> <td>2</td> <td>First Aid Box</td> <td>February 2020</td> <td>17/02/2020</td> </tr> </tbody> </table>	No	Topic	Month Programme	Status Done	Occupational Safety & Health				1	Use of PPE at Work Place	January 2020	06/01/2020	2	First Aid Box	February 2020	17/02/2020	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		3	Pictorial Working Instruction (PWI)	August 2020	21/08/2020	
Environment						
		1	Schedule Waste Management	February 2020	20/02/2020	
		2	Chemical Handling Training	August 2020	24/08/2020	
		3	Schedule Waste Handling/Storage/Labelling	September 2020	07/09/2020	
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>Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.</p> <p>Sighted the Training Need Analysis of all staffs and workers are based on their competencies and job description.</p>				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>This is in compliance with 4.4.6.1. Training program are planned on annual basis and subject for a review during the financial year.</p> <p>The training program at current is adequate to support the management needs in enhancing the knowledge and skill of its employees to operate the mill along with the MSPO certification standards.</p>				Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services						
Criterion 4.5.1: Environmental Management Plan						

Criterion / Indicator		Assessment Findings	Compliance
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>Sighted the Group Upstream Malaysia Health, Safety & Environment (HSE) Policy Statement, established on 1st June 2020 which was approved by En Roslin Azmy Hassan, Chief Executive Officer, Upstream Malaysia.</p> <p>The Policy stated commitment to legal requirements, pollution prevention, to educate all employees on environmental preservation and continual improvement.</p> <p>The communication to the internal and external stakeholders being relay through town hall session, training and morning/evening shift briefing.</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 Mill has conducted environmental aspect and impact identification (EAI) and environmental impact evaluation (EIE) for all its' activities in financial year 2020. The environmental assessment findings are recorded in document titled Environmental Aspect & Impact Identification Form.</p> <p>The environmental impact identification and evaluation last reviewed and updated by Mr K. Balasandar and approved by the Mill Manager, Mohd Fadzil Hasbullah on 11/02/2020.</p> <p>The EAI and EIE are being reviewed on annual basis. The environmental impact assessment has covered 19 keys activities of the Mill such as:</p> <ol style="list-style-type: none"> 1. Reception 2. Steriliser 3. Treshing 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		4. Pressing 5. Clarification 6. Depericarping 7. Kernel recovery 8. Boiler 9. Power Generation 10. Palm product storage & Dispatch 11. Laboratory 12. Water Treatment plant 13. Effluent Treatment plant 14. Workshop & Maintenance 15. Lubrication & Chemical Store 16. Engine Room 17. Mill Office Operation 18. Main entrance 19. Oblique Sterilizer The environmental consequences for each activity is classified into 9 impact categories such as ozone layer depletion, global warming, air pollution, water pollution, land contamination, unpleasant	

Criterion / Indicator		Assessment Findings				Compliance															
		working environment, depletion of natural resources, community impact and business impact. Sample taken on the following activities at Mill, Environmental Aspect and Impact Identification:																			
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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. - Major compliance -	Seen, the mitigation measures in the Environmental Management Plan (EMP) for FY2020 of the mill as below:				Complied															
		<table border="1"> <thead> <tr> <th>No</th> <th>Environmental Issue - Activity</th> <th>Environmental Impact</th> <th>Mitigation Measures</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Crude oil storage – CPO over flow/tank rupture</td> <td>1. Water pollution 2. Land contamination</td> <td>To construct containment wall. To install level indicator. To install alarm.</td> </tr> <tr> <td>2</td> <td>Raw effluent (1000mt) – Over flow from storage tank</td> <td>1. Water pollution 2. Land contamination</td> <td>To install level indicator</td> </tr> <tr> <td>3</td> <td>Water clarifier tank – Discharge bottom sludge</td> <td>1. Water pollution</td> <td>Transfer to effluent treatment plant</td> </tr> </tbody> </table>	No	Environmental Issue - Activity	Environmental Impact	Mitigation Measures	1	Crude oil storage – CPO over flow/tank rupture	1. Water pollution 2. Land contamination	To construct containment wall. To install level indicator. To install alarm.	2	Raw effluent (1000mt) – Over flow from storage tank	1. Water pollution 2. Land contamination	To install level indicator	3	Water clarifier tank – Discharge bottom sludge	1. Water pollution	Transfer to effluent treatment plant			
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Criterion / Indicator		Assessment Findings				Compliance																				
		(poly aluminium chloride)	2. Unpleasant working environment. 3. Community impact.	for further treatment before discharge to water course.																						
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Evidence, the positive impact has been included into the continual improvement plan under Environmental Management Plan and Kaizen Charter.				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 -	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Topic</th> <th>Month Programme</th> <th>Status Done</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">Environment</td> </tr> <tr> <td>1</td> <td>Schedule Waste Management</td> <td>February 2020</td> <td>20/02/2020</td> </tr> <tr> <td>2</td> <td>Chemical Handling Training</td> <td>August 2020</td> <td>24/08/2020</td> </tr> <tr> <td>3</td> <td>Schedule Waste Handling/Storage/Labelling</td> <td>September 2020</td> <td>07/09/2020</td> </tr> </tbody> </table> <p>The Mill has a comprehensive annual environmental training plan for the Staffs and Workers.</p>				No	Topic	Month Programme	Status Done	Environment				1	Schedule Waste Management	February 2020	20/02/2020	2	Chemical Handling Training	August 2020	24/08/2020	3	Schedule Waste Handling/Storage/Labelling	September 2020	07/09/2020	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 -	Sighted, briefing to all staffs and workers being conducted at Mill during the Safety & Health Town Hall 8.0 & COBC dated 17 th September 2020 attended by 76 participants conducted by Mill Executives.				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>The Mill recorded, monitored and documented on a monthly basis data of consumption of non-renewable energy; diesel. The performance is measured based on litre/mt FFB.</p> <p>The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. The details as follows:</p> <table border="1" data-bbox="1088 759 1868 892"> <thead> <tr> <th>To-date Diesel</th> <th>To-date FFB</th> <th>Fuel Efficiency</th> <th>Baseline value (2-yr average)</th> </tr> <tr> <th>Mt</th> <th>Mt</th> <th colspan="2">Mt/Mt FFB</th> </tr> </thead> <tbody> <tr> <td>1.81</td> <td>115,280.419</td> <td>0.00008</td> <td>0.00053</td> </tr> </tbody> </table> <p>Furthermore, the mill also monitored, recorded and documented the performance of electricity generated by steam turbine. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB.</p> <p>The goal is to optimize use of renewable energy.</p> <table border="1" data-bbox="1088 1102 1868 1270"> <thead> <tr> <th>To-date Electricity</th> <th>FFB Processed</th> <th>Fuel Efficiency</th> <th>Baseline value (2-yr average)</th> </tr> <tr> <th>Kwh</th> <th>Mt</th> <th colspan="2">Kwh/Mt FFB</th> </tr> </thead> <tbody> <tr> <td>2,837,600</td> <td>115,280.419</td> <td>24.123</td> <td>24.49</td> </tr> </tbody> </table> <p>The energy usage is updated monthly by Mr. Balasandar and approved by the Mill Manager for data as at September 2019.</p>	To-date Diesel	To-date FFB	Fuel Efficiency	Baseline value (2-yr average)	Mt	Mt	Mt/Mt FFB		1.81	115,280.419	0.00008	0.00053	To-date Electricity	FFB Processed	Fuel Efficiency	Baseline value (2-yr average)	Kwh	Mt	Kwh/Mt FFB		2,837,600	115,280.419	24.123	24.49	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<p>The mill has established Energy Management Plan 2020 as below;</p> <ol style="list-style-type: none"> 1. Electricity <ol style="list-style-type: none"> a. To install energy savers appliances, replace energy saving bulbs at workers housing and mill b. To educate workers on saving of energy usage. Turn off the light when not in used. c. Workers quarters and mill inspection on regular basis to ensure no wastages of electricity usage. d. Using timer for strait lighting to activate and deactivate the light at executive bungalow and mill compound during planned time. 2. Diesel <ol style="list-style-type: none"> a. To educate workers on fuel saving practice by off engine when vehicle not in used. b. Avoid leakages during repair / maintenance 	
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>Pagoh POM has estimated the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.</p> <p>The details as listed herein:</p> <p>Estimate diesel: 20,000 liters</p> <p>Estimate FFB: 229,605.05 Mt</p> <p>Liters / Mt FFB: 0.087 liters / Mt FFB</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
		Estimate Kwh : 430,000 KWh Estimate FFB :229,605.05 Mt Kwh / Mt FFB: 1.87Kwh / Mt FFB							
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The fiber and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fiber are delivered to estates for multi purposes or sold to outside buyers. The quantity as follows: - a. Fiber – 80,696.293 Mt b. Shell – 34,584.126 Mt	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 -	All waste and pollution are identified and documented in the Waste Management Action Plan. The compilation for Financial Year 2020 was made at SOU level. Details of waste generated from the mill among others are shown below: <table border="1" data-bbox="1086 1177 1870 1375"> <thead> <tr> <th>Type of waste</th> <th>Items</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Domestic waste Rubbish</td> <td>Rubbish</td> <td>Line sites, office, workshop, store</td> </tr> </tbody> </table>	Type of waste	Items	Location	Domestic waste Rubbish	Rubbish	Line sites, office, workshop, store	Complied
Type of waste	Items	Location							
Domestic waste Rubbish	Rubbish	Line sites, office, workshop, store							

Criterion / Indicator		Assessment Findings			Compliance									
		Industrial waste	Scrap Metal, Fertilizer bag	Empty bags store										
		SW410	Rags, plastics, papers or filters contaminated with scheduled wastes	Workshop										
		SW305	Spent Lubricant Oil											
		SW306	Spent Hydraulic Oil											
		SW404	Clinical waste	Clinic										
		SW409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.	Scheduled Waste Store										
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 Mill have drawn -up their Waste Management Action Plan for FY 2020.</p> <p>Listed below the the action plan:</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Location</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Domestic waste rubbish</td> <td>Line sites, office, workshop, store,</td> <td>1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill</td> </tr> <tr> <td>Industrial waste</td> <td>Fibre Shell</td> <td>1. Store at designated area. 2. Sell to appointed contractor</td> </tr> </tbody> </table>			Type of waste	Location	Action Plan	Domestic waste rubbish	Line sites, office, workshop, store,	1. Collection and record by Estate Management 3 times a week 2. Dum at designated at landfill	Industrial waste	Fibre Shell	1. Store at designated area. 2. Sell to appointed contractor	Complied
Type of waste	Location	Action Plan												
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Criterion / Indicator		Assessment Findings			Compliance
			EFB Scrap Iron	3. Monitoring of application	
		SW410	Workshop	1. Collect and record amount of relevant scheduled waste in the E-swiss. 2. Store all the scheduled waste in the Scheduled Waste store. 3. Disposed through licensed contractor.	
		SW305		Collect by SDI upon completion of any maintenance	
		SW306			
		SW404	Clinic	1. Collect and record amount of relevant clinical waste in the E-swiss. 2. Store the waste in sharp bin in clinic 3. Disposed through Kualiti Alam 4. Monitoring by Medical Assistant	
		SW409	Scheduled Waste Store	1. Store all the scheduled waste in the Scheduled Waste store. 2. Collect and record amount of empty container 3. Empty chemical containers collect by Rentas Flora.	
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 Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe	The Company has established the Operational Control Procedure on Chemical Safety Management, Revision 0, Doc No: SD/SDP/PSQM(ESH)/202-OH4prepared by the Sime Darby			Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>Plantation Sustainability and Quality Management (PSQM) dated 26.02.2015.</p> <p>The SOM covers the following;</p> <ol style="list-style-type: none"> 1) Procedures for receiving 2) Procedures for handling 3) Procedures for storage 4) Procedures for disposal 5) Etc <p>Seen, the Mill has updated the Register of Chemicals Hazardous to Health dated 26th June 2020 by En. Amir Shah Hashim, Lab Supervisor and reviewed by En Mohd Fadzil Bin Hasbullah, Mill Manager.</p>	
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>Domestic waste disposal for the mill was conducted by estate management through the collection and disposal 2 to 3 times a week.</p> <p>Collection are made from a centralized point accumulated internally by the estate management from the living quarters and office complex.</p>	Complied
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			

Criterion / Indicator		Assessment Findings	Compliance
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 assessment of polluting activities is identified and documented in the Environmental Aspect and Impact Assessment and Management Plan. From the EAIA, it will be evaluated for the impact and any impact will be included in the Management Plan.</p> <p>Data on the level of Greenhouse gases (GHG) emissions are monitored and compiled on yearly basis through the GHG calculation methodology accepted for RSPO and ISCC GHG calculations and certifications which are analysed.</p> <p>As evidence, sighted the GHG Calculation for Estate and Mill under SOU 19 for year 2020 using GHG Emissions Calculation Methods, RSPO PalmGHG Calculator, V.3.0.1.</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 polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP). As per Indicator 4.5.1.3</p>	Complied
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The treated mill effluent discharge is regularly monitored as prescribed in the "Jadual Pematuhan" license issued to the mill.</p> <p>Regular monitoring is made on monthly basis and quarterly. In addition, daily site checking on the effluent ponds are made by the supervisory personnel and effluent attendants.</p> <p>Reports for the effluent parameters are submitted using "BorangPenyataSukuTahun" to DOE for compliance.</p>	Complied

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Criterion / Indicator		Assessment Findings			Compliance														
			Jadual Pematuhan	Analysis Test Report															
		pH	9.20	9.2															
		BOD	5.00 mg/l	17															
		SS	180.00 mg/l	250															
		AN	1.00 mg/l	<1															
		TN	131.00 mg/l	46															
		O&G	6.00 mg/l	4															
		<p>The Effluent Analysis Test Report being conducted by Sime Darby Research Sdn Bhd dated 20th July 2020.</p> <p>The mitigation plan/Corrective Action Plan by Mill to reduce pH 5-9 and Suspended Solid as per Jadual Pematuhan as follows:</p> <table border="1"> <thead> <tr> <th>Root Cause</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Pond design – bigger pond capacity</td> <td>To carry out desludging of pond 1 & 2</td> </tr> <tr> <td>Long retention time</td> <td>To repair the recycling pump</td> </tr> <tr> <td>Low activity of methanogenic bacteria at anaerobic pond</td> <td>To continue feeding from acidification pond</td> </tr> <tr> <td>Solid accumulation at pond.</td> <td>Dewatering system has been approved and will be implemented.</td> </tr> <tr> <td></td> <td>Continue recycle final pond water & solid to anaerobic pond</td> </tr> <tr> <td></td> <td>To remove sand at the source</td> </tr> </tbody> </table>			Root Cause	Action Plan	Pond design – bigger pond capacity	To carry out desludging of pond 1 & 2	Long retention time	To repair the recycling pump	Low activity of methanogenic bacteria at anaerobic pond	To continue feeding from acidification pond	Solid accumulation at pond.	Dewatering system has been approved and will be implemented.		Continue recycle final pond water & solid to anaerobic pond		To remove sand at the source	
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Criterion / Indicator	Assessment Findings	Compliance																																																			
Criterion 4.5.5: Natural water resources																																																					
<p>4.5.5.1</p>	<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 (e.g. 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 Mill have established water management plans to maintain the quality and availability of natural water resources. The water management plan may include Assessment of monitoring of outgoing water.</p> <p>Water Analysis Test Report dated 23rdSeptember 2020 as follows:</p> <table border="1" data-bbox="1088 727 1868 1129"> <thead> <tr> <th></th> <th>ParitJono - Hulu</th> <th>ParitJono - Hilir</th> <th>Final Discharge - Hulu</th> <th>Final Discharge – Hilir</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>6.8</td> <td>6.8</td> <td>6.0</td> <td>6.7</td> </tr> <tr> <td>BOD</td> <td>4</td> <td>2</td> <td>4</td> <td>1</td> </tr> <tr> <td>COD</td> <td>56</td> <td>24</td> <td>88</td> <td>28</td> </tr> <tr> <td>SS</td> <td>14</td> <td>14</td> <td>16</td> <td>18</td> </tr> <tr> <td>TN</td> <td>1</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>AN</td> <td><1</td> <td><1</td> <td><1</td> <td><1</td> </tr> <tr> <td>O&G</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>DO</td> <td>4.75</td> <td>5.60</td> <td>4.31</td> <td>4.29</td> </tr> <tr> <td>P</td> <td>ND</td> <td>ND</td> <td>0.022</td> <td>ND</td> </tr> </tbody> </table> <p>The mill management has provided contingency plans in event of water crisis.</p> <p>The plan as listed herein: -</p>		ParitJono - Hulu	ParitJono - Hilir	Final Discharge - Hulu	Final Discharge – Hilir	pH	6.8	6.8	6.0	6.7	BOD	4	2	4	1	COD	56	24	88	28	SS	14	14	16	18	TN	1	2	1	1	AN	<1	<1	<1	<1	O&G	1	1	1	1	DO	4.75	5.60	4.31	4.29	P	ND	ND	0.022	ND	<p>Complied</p>
	ParitJono - Hulu	ParitJono - Hilir	Final Discharge - Hulu	Final Discharge – Hilir																																																	
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P	ND	ND	0.022	ND																																																	

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Criterion / Indicator		Assessment Findings		Compliance
		Water shortage/ dry spell Severe water pollution/ contamination	To purchase water from SAJ. to train/educate staff/workers to conserve water to revise demand and supply volume / conditions to reusing/ recycling/ rationing	
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 -	No other plan established at current. Monitoring of all parameters in Jadual Pematuhan as to ensure it meets regulatory limits.		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, laboratory, workshop, dispatches etc.		Complied

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Criterion / Indicator		Assessment Findings	Compliance
		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 Assistant Engineer and the Mill Assistant. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by the CEO/General Manager and also technical personnel from the Head Office. DOSH performed the annual UPV machinery inspection In addition, there are audits by PSQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.	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 -	Sighted, 5 years Business Plan from 2020-2024. The planning was on Checkroll Labour, Contract Labour, Maintenance Internal & External, Consumables and Engine Vehicle Implement Transport (EVIT).	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 -	The pricing mechanism was conducted as per contract agreement between the FFB Supplier and Sime Darby Plantation Berhad. Stated in the agreement under section 8. Pricing of the FFB shown in the Third Schedule in the contract agreement. Sighted sampled	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>contract between FFB Supplier and Sime Darby Plantation Berhad as follows:</p> <ol style="list-style-type: none"> 1. EngHuat Latex Concentrate Sdn. Bhd, Agreement no. P/P/0220/FFB01597L 2. Pembangunan Pertanian Melaka Sdn. Bhd., Agreement no. P/P/0220/FFB01601L 	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Sighted sampled contract between FFB Supplier and Sime Darby Plantation Berhad as follows:</p> <ol style="list-style-type: none"> 1. EngHuat Latex Concentrate Sdn. Bhd, Agreement no. P/P/0220/FFB01597L 2. Pembangunan Pertanian Melaka Sdn. Bhd., Agreement no. P/P/0220/FFB01601L <p>Payment for FFB purchased has been stated in the contract agreement under section 9. Payment and set out in Section 5 of the First Schedule.</p> <p>Sighted the sampled payment made as per contract agreement as follows:</p> <p>Payment for EngHuat Latex for the month of September as per Self Bill Invoice no. P/AFVCH-200263 dated 8/10/2020</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required</p>	<p>The contractors were made to understand the MSPO requirements and shall provide the required documentation and information</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	documentation and information. - Major compliance -	through meetings and trainings. Records of attendance of the meetings were available for verification. All contracted parties/vendors were required to signed Vendor Integrity Pledge (VIP) and to comply with para - a (i); Vendor Code of Business Conduct (VCOBC) - a (ii); all applicable laws and regulations related anti-bribery, fraud and corruption. Sighted the sampled contracts as follows: i.Contracts between The Sime Darby Plantation Bhd. with Teo Tuan KweeSdn. Bhd.dated 19/12/2017 and extension email for contract extension dated 1/8/2020.	
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.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	Sime Darby has issued Memorandum to all contractors dated 26/6/2019. In the memorandum stated the contractors have to comply as follows; i. Comply with local legal requirements ii. Attend the RSPO/ISCC/MSPO/SCCS briefing or training organized by the company iii. Having signed and enforceable agreement with the company	Complied

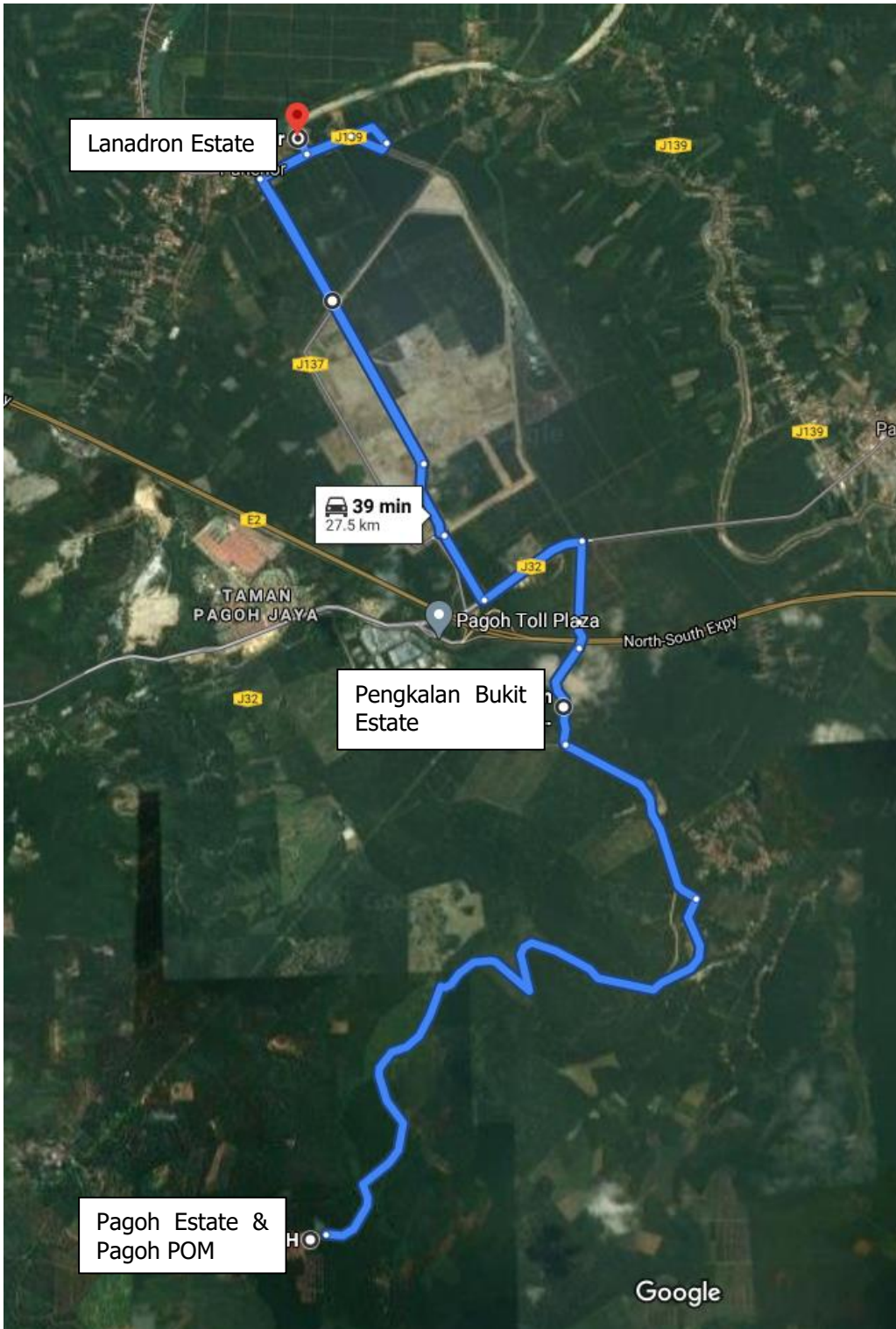
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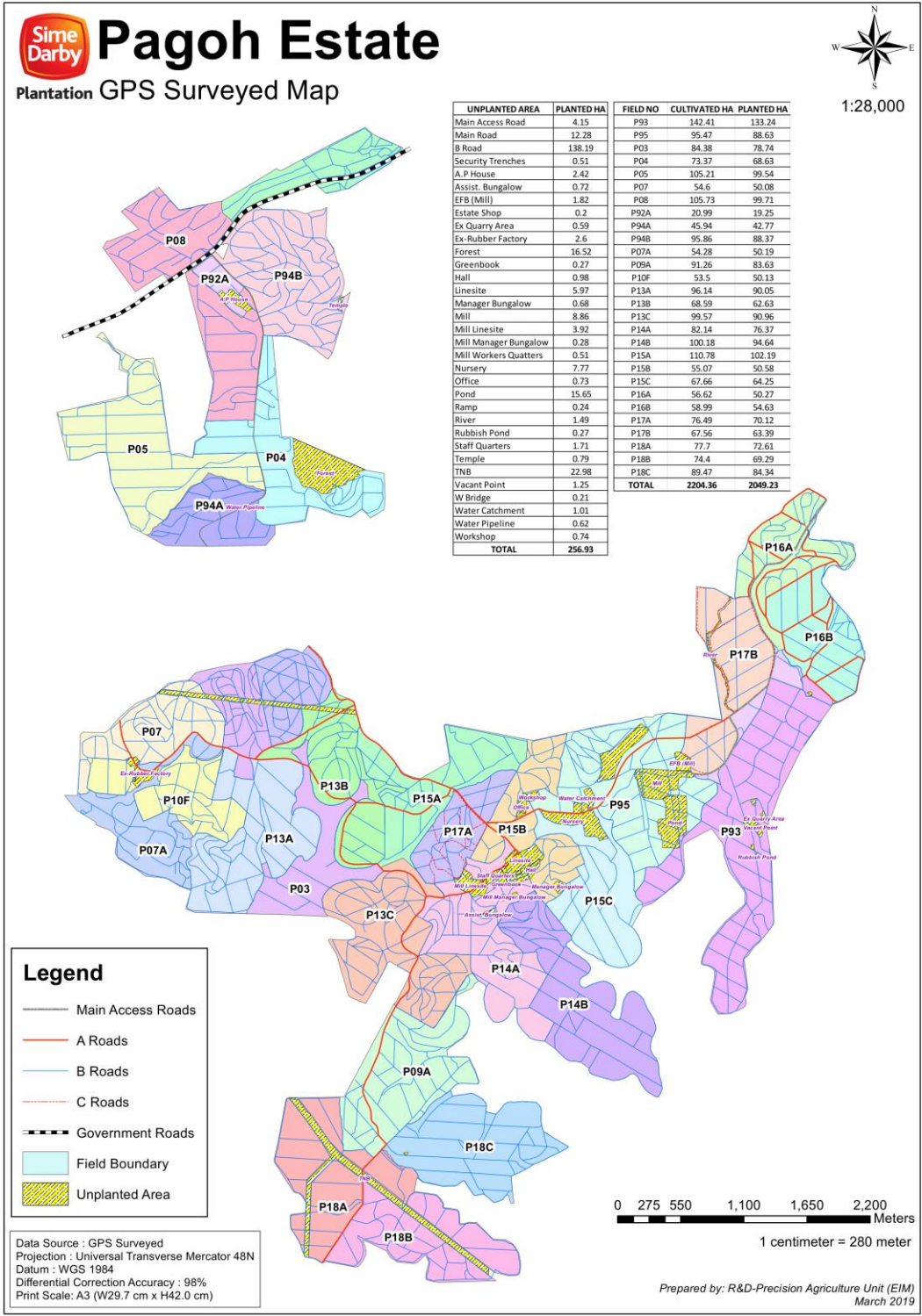
Criterion / Indicator	Assessment Findings	Compliance
	<p>iv. Provide access to the auditors to contractors' operation site(s) and employees whenever deemed necessary</p> <p>v. Having related working permits</p> <p>vi. Ensure PPE utilization by contractors' employee while being in the company premise.</p> <p>Additionally all contracted parties/vendors have signed the 'Agreement Letter to be Audit by MSPO/SCCS Auditor'.</p> <p>Sighted the agreement letter accepted and signed by Teo Tuan KweeSdn. Bhd. dated 17/6/2019.</p>	

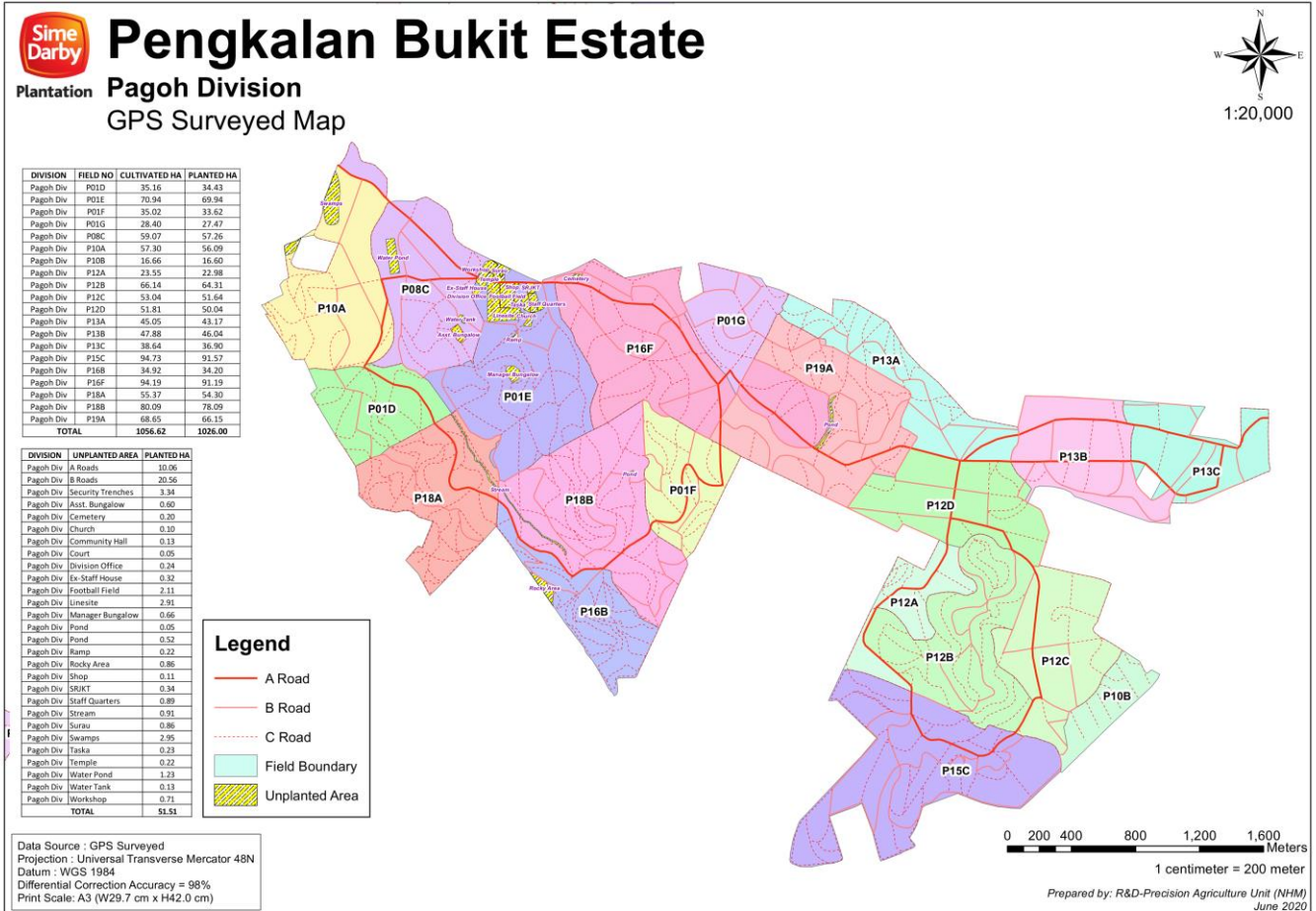
Appendix B: List of Stakeholders Contacted

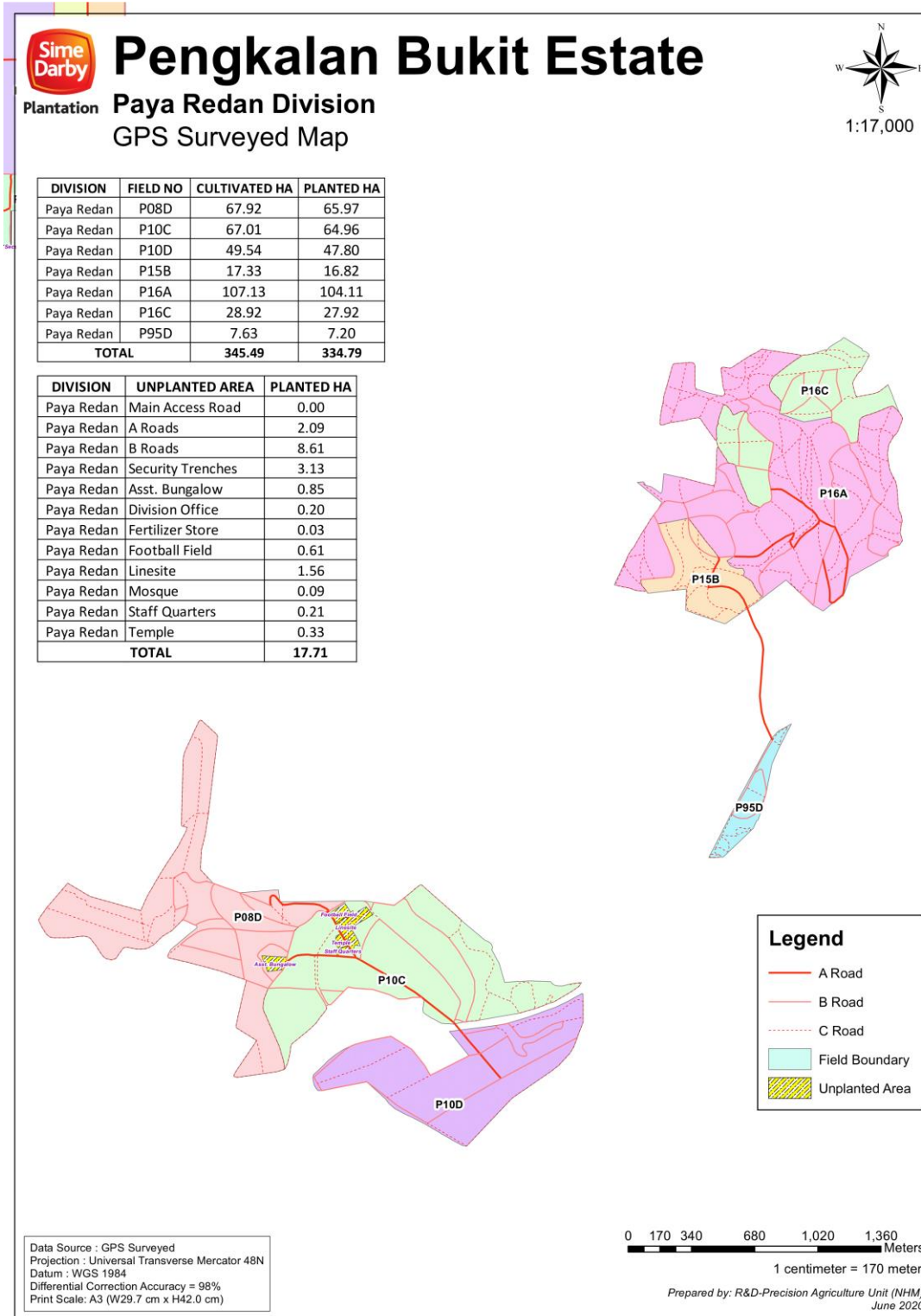
<p>Government Officer: Balai Polis Pagoh SK Paya Panjang</p>	<p>Community/neighbouring village: Masjid Paya Panjang Koo Seng Hiap Othman b. Lembek</p>
<p>Suppliers/Contractors/Vendors: Baskaran A/L Kunjuraman Sin Chin Joo Sdn Bhd Eng Huat</p>	<p>Worker’s Representative/Gender Committee: Gender Committee Representatives Foreign & local workers NUPW Representatives</p>

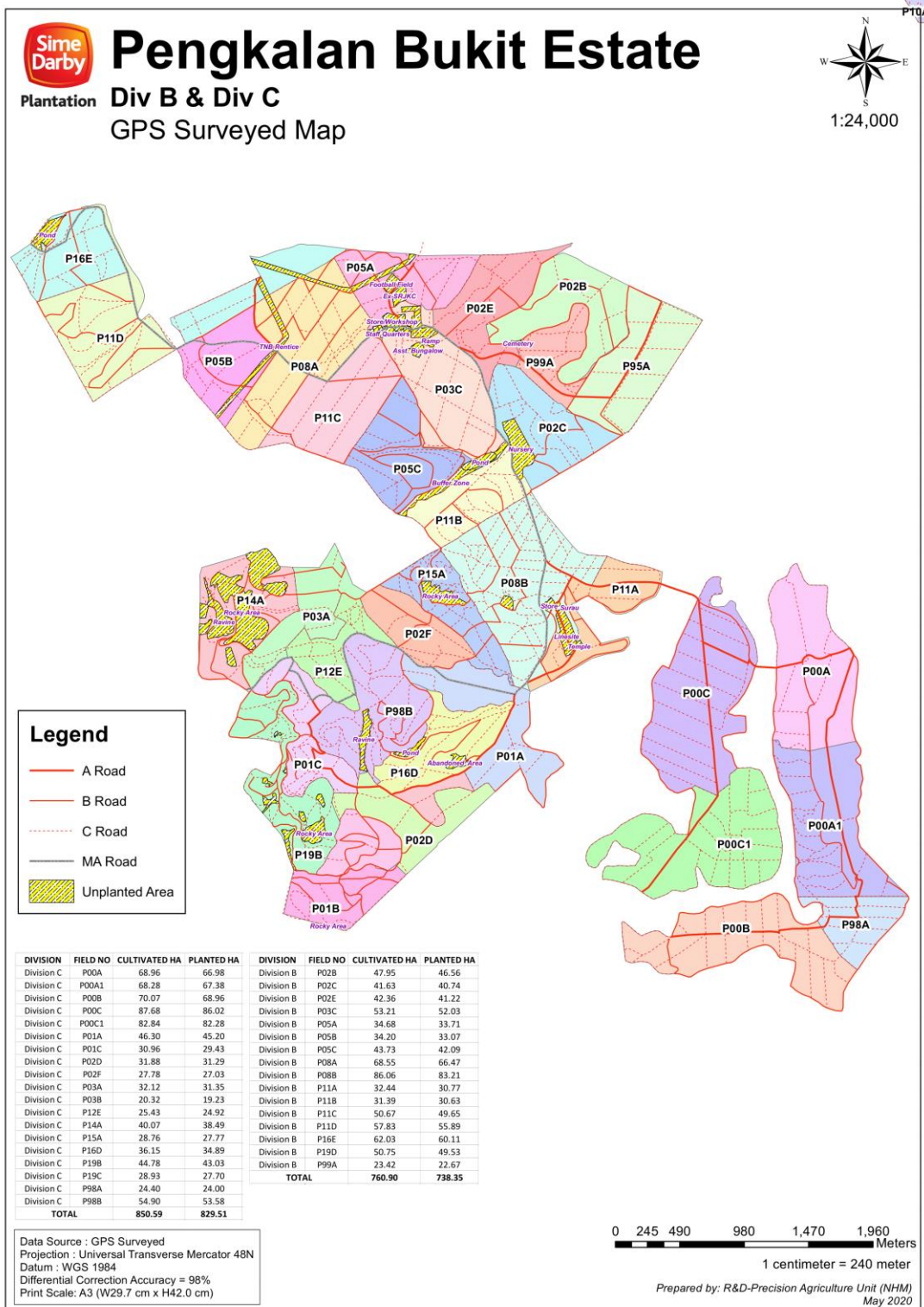
Appendix D: Location and Field Map

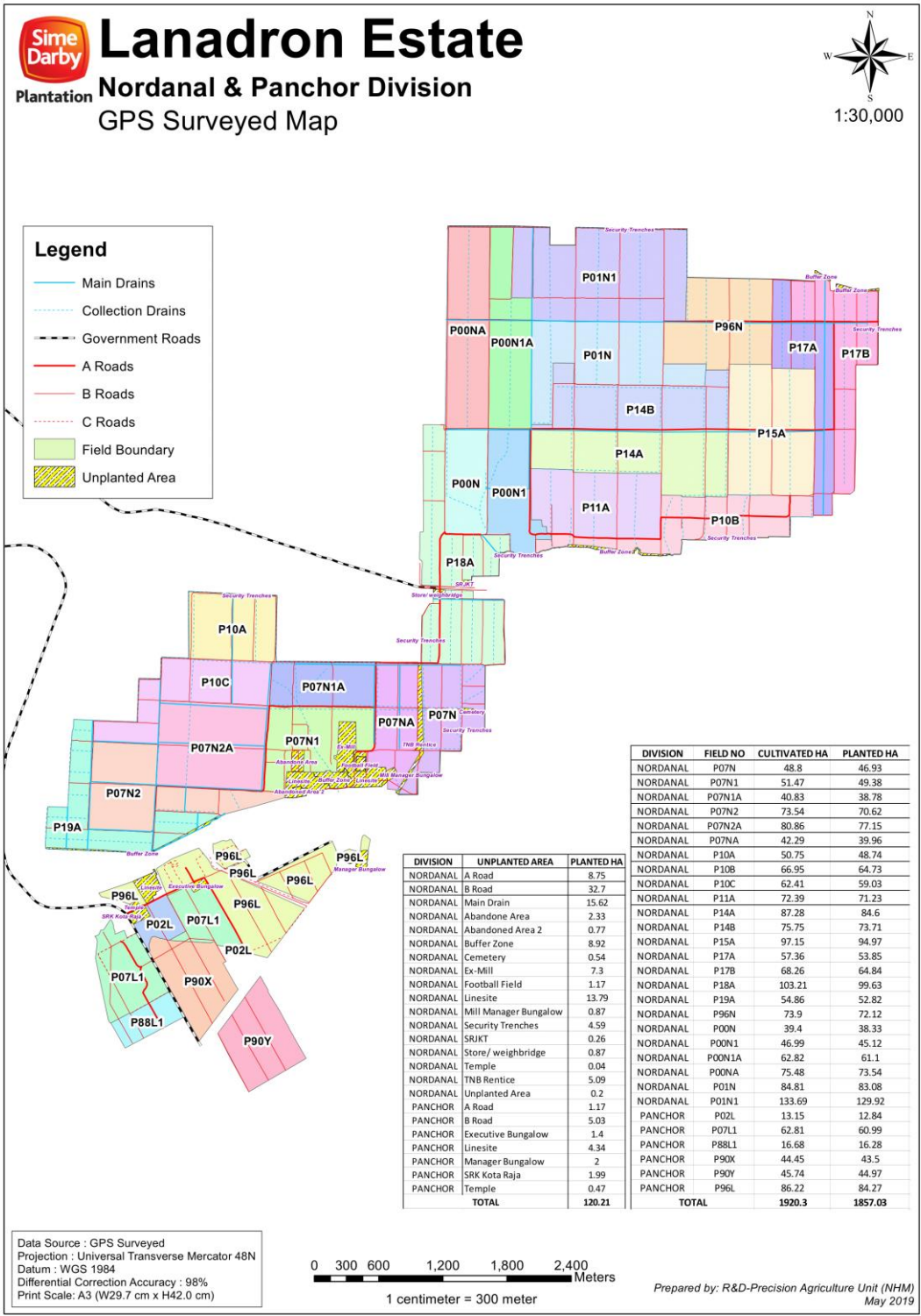












Appendix E: List of Abbreviations

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