

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

Sime Darby Plantation Berhad
Client company Address: Level 3A, Main Block Plantation Tower No. 2, Jalan P.J.U 1A/7, 47301 Ara Damansara Selangor, Malaysia
Certification Unit: Bukit Kerayong Palm Oil Mill (SOU 7) & Plantations of SOU 7 (Bukit Kerayong Estate & Bukit Cheraka Estate) Location of Certification Unit: Jalan Bukit Kerayong, 42200 Kapar, Klang, Selangor, Malaysia

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Report Number: 3293272

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad - Bukit Kerayong Palm Oil Mill (SOU 7)		
Mill/Estate	MPOB License No.	Expiry Date	
	Bukit Kerayong Palm Oil Mill - 562906004000	31/07/2021	
	Bukit Kerayong Estate - 525572002000	31/12/2021	
	Bukit Cheraka Estate - 526188002000	31/01/2022	
Address	Bukit Kerayong Palm Oil Mill, Jalan Bukit Kerayong, 42200 Kapar, Klang, Selangor, Malaysia		
Certification Unit	SOU 7 Bukit Kerayong Palm Oil Mill		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit PSQM)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com
Telephone	03-78484379 (Head Office)	Facsimile	03-78484356 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 682049 Plantations: MSPO 690368		
Issue Date	14/03/2018	Expiry date	13/03/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 Part 3 and MS 2530-4:2013 Part 4		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	19 - 21/12/2017		
Continuous Assessment Visit Date (CAV) 1	23 - 25/01/2019		
Continuous Assessment Visit Date (CAV) 2	20 - 22/01/2020		
Continuous Assessment Visit Date (CAV) 3	05 - 07/01/2021		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 550181	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2013; Malaysian National Interpretation: 2014; RSPO	BSI Services Malaysia Sdn Bhd	14/04/2021

	Supply Chain Certification June 2017 for CPO Mills (Module D: Identity Preserved)		
MSPO 714128	MSPO Supply Chain Certification Standard	BSI Services Malaysia Sdn Bhd	31/07/2024

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	
		Longitude	Latitude
Bukit Kerayong Palm Oil Mill	Kilang Kelapa Sawit Bukit Kerayong, Jalan Bukit Kerayong, 42200 Kapar, Klang, Selangor, Malaysia	101.37315	3.18740
Bukit Kerayong Estate	Bukit Kerayong Estate, P.O. Box 204, 42200 Kapar, Klang, Selangor, Malaysia	101.34897	3.17539
Bukit Cheraka Estate	Bukit Cheraka Estate, P.O. Box 202, 45809 Jeram, Selangor, Malaysia	101.36590	3.22827

1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bukit Kerayong Estate	2,484.98	3.00	434.28	2,922.26	82.43
Bukit Cheraka Estate	3,400.65	55.52	257.70	3,713.87	91.57
TOTAL	5,885.63	58.52	691.98	6,636.13	

Note:

- 1) Bukit Kerayong Estate:
 - Reduction of 314.18 ha in planted ha from previous year reporting due to land acquisition by Land Management Department.
 - Reduction of 15.28 ha in Infrastructure & others due land acquisition by Land Management Department.
 - Reduction of 1.27 ha in HCV area due to typo error in previous report where the actual HCV area is 3.00 ha as per HCV report dated December 2015.
- 2) Bukit Cheraka Estate – Difference 66.25 ha from previous audit hectarage due to hectarage reconciliation between master list and land title due to field taken out for WCE construction.

1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bukit Kerayong Estate	223.66	1,174.34	1,086.98	-	-	2,261.32	223.66
Bukit Cheraka Estate	413.97	865.13	1,236.25	885.30	-	2,986.68	413.97
Total (ha)	637.63	2,039.47	2,323.23	885.30	0	5,248.00	637.63

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1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 2020 - Dec 2020)	Actual (Jan 2020 - Dec 2020)	Forecast (Jan 2021 - Dec 2021)
Bukit Kerayong Estate	59,457.87	52,044.73	63,249.84
Bukit Cheraka Estate	73,881.21	59,744.22	72,609.20
Sepang Estate	-	20.810	-
Total	133,339.08	111,809.76	135,859.04

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 2020 - Dec 2020)	Actual (Jan 2020 - Dec 2020)	Forecast (Jan 2021 - Dec 2021)
Amscot	N/A	4.99	N/A
Bakti Mas Bina Sdn Bhd		1,134.31	
Clarity Crest		1,200.58	
Eng Huat Latex Concentrate Sdn Bhd		795.15	
Euro-Asia Brand		179.01	
Gan Estate		1,453.39	
Landta Rasmi		1,058.35	
Ninety Nine Resources		98.47	
Poh Lim Enterprise Sdn Bhd		23.72	
Rasa Dinamis		302.19	
Selamis Sawit		205.54	
Syarikat Chuan Soon		6,173.61	
Timah Jaharah		818.66	
Total		N/A	

1.8 Certified Tonnage			
Mill Capacity: 30 MT/hr	Estimated (Jan 2020 - Dec 2020)	Actual (Jan 2020 - Dec 2020)	Forecast (Jan 2021 - Dec 2021)
	FFB	FFB	FFB
SCC Model:	133,339.08	111,809.76	135,859.04

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MB	CPO (OER: 21.14%)	CPO (OER: 20.33%)	CPO (OER: 20.35%)
	28,187.88	22,736.16	27,647.31
	PK (KER: 5.51 %)	PK (KER: 5.13%)	PK (KER: 5.00%)
	7,346.98	5,740.22	6,792.95

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
23,107.82	-	-	4,689.32	18,176.55	22,865.87
Remark: Carry forward balance: 371.66 MT					

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
5,740.22	-	-	3,433.26	2,185.95	5,619.21

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 05 – 07/01/2021. The audit programme is included as Section 2.3. The approach to the audit was to treat the Bukit Kerayong Palm Oil Mill and Estates as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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The following table would be used to identify the locations to be audited each year in the 5 years 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)
Bukit Kerayong Palm Oil Mill	√	√	√	√	√
Bukit Kerayong Estate	√	√	√	√	√
Bukit Cheraka Estate	√	√	√	√	√

Tentative Date of Next Visit: January 3, 2022 - January 5, 2022

Total No. of Mandays: 6

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Hu Ning Shing	Team Leader	She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She attended Endorsed MSPO Auditor and MSPO SCCS Lead Auditor Course in 2019. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal, workers & stakeholders consultation and SCC for CPO mill. She is fluent in Bahasa Malaysia and English languages.
Muhammad Fadzli Masran	Team Member	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 mill and estate best practices, waste

		management, HCV, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.
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2.2 Accompanying Persons

No.	Name	Role
N/A		

2.3 Assessment Plan

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

Date	Time	Subjects	HNS	MF
Monday 04/01/2021	PM	Audit team travelling to site	√	√
Tuesday 05/01/2021 Bukit Kerayong Estate	0830 - 0900	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). • Verification on previous audit findings 	√	√
	0900 - 1300	Bukit Kerayong Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√
	1300 - 1400	Lunch	√	√
	1400 - 1600	Bukit Kerayong Estate Document review P1 – P6 (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	√	√
	1600 - 1630	Interim Closing Briefing	√	√
Wednesday 06/01/2021 Bukit Cheraka Estate	0830 - 1300	Bukit Cheraka Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√
	1000 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-

Date	Time	Subjects	HNS	MF
	1300 - 1400	Lunch	√	√
	1400 - 1600	Bukit Cheraka Estate Document review P1 – P6 (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	√	√
	1600 - 1630	Interim Closing Briefing	√	√
Thursday 07/01/2021	0830 - 1300	Bukit Kerayong POM FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	1300 - 1400	Lunch	√	√
	1400 - 1600	Bukit Kerayong POM Document Review P1 – P6 (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 and P6: Best practices	√	√
	1600 - 1630	Preparation of Closing Meeting	√	√
	1630 - 1700	Closing Meeting	√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were three (3) Major, three (3) Minor nonconformities and two (2) Opportunity for Improvement raised. The SOU 7 Bukit Kerayong Palm Oil Mill and Estates 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.

Major Nonconformities:		
Ref: 2007066-202101-M1	Area/Process: Bukit Cheraka Estates	Clause: 4.4.5.6 - Part 3
	Issue Date: 07/01/2021	Due Date: 06/04/2021
Requirements:	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.	
Statement of Nonconformity:	The employment contract signed by the contractor's workers was not comprehensive.	
Objective Evidence:	Bukit Cheraka Estate: Employment contracts signed by the 4 contractor's workers (KSG Enterprise Sdn Bhd) in Bukit Cheraka Estate was not comprehensive where only rules that need to be comply by the workers stated in the contract. Terms and conditions of employment such as annual leave, wages, notice period, sick leave and etc was not outlined in the contract.	
Corrections:	To issue warning letter to KSG enterprise for them to issue revised employment contract with the compliance toward Employment Act 1955 requirement detailing on annual leave, rest day, termination clause, sick leave etc. Estate to investigate the cause and issue letter to FFB transporter for them to ensure the workers they employ comply with Employment Act 1955.	
Root cause analysis:	Inadequate monitoring/enforcement on contractor's compliance to legal labour requirement and employment act 1955.	

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<p>Corrective Actions:</p>	<p>Approach Group Procurement to issue strong reminder to FFB transporter to strictly comply to legal requirements including employment terms as stipulated in the agreement.</p> <p>Similar letter to be sent to all vendors suppliers for SOU 7 Bukit Kerayong.</p> <p>Estate management will ensure all contractor’s document comply with Employment Act 1955 and will be monitor continuously. Warning letter will be issued should the contractor fail to comply to the legal requirement and breach the contract. Estate will check the compliance on monthly basis and compliance with Employment Act 1955.</p>
<p>Assessment Conclusion:</p>	<p>Verification of evidence for Major NC,</p> <p>Warning letter dated 22/01/2021 was issued to the contractor, KSG Enterprise was sighted to give reminder to the contractor in order to comply with the requirements. The contract has acknowledged after received of the warning letter.</p> <p>Sustainability Department in HQ has approached the Group Procurement Department to issue reinforcement memo to transporters to comply with legal requirement on 06/04/2021 and the Group Procurement – Logistics has email to the transporter on 06/04/2021 as well to remind the transporters to comply with legal requirements. Seen the email correspondence.</p> <p>Contractor Monitoring Checklist was established to monitor the compliance of contractors on legal requirements. The last monitoring was conducted on 06/04/2021 through phone call and found that the contractor was complied with the requirements. The monitoring will be carried out on quarterly basis.</p> <p>The implementation of corrective action was found effective and thus the major non-conformance was closed on 06/04/2021.</p>

<p>Major Nonconformities:</p>		
<p>Ref: 2007066-202101-M2</p>	<p>Area/Process: Palm Oil Mill</p>	<p>Clause: 4.4.5.3 - Part 4</p>
	<p>Issue Date: 07/01/2021</p>	<p>Due Date: 06/04/2021</p>
<p>Requirements:</p>	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p>	
<p>Statement of Nonconformity:</p>	<p>The management did not comply with the MAPA/NUPW Circular No. 22/2015.</p>	
<p>Objective Evidence:</p>	<p>Reviewed the pay slips of the workers who joined NUPW association found that the deduction made for the union fee was RM 11. There was no reimbursement of RM 3 made to the workers on March 2020, September 2020 and December 2020 as per MAPA/NUPW Circular No. 22/2015 dated 4/8/2015 and sampled of workers as below:</p> <ul style="list-style-type: none"> i. Employee No.: 9838 ii. Employee No.: 6782 iii. Employee No.: 6790 iv. Employee No.: 29579 <p>Below are the workers who joined on December 2020 were also not reimbursed for the RM 3.</p>	

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	<ul style="list-style-type: none"> i. Employee No.: 152134 ii. Employee No.: 159739 iii. Employee No.: 159741 iv. Employee No.: 159742 v. Employee No.: 159993
Corrections:	To reimburse the unpaid amount to the respective workers. Assistant to verify the data entry record before finalising the checkroll process.
Root cause analysis:	Additional reimbursement of the same code in the payment system supersede the previous recurrent reimbursement. Lack of verification process to ensure the data entry are in order.
Corrective Actions:	Spot checks by RQSM/Careline on a quarterly basis during their visit to the respective operating unit and to inform union representative during meeting with union to ensure the union member receive the reimbursement due to them as per stipulated at Employment Act 1955 and as per SDP Human Right Charter.
Assessment Conclusion:	<p>Verification of evidence for Major NC,</p> <p>The management has reimbursed the unpaid amount for the sampled workers on January 2021's wages under category of Insurance Reimbursement. Besides, reviewed payslip for February 2021 found that RM 3 was reimbursed to the worker for NUPW fee. The reimbursement of other Union members were carried out on March 2021 and seen the List of Employee Allowances and Deduction Details March 2021 for the reimbursement which has been verified by the Assistant Manager before key into the system.</p> <p>RSQM has developed a Workplace Inspection Planning to visit the mill and estates to check on the implementation of the requirements by the operating units. Seen the inspection schedule for Year 2021 where the plan to visit for SOU 7 Bukit Kerayong is on June 2021.</p> <p>The implementation of corrective action was found effective and thus the major non-conformance was closed on 06/04/2021.</p>

Major Nonconformities:		
Ref: 2007066-202101-M3	Area/Process: Bukit Kerayong Estate	Clause: 4.5.3.3 - Part 3
	Issue Date: 07/01/2021	Due Date: 06/04/2021
Requirements:	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.	
Statement of Nonconformity:	The Scheduled Waste, SW 305 were not handled as per Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974.	
Objective Evidence:	Bukit Kerayong Estate: FY 2020, the vehicle maintenance services were conducted by the estate foreman. Noted during document review, the first vehicle services in 2020 and SW 305 generated on 06/01/2020. As recorded in the BIN Card since 06/01/2020 till 23/12/2020, the SW 305 generated recorded at 540L. The waste generated from the	

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	activity were stored in the Scheduled Waste Store and yet to be disposed by the estate since the day of the audit.
Corrections:	Scheduled waste will be disposed immediately by end of January 2021. RSQM will schedule a training to all personnel involve in the working station and person in-charge in handling and monitoring of scheduled waste inventory.
Root cause analysis:	Changes in service provider and inadequate monitoring system to ensure proper handling of scheduled waste at the estate.
Corrective Actions:	Regular spot check on documentation and physical visit to scheduled waste generated area during workplace inspection every quarterly basis by RSQM or OSH Committee.
Assessment Conclusion:	<p>Verification of evidence for Major NC,</p> <p>There was a training on eSwiss conducted on 11/02/2021 by RSQM team to all the personnel from Bukit Kerayong Estate and Bukit Cheraka Estate. Seen the training attendance list.</p> <p>Sime Darby Industrial Sdn Bhd has collected the 1000 litres of engine oil and 8 pieces of filters on 05/04/2021. Seen the memo of collection. The vehicle maintenance is now serviced by Sime Darby Industrial Sdn Bhd and any scheduled waste generated will be collected by them after their service.</p> <p>RSQM has developed a Workplace Inspection Planning to visit the mill and estates to check on the implementation of the requirements by the operating units. Seen the inspection schedule for Year 2021 where the plan to visit for SOU 7 Bukit Kerayong is on June 2021. Workplace Inspection Checklist was developed where inspection on schedule waste in included.</p> <p>The implementation of corrective action was found effective and thus the major non-conformance was closed on 06/04/2021.</p>

Minor Nonconformities:		
Ref: 2007066-202101-N1	Area/Process: Bukit Kerayong Estate and Bukit Cheraka Estate	Clause: 4.4.5.4 - Part 3
	Issue Date: 07/01/2021	Due Date: Next surveillance 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:	Employees of contractors are not paid based on Employment Act 1955, Section 60(d).	
Objective Evidence:	Bukit Kerayong Estate and Bukit Cheraka Estate:	
	Reviewed the pay slips and Daily Oil Mill Declared Weight – By Delivery Note for September 2020 found that 4 contractor’s workers (FFB transporter) in Bukit Kerayong Estate and 4 contractor’s workers (FFB transporter) in Bukit Cheraka Estate have worked on rest day without paying according to Employment Act 1955. The sampled workers as below:	
	I/C No.	Date of Work on Rest Day
	Bukit Kerayong Estate	

	730622-10-55XX	06/09/2020, 13/09/2020 and 27/09/2020	
	890911-10-51XX		
	711125-10-64XX		
	650128-10-68XX		
	Bukit Cheraka Estate		
	610721-10-54XX	06/09/2020, 13/09/2020, 20/09/2020, 27/09/2020	
	950307-10-55XX	06/09/2020	
	790820-08-62XX	13/09/2020, 20/09/2020, 27/09/2020	
	741004-10-54XX	06/09/2020, 13/09/2020, 20/09/2020	
Corrections:	Estate to investigate the cause and issue letter to FFB transporter for them to ensure the workers they employ comply with the legal requirements (wages, rest day (double pay), work on rest day etc) and reimburse workers with the payments due within the timeline stipulated also to make clear of our expectations.		
Root cause analysis:	Inadequate monitoring/enforcement on contractor's compliance to legal labour requirement and employment act 1955.		
Corrective Actions:	Monitoring of contractor's documentation on legal requirement biannually and warning letter will be issued should the contractor fail to comply to the legal requirement and breach the contract.		
Assessment Conclusion:	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.		

Minor Nonconformities:		
Ref: 2007066-202101-N2	Area/Process: Bukit Kerayong Estate	Clause: 4.4.4.2 d - Part 3
	Issue Date: 07/01/2021	Due Date: Next surveillance assessment
Requirements:	The occupational safety and health plan shall cover the following: 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).	
Statement of Nonconformity:	The mitigation measure for spraying activity as per HIRARC, wearing appropriate PPE and Pictorial Safety Standard (PSS) dated 17/3/2008 were not effectively implemented.	
Objective Evidence:	Bukit Kerayong Estate: During interview with spraying workers, it was noted that the 7 sprayers have been provided with safety goggle to protect their eyes during spraying. However, the workers didn't wear the goggle as instructed during circle spraying work.	
Corrections:	To issue warning letter to mandore and spraying gang for not wearing a proper PPE.	

Root cause analysis:	Lack of effective monitoring system for PPE usage by workers.
Corrective Actions:	Supervisor to check and ensure workers have full PPE before start working via PPE monitoring book. To review PPE supply to worker and to substitute the PPE should the PPE found to be inconvenience to the user.
Assessment Conclusion:	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.

Minor Nonconformities:		
Ref: 2007066-202101-N3	Area/Process: Bukit Kerayong Estate	Clause: 4.5.1.2 - Part 3
	Issue Date: 07/01/2021	Due Date: Next surveillance assessment
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	
Statement of Nonconformity:	The Environmental Aspect Identification and Environmental Impact Evaluation was not effectively conducted as per SOP established.	
Objective Evidence:	Bukit Kerayong Estate: Noted during document review, the Environmental Aspect/Impact evaluation was not conducted as per SOP established. The determination of environmental impacts at Bukit Kerayong Estate are not according to the EQMS – Environmental Aspect / Impacts Evaluation Procedure. a. EIE2020/01/09/FWE/03 – the frequency of transporting chemical and workers is identified as 3. However, this activity frequency should be daily. b. EIE2020/01/11/PWR/10 – it was identified there is high compliance potential of non-compliance to environmental regulation. However, there is no EMP been developed for this activity.	
Corrections:	To re-evaluate and review Environment Impact/Aspect Evaluation for Bukit Kerayong Estate and develop action plan in Environment Management Plan should the new revised EIE has a high compliance potential of non-compliance to environmental regulation.	
Root cause analysis:	Training not carried out on handling of chemical, scheduled wastes and on the EAI/EIE procedure.	
Corrective Actions:	RSQM will plan a training/coaching session with person-charge on the Environmental Impact Evaluation/Assessment by in Feb/Mar 2021 to ensure it comply with related act and requirement.	
Assessment Conclusion:	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.	

Opportunity For Improvement		
Ref: 2007066-202101-I1	Area/Process: Bukit Kerayong Estate	Clause: 4.4.2.2 - Part 3
	Objective Evidence: Bukit Kerayong Estate: The management to ensure the complaint system is effectively implemented.	

Opportunity For Improvement		
Ref: 2007066-202101-I2	Area/Process: Palm Oil Mill	Clause: 4.4.2.1 - Part 4
Objective Evidence:	The mill to ensure the consistency implementation of the format of "Borang Kerosakan Rumah – Workers/ NC/ Staff" used and to indicate the date of completion of the complaint.	

Noteworthy Positive Comments	
1	Good relationship being maintained with surrounding communities.

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref: 1871621-202001-M1	Area/Process: Palm Oil Mill	Clause: 4.4.4.2 - Part 4
Requirements:	The occupational safety and health plan should cover the following: b) The risk of all operations shall be assessed and documented. e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	
Statement of Nonconformity:	i. Risk assessment conducted not covering all operations and ii. Mitigation measures is not effectively implemented iii. Standard Operating Procedures for Chemical Handling is not effectively implemented	
Objective Evidence:	i. Sighted during site visit, the ramp operator who control the FFB lever into cages were found sitting on a high chair (same level as the hand rail) which is considered as unsafe act. Noted during document review, the activity was not captured in the HIRARC register. ii. Sighted during site visit at the workshop, diesel and lubricant were stored in secondary container without any label. This is against the SOP established in Occupational Safety and Health Manual, Chapter no. 9: Chemical Safety Management ver. 1, Issued no. 1 dated 20/8/2008 under section 6.0: Procedure for Handling, which stated 'iii. Ensure that the container are properly labelled, not damaged and no spillage during handling.'	
Corrections:	Mill management has carry out HIRARC assessment for ramp lever operator on 5th February 2020. To put labelling on temporary container use to store diesel and lubricant at the workshop.	
Root cause analysis:	HIRARC assessment for ramp level operator sitting on chair above the railing at FFB conveyor was not conducted as at time of HIRARC review as the team did not found any risk during the assessment of the activity at the ramp. Workers are not well trained on the chemical handling SOP and OSH manual.	

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<p>Corrective Actions:</p>	<p>SQM will conduct refresher training on HIRARC procedure for operation personal and to ensure the HIRARC assessment covers all operation and its' activities. To conduct refresher training on chemical handling and OSH manual to all employee involve with chemical.</p> <p>Evidence verified:</p> <ul style="list-style-type: none"> i. HIRARC for loading ramp has been reviewed on 3/3/2020 with additional activity for the ramp operator. ii. All chemical container has been labelled as per SOP and OSH Manual established. <p>The evidences submitted found adequate. Thus, the Major NC was effectively closed on 27/3/2020. The effectiveness of the implementation will be verified during next assessment.</p>
<p>Assessment Conclusion:</p>	<p>Verification during ASA3,</p> <ul style="list-style-type: none"> 1. The mill reviewed the HIRARC on annually basis and during accident occur. Latest review was conducted on 01/11/2020 due to accident happen 18/10/2020. 2. The mill has eliminated the process of keeping lubricant at temporary storage in the workshop. Any request for chemical must be made through the store keeper. During night shift, store key was kept by the AP. 3. Sighted at the chemical store for the laboratory, all the chemical was labelled as per SOP established. <p>Thus, the major non-conformance remains closed.</p>

<p style="text-align: center;">Major Nonconformities:</p>		
<p>Ref: 1871621-202001-M2</p>	<p>Area/Process: Palm Oil Mill</p>	<p>Clause: 4.4.2.2 - Part 4</p>
<p>Requirements:</p>	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p>	
<p>Statement of Nonconformity:</p>	<p>No evidence complaint and grievances being resolved in an effective, timely, appropriate manner and accepted by all parties.</p>	
<p>Objective Evidence:</p>	<p>Any repairs required by Internal Stakeholders need to fill-up the House Repair Requisition Form.</p> <p>Sample taken on House No WQ-47; Mr Kumaren dated 25th June 2019 on leaking washing basin, damage of concrete drain and faulty lamp.</p> <p>Faulty lamp being repaired by the Mill Charge-man. However, other repairs which incurred higher cost a quotation is required as the work will be outsourcing.</p> <p>Sample taken on the quotation being obtained from contractor, Biglenz Tech Services on 4th November 2019 and work has been approved on 12th November 2019 through Doc No 4300487407. Seen, the invoice under No 0000030 being submitted on 18th November 2019.</p> <p>No evidence, all the repairs being resolved in an effective, timely and appropriate manner, which is accepted by all parties as per Plantation Quality Management</p>	

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	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 under Clause 6.3.
Corrections:	To brief workers on current financial situation that will affect the effectiveness and timeline for housing repair. Management will propose any defect will resolve within 6 month.
Root cause analysis:	The Person In-charge is not aware of the time frame stipulated in the SOMM and lack of communication between the management and complainant.
Corrective Actions:	To have a guideline on the complaint procedure to and communicate it to all employees. Evidence verified: i. Briefing on safety, house repair, form filling, defects and completed jobs has been conducted on 12/2/2020. ii. the mill has established new form for housing repair. The evidences submitted found adequate. Thus, the Major NC was effectively closed on 27/3/2020. The effectiveness of the implementation will be verified during next assessment.
Assessment Conclusion:	Verification during ASA3, Bukit Kerayong POM has implemented "Borang Kerosakan Rumah – Workers/ NC/ Staff" and Communication and Complain Logbook by Stakeholder and Worker to record complaints and requests reported by the stakeholders. Most of the complaints were related to housing repair. Sampled of the complaints as below: i. House No.: JSB 4 dated 28/04/2020 Issue: Ceiling in the master bedroom leakage, missing windows, no water from the water pipe in the toilet. Action: The management has taken action to rectify all the issues and seen the photo evident of the repaired done. The complainant has acknowledged on the action taken. Interviewed with the stakeholders confirmed that they are aware of the complaint procedures. Thus, the major non-conformance remains closed.

Major Nonconformities:		
Ref: 1871621-202001-M3	Area/Process: Palm Oil Mill	Clause: 4.4.5.9 - Part 4
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	The legal labour requirements is not fully demonstrated.	
Objective Evidence:	In Bukit Kerayong POM, found that Latchumy (Employee ID: 00006767) and Kavitha (Employee ID: 000006776) has worked on night shift after 10 pm without having the Permit for Female Nightshift by Labour Department as below: a. Kavitha: 1. 2/08/2019: 1526-2301 2. 3/08/2019: 1513-2256	

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	<p>3. 8/08/2019: 1533-2300 4. 13/08/2019: 1502-2306 5. 16/08/2019: 1500-2300 6. 24/08/2019: 0804-2300 7. 30/08/2019: 0756-2306 8. 7/10/2019: 1509-2300 9. 9/10/2019: 1511—2300 10. 10/10/2019: 1510-2258 11. 21/10/2019: 1511-2306 12. 18/12/2019: 1458-2304</p> <p>b. Latchumy: 1. 6/8/2019: 1453-2303 2. 7/8/2019: 1512-2308 3. 9/8/2019: 1506-2300 4. 17/8/201: 1454-2218 5. 19/8/2019: 1445-2259 6. 20/8/2019: 1450-2231 7. 21/8/2019: 1453-2256 8. 22/8/2019: 1452-2308 9. 23/8/2019: 1449-2319 10. 26/8/2019: 1454-2250 11. 2/10/2019: 1457-2230 12. 3/10/2019: 1457-2305 13. 5/10/2019: 1652-2300 14. 12/10/2019: 1803-2306</p>
<p>Corrections:</p>	<p>Mill management has apply permit on "Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita" from JTK on 19th February 2020 and until then Mill management will impose time limitation to received FFB from supplying estate which is not later than 9pm.</p>
<p>Root cause analysis:</p>	<p>Person in-charge is not well trained on the labour legal requirement.</p>
<p>Corrective Actions:</p>	<p>SQM with the assistance of Regional HR will organise a training on labour legal compliance for mill and estate personnel tentatively in March/April 2020.</p> <p>Evidence verified: i. The mill has submitted application for permit on "Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita" to JTK and waiting for approval as per 'Senarai Semak Dokumen Permohonan Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita' received by JTK dated 19/2/2020. ii. The mill has issued a memo to all sister estate on impose time limitation to received FFB from supplying estate which is not later than 9pm as per memo dated 27/1/2020 signed by the mill manager. The evidences submitted found adequate. Thus, the Major NC was effectively closed on 27/3/2020. The effectiveness of the implementation will be verified during next assessment.</p>
<p>Assessment Conclusion:</p>	<p>Verification during ASA3, Reviewed the punch card for the both weighbridge clerks found that they still have working at night after 10pm. However, the management in progress of application of the permit and HR in HQ will follow up with JTK on the status. Besides, the company</p>

	has assigned a male employee to take over the night shift work after 10pm on 01/01/2021 and seen the Inter-Office Mail with Ref. No.: BKOM/2021/SHAFIQ dated 01/01/2021 for the appointment of the male worker as Weighbridge Operator. Thus, the major non-conformance remains closed.
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Minor Nonconformities:		
Ref: 1871621-202001-N1	Area/Process: Estates	Clause: 4.4.5.3 - Part 3
Requirements:	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.	
Statement of Nonconformity:	Non-compliance to Worker Contract Agreement on work on rest day.	
Objective Evidence:	Bukit Kerayong Estate No evidence, work on rest day being paid to the following worker based on the agreed Contract Agreements. Workers being paid normal rate instead of double. 1. BKE Employee Code - 0000155534	
Corrections:	Estate management has counter checked the data in the system with the AP schedule. The amount of salary underpaid has been verified and paid to the affected employees on 22nd January 2020.	
Root cause analysis:	Person in-charge is not well trained on the labour legal requirement.	
Corrective Actions:	Training on payroll system and verification procedure to estate personal and person In-charge to ensure no hiccup in the data entry process. The CAP submitted were found satisfactory and adequate. As this is Minor NC, the effectiveness of the implementation will be verified during next assessment.	
Assessment Conclusion:	Verification during ASA3, Reviewed the evidence of Cash Payment Voucher with Voucher No.: CV01/2020-18 dated 22/01/2020 where the underpaid salary of RM 88.48 was paid to the worker. The worker has signed on the payment voucher after received. Besides, training on Checkroll Workers Wages Computation Walk-Through was carried out on 10/12/2020 to train the personnel. Seen the attendance list where management team, Assistant Administration Officer (AAO) and store clerk were attended the training conducted by the HQ. Besides, sampled 11 pay slips of the other workers found those who worked on rest day were paid as per the Employment Act 1955. The implementation of the corrective action was found effective. Thus, the minor non-conformity was closed on 07/01/2020.	

Minor Nonconformities:		
Ref: 1871621-202001-N2	Area/Process: Estates	Clause: 4.4.4.2 - Part 3

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Requirements:	The occupational safety and health plan shall cover the following: 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.
Statement of Nonconformity:	The First Aid Kit monitoring was not effectively implemented.
Objective Evidence:	Bukit Kerayong Estate Noted during site visit and interview with spraying gang, it was found that the antiseptic liquid was placed in unlabeled bottle while at harvesting gang, there was no antiseptic liquid in the first aid box. Noted during document review, there was no evidence of first aid monitoring conducted.
Corrections:	1. Review First Aid Kit Training and replenish all the first aid box in the estate. 2. Appoint PIC (Tuan Abdul Aziz – Assistant Manager Bukit Kerayong Estate). 3. To monitor first aid kit – Usage /Balances etc.
Root cause analysis:	A mechanism to monitor first aid kit is not being implemented since the resignation of BKE Medical Assistance.
Corrective Actions:	1. Create new monitoring record book and keep by PIC. 2. Review and revised First Aid Kit Contents and distribute to each First Aid Kit Box. 3. To request assistance from sister estate’s Medical Assistant (Bukit Cheraka Estate) to monitor the usage, first aid kit condition and also to train all the first aid kit representative from each workers gang. The CAP submitted were found satisfactory and adequate. As this is Minor NC, the effectiveness of the implementation will be verified during next assessment.
Assessment Conclusion:	Verification during ASA3, The estate has established the distribution list of all first aid box in the estate documented in Location of First Aid kit. In the list stated the: 1. First aid box no. 2. Location of first aid box 3. Fix/Mobile 4. Person in Charge 5. Designation The estate monitors the usage and balance of the first aid kit. Sighted the monitoring records dated 20/1/2020 and 31/12/2020 The implementation of the corrective action was found effective. Thus, the minor non-conformity was closed on 07/01/2020.

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1732661-201901-N1	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N2	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N3	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N4	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N5	Minor	25/01/2019	Closed on 22/01/2020

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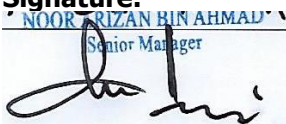

1732661-201901-N6	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N7	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N8	Minor	25/01/2019	Closed on 22/01/2020
1732661-201901-N9	Minor	25/01/2019	Closed on 22/01/2020
1871621-202001-M1	Major	22/01/2020	Closed on 27/03/2020
1871621-202001-M2	Major	22/01/2020	Closed on 27/03/2020
1871621-202001-M3	Major	22/01/2020	Closed on 27/03/2020
1871621-202001-N1	Minor	22/01/2020	Closed on 07/01/2021
1871621-202001-N2	Minor	22/01/2020	Closed on 07/01/2021
2007066-202101-M1	Major	07/01/2021	Closed on 06/04/2021
2007066-202101-M2	Major	07/01/2021	Closed on 06/04/2021
2007066-202101-M3	Major	07/01/2021	Closed on 06/04/2021
2007066-202101-N1	Minor	07/01/2021	"Open"
2007066-202101-N2	Minor	07/01/2021	"Open"
2007066-202101-N3	Minor	07/01/2021	"Open"

3.5 Issues Raised by Stakeholders

IS #	Description
1	Feedbacks: Local Community Head (Taman Sri Kerayong) - Feedback raised with regards to drain cleaning and desilting progress near Taman Seri Kerayong. This normally an annual event as to avoid flooding and impacting neighboring area. Boundary area with the estate also required cleaning and maintenance as the area upkeeping was not up to date.
	Management Responses: Estate management acknowledged the concern raised by the community head. These issues incorporated in the SIA management action plan for 2021. Progress work is on-going and will be completed in due time.
	Audit Team Findings: Verified the issue and action plan by the estate management team. No further issues.
2	Feedbacks: OCP @ Outside Crop Purchase/Smallholder/collection center - Newly invited as part of FFB supplier for Bukit Kerayong POM. Payment cycle currently made for 3 times per month. No late payment issues reported.
	Management Responses: Noted on the information.
	Audit Team Findings: No further issue.
3	Feedbacks: SJK (T) Ladang Braunston, SJK (T) Jalan Acob and SJK (T) Brafferton

	<ol style="list-style-type: none"> 1. Headmaster of SJK (T) Brafferton highlighted a few concerns on school/football field and drain maintenance. Road conditions to school quite slippery due to muddy road. Drain maintenance has yet to done to avoid flooding. 2. Headmaster of SJK (T) Jalan Acob has requested for drain cleaning and football field grass cutting. 3. Headmaster of SJK (T) Braunston highlighted the issue with regards to road condition and football field grass cutting. <p>Management Responses: Estate management acknowledged the concern raised by school headmaster. Some of the feedbacks were in verbal. Any request must be formal @ in writing to the management. However, some of the issues have been incorporated in the SIA management action plan for 2021.</p> <p>Audit Team Findings: Verified the issue and action plan by the estate management team. No further issues.</p>
<p>4</p>	<p>Feedbacks: Contractors - There is no late payment issue from Estate to contractors. Agreement is valid and signed by both parties. Contractor workers' pay slip were kept in office.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No other issue.</p>
<p>5</p>	<p>Feedbacks: Gender Committee - No sexual harassment case reported. New mother's need assessment was conducted concurrently during the gender committee meeting. Meeting and activities were actively conducted and participated by the members.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further issue.</p>

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 7 Bukit Kerayong Palm Oil Mill and Estates Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 7 Bukit Kerayong Palm Oil Mill and Estates Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Noor Arizan Ahmad	Name: Hu Ning Shing
Company name: Sime Darby Plantation Berhad	Company name: BSI Services Malaysia Sdn Bhd
Title: SOU 7 Chairman – Senior Manager Bukit Cheraka Estate	Title: Lead Auditor
Signature:  <small>NOOR ARIZAN BIN AHMAD Senior Manager</small> Date: 10/04/2021	Signature:  Date: 08/04/2021

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation Berhad has issued an inter-office mail (Ref. No.: SQM.RSPO.1811/22.11) dated 23/11/2018 regarding the statement on commitment towards MSPO implementation by Head, Global Sustainability Operations, Mr. Tang Men Kon. Sime Darby Plantation Berhad is committed to comply and implement the MSPO certification to demonstrate our commitment towards the production of certified sustainable palm oil products.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Sime Darby Plantation Berhad has clearly emphasized to achieve commitment towards a systematic approach in ensuring continuous improvement in the operation, compliance to statutory, legal and other regulatory requirements and establishment of traceability within the supply chain in the above-mentioned memorandum.	Yes
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.	MSPO & RSPO audit for Bukit Kerayong Estate was conducted on 24/11/2020 and 25/11/2020 in Bukit Cheraka Estate by GSD Malaysia & Central East RSQM. The audit was carried out based on the reference of MS 2530-3:2013. Total 1 major, 1 minor non-conformity and 1	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Opportunity for Improvement raised in Bukit Kerayong Estate and 1 major, 2 minor non-conformity and 3 Opportunity for Improvement raised in Bukit Cheraka Estate.	
4.1.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/09/2017. The frequency of the internal audit shall be carried out at least once a year and when is required.</p> <p>Total 1 major, 1 minor non-conformity and 1 Opportunity for Improvement raised in Bukit Kerayong Estate and 1 major, 2 minor non-conformity and 3 Opportunity for Improvement raised in Bukit Cheraka Estate.</p> <p>Seen the Internal Audit Report with root cause identified for the non-conformities and OFIs raised. All the non-conformities and OFIs were closed on 08/12/2020 in Bukit Kerayong Estate and Bukit Cheraka Estate.</p>	Yes
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	The internal audit report has been distributed to the estates' management. The Management Representative has acknowledged on the Internal System(s) Audit Report on 24/11/2020 in Bukit Kerayong Estate and 25/11/2020 in Bukit Cheraka Estate. Management review meeting was conducted to review the findings of the internal audit.	Yes

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>The latest management review meeting was carried out on 23/12/2020 in Bukit Kerayong Estate and 05/12/2020 in Bukit Cheraka Estate where the agenda that discussed as below:</p> <ol style="list-style-type: none"> 1. Results of internal audits covering RSPO and MSPO 2. Customer feedback 3. Status of preventive and corrective actions 4. Follow-up actions from management reviews 5. Changes that could affect the management system 6. Recommendations for improvement 7. Improvement of the effectiveness of the management system and processes 8. Resources needs 	<p>Yes</p>
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The estates visited has established continual improvement plan covers the main social and environmental impacts.</p> <p>Continual improvement plan for the estate being strategized under the following program as follows:</p> <p>Established water management during wet season and dry season</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		1. Water zoning, irrigation and reticulation 2. Crop increase by 1.5 mt/ha 3. Reduce unripe bunches to below 1% 4. Increase A crop percentage to above 90%	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Any new technology and/or innovation equipment is subject to approval by Regional Offices and Headquarters. Any new information is updated to employees through morning briefings, memo, meetings, station training. So far, no new technology at both estates visited.	Yes
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 -	Any new technology and/or innovation equipment is subject to approval by Regional Offices and Headquarters. Any new information is updated to employees through morning briefings, memo, meetings, station training. So far, no new technology at both estates visited.	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or	Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external	Yes

Criterion / Indicator		Assessment Findings	Compliance
	disclosure that could result in negative environmental or social outcomes. - Major compliance -	communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website (http://www.simedarbyplantation.com/Sustainability.aspx) to obtain information such as policies, annual report and complaint procedures.	Yes
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 Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	Yes
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	Assistant Manager of Bukit Kerayong Estate and Bukit Cheraka Estate has been appointed as social officer to handle any issues related to	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	social in the estate by the Manager. Appointment letter dated 11/03/2019 and 01/01/2021 was sighted.	
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Stakeholder list FY 2021 was developed in Bukit Kerayong Estate and Bukit Cheraka Estate which has included the government authorities, neighbouring communities, public agency, contractors and suppliers. The last stakeholder meeting was conducted on 04/12/2019. There was no stakeholder meeting carry out in Year 2020 due to Covid-19 pandemic and the movement restriction by the government. Besides, management of Bukit Kerayong Estate and Bukit Cheraka Estate has issued letter dated 15/12/2020 and 02/12/2020 to stakeholders to inform that the postpone of stakeholder meeting due to pandemic. A Complaint/ Improvement Form was attached together to the stakeholders for them to fill in. The issues reported by the stakeholders were captured into the Social Management Plan. Interviewed with the selected stakeholders confirmed that they are aware of MSPO and the complaint procedure. They have been invited to attend the previous stakeholder meeting as well. Some of the issues concern were raised and recorded in the Section 3.5, Stakeholder's Comment in the report.	Yes
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Sime Darby Plantation has developed Plantation Quality Management System – Standard Operating Procedure for Sustainable Supply Chain and Traceability, Doc. No.: Appendix 15, Version 2 dated April 2019. The objective of the procedure is to provide guideline for estates to establish and ensure effective implementation on sustainable supply	Yes

Criterion / Indicator		Assessment Findings	Compliance
		chain and traceability of certified sustainable materials (FFB). Procedure of incoming of FFB and outgoing of CPO was explained in the procedure.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	<p>The management conducted regular inspections on compliance with the established traceability system. Seen the FFB Despatch by Ticket reports where updated on daily basis. Sampled FFB Despatch by Ticket as below:</p> <p><u>Bukit Kerayong Estate</u></p> <ul style="list-style-type: none"> i. Total Estate Weight on 30/11/2020 <ul style="list-style-type: none"> • 112,910 kgs ii. Total Estate Weight on 21/11/2020 <ul style="list-style-type: none"> • 167,030 kgs <p><u>Bukit Cheraka Estate</u></p> <ul style="list-style-type: none"> i. Total Estate Weight on 12/12/2020 <ul style="list-style-type: none"> • 137 MT ii. Total Estate Weight on 24/12/2020 <ul style="list-style-type: none"> • 130.43 MT <p>Sime Darby is implemented the SAP system and CRS system to monitor the daily input and output of FFB.</p>	Yes
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Head of Operating Unit has the overall responsibility for the implementation of the Standard Operating Procedure for Sustainable Supply Chain and Traceability. Besides, Assistant Manager in both Bukit Kerayong Estate and Bukit Cheraka Estate has been appointed	Yes

Criterion / Indicator		Assessment Findings	Compliance
		as person in charge for RSPO/ MSPO and SCCS. Seen the appointment letter dated 04/01/2021 and 01/01/2021.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	<p>There was no sale of FFB by Bukit Kerayong Estate and Bukit Cheraka Estate because all its FFB were sent to own company's mill. Records of FFB delivery to the mill were maintained and sampled recorded as below:</p> <p><u>Bukit Kerayong Estate:</u></p> <ul style="list-style-type: none"> i. FFB Consignment Note# 025357 dated 30/11/2020; Field No.: 03A; Vehicle No.: BEE 9125; Estimated Tonnage: 11.36 MT ii. FFB Consignment Note# 025133 dated 21/11/2020; Field No.: 08C; Vehicle No.: BJR 5809; Estimated Tonnage: 11.68 MT <p><u>Bukit Cheraka Estate:</u></p> <ul style="list-style-type: none"> i. FFB Consignment Note# 103546 dated 12/12/2020; Field No.: 09C; Vehicle No.: BEE 9125; Estimated Tonnage: 10.13 MT ii. FFB Consignment Note# 129334 dated 24/12/2020; Field No.: 98A; Vehicle No.: WFS4427; Estimated Tonnage: 10.43 MT 	Yes
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 are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>SOU 7 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team.</p> <p>SOU 7 had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were:</p> <p><u>Bukit Kerayong Estate:</u></p> <ol style="list-style-type: none"> 1. MPOB License no. 525572002000, valid till 31/12/2020. Application to continue the license has been made on 02/12/2020 as per payment receipt no. Ref2-00070730. 2. Certificate of fitness (CF) no. for air receiver no. <ol style="list-style-type: none"> a. PMT-SL/20 197964 valid till 22/02/2022 b. PMT-SL/20 197965 valid till 22/02/2022 c. PMT-SL/20 197966 valid till 22/02/2022 3. Diesel permit no. B 002722 valid till 14/02/2021 <p><u>Bukit Cheraka Estate:</u></p> <ol style="list-style-type: none"> 1. MPOB License no. 526188002000, valid till 31/1/2021 2. MPOB Nursery License no. 589377011000, valid till 30/09/2021 3. Certificate of fitness (CF) no. for air receiver no. <ol style="list-style-type: none"> a. PMT-SL/19 135842 valid till 26/11/2020 b. PMT-SL/19 135843 valid till 26/11/2020 	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>c. PMT-SL/19 135845 valid till 26/11/2020</p> <p>The inspection FY 2020 to renew the permits was yet to be conducted due to CMCO at the estate area as per communication email with DOSH dated 13/11/2020 and follow up communication with DOSH officer on 18/11/2020 and 07/12/2020.</p> <p>4. Water Abstraction Permit no.</p> <p>a. SWAL:(P3) 001027, SWAL:(P3) 001028, SWAL:(P3) 001029, valid till 31/05/2021</p> <p>b. GWAL:(P2) 001004, valid till 30/06/2021</p> <p>Diesel permit no. B 000109SA and B000108SA valid till 14/02/2020. The application to renew the application has been made on 13/2/2020 as per BLESS no. DN22020088121 and DN22020088369. The license has yet to be received by the estate.</p> <p>Sime Darby Plantation has obtained approval from Jabatan Tenaga Kerja Semenanjung Malaysia to make deduction for electricity bill. Seen the approval letter with Ref. No.: BHG.PU/9/129 JLD 33 (53) dated 06/07/2017.</p> <p>Bukit Cheraka Estate has obtained approval from Jabatan Tenaga Kerja Selangor for the deduction of wages for the purpose of utilities bill (water and electricity), Great Eastern Insurance and personal loan. The approval letter with Ref. No.: JTKS(E)6/115. Jld 34-10(2) dated 05/03/2018 was sighted.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register for 2020.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The latest legal register for 2020 was sighted. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers' Minimum Standard of Housing and Amenities Act Regulation 2020, Minimum Wages order 2020 to name a few. Other related legal for COVID19 pandemic under Prevention and Control of Infectious Diseases (Measure Within the Infected Local Areas) Regulation 2020 was also has been identified.	Yes
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Group Sustainability will update the operating regarding any changes on applicable laws to the operating units. The person responsible appointed at the operating units will update the changes in the Legal Register <u>Bukit Kerayong Estate:</u> The estate has appointed the Asst. Manager II as person responsible to monitor any changes to the LORR and update when necessary as per appointment letter dated 04/01/2021. <u>Bukit Cheraka Estate:</u> The estate has appointed the Asst. Manager as person responsible to monitor any changes to the LORR and update when necessary as per appointment letter dated 01/01/2021.	Yes
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The was no evidence to show that oil palm cultivation activities Bukit Kerayong Estate and Bukit Cheraka Estate had diminished the land use rights of others. Verified documents to show legal ownership of its lad.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Verified the land titles shown that the legal ownership of the company. Sample of land title as below:</p> <p><u>Bukit Kerayong Estate:</u></p> <p>There are total 19 land titles found in Bukit Kerayong Estate. There was acquisition of total 330.11 ha by the third party. Verified the records of acquisition.</p> <ul style="list-style-type: none"> i. Land Title No.: 4555; Lot No.: 3622; Area: 0.5311 ha ii. Land Title No.: 24076; Lot No.: 3639; Area: 33.4523 ha iii. Land Title No.: 52712; Lot No.: 2894; Area: 11.7106 ha <p><u>Bukit Cheraka Estate:</u></p> <p>There are total 133 land titles found in Bukit Cheraka Estate.</p> <ul style="list-style-type: none"> i. Land Title No.: 27639; Lot No.: 2875; Area: 67.9618 ha ii. Land Title No.: 50095 Lot No.: 2965; Area: 100.3619 ha iii. Land Title No.: 55661; Lot No.: 1585; Area: 275.0846 ha 	Yes
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>The legal boundary for estate visited was clearly demarcated by constructing security trenches along the boundary and it was visibly maintained.</p> <p><u>Bukit Kerayong Estate:</u></p> <p>The boundary was clearly demarcated with red colour pole and security trenches as sighted at P09B adjacent with smallholder and P02A adjacent with Tuan Mee Estate, Jeram Division (KLK).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Bukit Cheraka Estate:</u></p> <p>The legal boundary was clearly demarcated with security trenches as sighted at field P17A adjacent with Lambun Estate and field P19B adjacent with Taman Pekerti.</p>	
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Bukit Kerayong Estate and Bukit Cheraka Estate at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified.</p>	Yes
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>There is no customary land or negotiated agreements within the Bukit Kerayong Estate and Bukit Cheraka Estate land area.</p>	Yes
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	<p>There is no customary land or negotiated agreements within the Bukit Kerayong Estate and Bukit Cheraka Estate land area.</p>	Yes
4.3.3.3	<p>Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- Major compliance -</p>	<p>There is no customary land or negotiated agreements within the Bukit Kerayong Estate and Bukit Cheraka Estate land area.</p>	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance –</p>	<p>Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 02-04/11/2015 for SOU 7 Bukit Kerayong. There is no new SIA was conducted since last assessment. Social Management Action Plan 2021 was developed on 04/01/2021 in Bukit Kerayong Estate after received the complaint/ improvement forms from stakeholders. Bukit Cheraka Estate has established the management plan and reviewed on 02/01/2021 with the inputs from OSH meeting and NUPW meeting. Actions, person in charge and the completion target date was included into the plan. The issues raised by the stakeholders during the stakeholder consultation conducted by auditors were captured in the action plan as well.</p>	Yes
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>The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill and estates. Timeframe for external communication to provide feedback within two weeks of the date of</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Bukit Kerayong Estate has implemented Housing Defect Complaint Book and Bukit Cheraka Estate has implemented Feedback form and Housing Repair Complaint Book to record complaints and requests reported by the stakeholders. Most of the complaints were related to housing repair. The complaint form has recorded the name of complainant and date of completion. Sampled of the complaints as below:</p> <ul style="list-style-type: none"> i. Name of Complainant: Manager dated 17/08/2020 (Bukit Kerayong Estate) Issue: Street light was malfunction. Action: The management has informed the contractor to carry out the repair work on 17/08/2020 and seen the invoice issued by the contractor and photo of evident of repair work done. INV# 3934 dated 29/10/2020 was sighted. ii. House No.: 1 dated 16/12/2020 Issue: Leakage of roof and broken window Action: The carpenter has carried out the repair work on 21/12/2020 and seen the photo evident of the repair done. The complainant has acknowledged after the issue rectified. <p><u>Bukit Kerayong Estate:</u></p>	OFI

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Criterion / Indicator		Assessment Findings	Compliance
		The management to ensure the complaint system is effectively implemented. Thus, an OFI was raised.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Complaint/ Suggestion Form was available in front of the office where the complaint box is. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Yes
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interviewed 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.	Yes
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Record of complaints from Year 2017 were maintained.	Yes
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 -	The estates have offered job opportunity to the local communities by verified through the employee master list. Other contributions have been made are such as given 10kg of rice once every 2 months to all the workers, Besides, interviewed with the local communities and the schools' representatives found that the management has provided	Yes

Criterion / Indicator		Assessment Findings	Compliance
		assistance whenever needed such as grass cutting and desilting draining.	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established environmental policy Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>In the Policy Statement stated as follows:</p> <p>“Upstream Malaysia is committed to providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia.”</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Estate visited has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.</p> <p>Sighted the implementation of the management plan FY 2020 as follows:</p>	Yes

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Bukit Kerayong Estate:</p> <ol style="list-style-type: none"> 1. The estate conducted workplace inspection on quarterly basis prior to environmental, safety and health committee meeting. Sighted the inspection reports dated 25/11/2020. The result of the inspection was discussed in the meeting. Sighted the minutes meetings of the committee meeting dated 05/10/2020. 2. Latest CHRA was conducted on 03/11/2020 by registered assessor with reg. no. HQ/09/ASS/00/124. The CHRA report no. HQ/09/ASS/00/124 – 2020/0034 and action plan were available for review. 3. The estate sent workers involve with chemical for medical surveillance on annually basis. Latest surveillance was conducted on 08-09/12/2020 by registered OHD with reg. no. HQ/08/DOC/00/329. 17 workers were sent for surveillance and found fit to work as chemical handlers. <p>Bukit Cheraka Estate:</p> <ol style="list-style-type: none"> 1. The estate sent workers involve with chemical for medical surveillance on annually basis. Latest surveillance was conducted on 23/11/2020 by registered OHD with reg. no. HQ/17/DOC/00/042. 52 workers were sent for surveillance and found fit to work as chemical handlers 2. The estate conducted workplace inspection on quarterly basis prior to environmental, safety and health committee meeting. Sighted the inspection reports dated 29/06/2020, 29/08/2020 and 26/11/2020. The result of the inspection was discussed in the meeting. Sighted the minutes meetings of the committee meeting 	

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Criterion / Indicator		Assessment Findings	Compliance
		dated 05/10/2020.	
4.4.4.2	<p>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 	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director on Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the estate.</p> <p>The estates visited has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as harvesting, weeding, manuring, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year if accident occur or changes on the operation.</p> <p><u>Bukit Kerayong Estate:</u></p> <p>Latest HIRARC review was on 25/12/2020 due to accident occur in security patrol operation located 23/12/2020.</p> <p><u>Bukit Cheraka Estate:</u></p> <p>FY 2020, HIRARC review has been conducted 6 times due to accident occur during the period. Sighted the HIRARC review dated 17/02/2020, 07/03/2020, 10/03/2020, 06/05/2020, 14/08/2020, 28/09/2020 and 15/11/2020.</p> <p>The estate has established training program for employees exposed to chemicals used at the estate to ensure the continuous awareness to the employee. The training was conducted by the Executives, Medical Assistant and representative form the chemical suppliers to</p>	<p>Minor Non-conformance</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>the supervisors and operators. Sighted the sampled training records as follows:</p> <p><u>Bukit Kerayong Estate:</u></p> <ol style="list-style-type: none"> 1. Inter 16 pump spraying training dated 21/08/2020 2. IPM leaf pest in oil palm plantation training dated 29/09/2020 <p><u>Bukit Cheraka Estate:</u></p> <ol style="list-style-type: none"> 1. Selective spray training dated 02/11/2020 2. CDA spraying training dated 24/10/2020 3. Inter 16 maintenance and spraying training dated 12/08/2020 and 25/02/2020 <p>The estates visited provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008. Sighted during site visit, the sprayers were provided with wellington boots, apron, nitrile gloves and half face respirator. The PPE issuance records were available for review.</p> <p><u>Bukit Kerayong Estate:</u></p> <p><i>During interview with spraying workers, it was noted that the 7 sprayers has been provided with safety goggle to protect their eyes during spraying. However, the workers didn't wear the goggle as instructed during circle spraying work.</i></p> <p><i>Thus, a minor non-conformance was raised.</i></p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation</p>	

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Criterion / Indicator		Assessment Findings	Compliance										
		<p>Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>The Estate Manager has been appointed as Person Responsible / Chairman for Safety and Health in the estate as per appointment letter dated 30/12/2020 signed by the Regional CEO</p> <p>The estate management has established Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the matters arising from the previous meetings, accident and incident report, workplace inspection, and training. Sighted the minutes meeting records as follows:</p> <table border="1" data-bbox="1050 922 1868 1171"> <tbody> <tr> <td>Bukit Kerayong Estate</td> <td>Bukit Cheraka Estate</td> </tr> <tr> <td>05/10/2020</td> <td>09/12/2020</td> </tr> <tr> <td>N/A</td> <td>02/09/2020</td> </tr> <tr> <td>N/A</td> <td>01/07/2020</td> </tr> <tr> <td>27/01/2020</td> <td>10/01/2020</td> </tr> </tbody> </table> <p>The OHS Chairman and Secretary are in coordination with RSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated</p>	Bukit Kerayong Estate	Bukit Cheraka Estate	05/10/2020	09/12/2020	N/A	02/09/2020	N/A	01/07/2020	27/01/2020	10/01/2020	
Bukit Kerayong Estate	Bukit Cheraka Estate												
05/10/2020	09/12/2020												
N/A	02/09/2020												
N/A	01/07/2020												
27/01/2020	10/01/2020												

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Criterion / Indicator	Assessment Findings	Compliance
	<p>November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3.</p> <p>Noted during interview with workers show the satisfactory understanding on the emergency procedure established. Training was conducted as follows:</p> <p><u>Bukit Kerayong Estate:</u></p> <ol style="list-style-type: none"> 1. First Aid Box refresher and firefighting training dated 19/11/2020 2. Basic outbreak first aid, CPR and AED training dated 29-30/09/2020 <p><u>Bukit Cheraka Estate:</u></p> <ol style="list-style-type: none"> 1. ERP and Spillage training dated 05/11/2020 2. First Aid training dated 05/08/2020 <p>First aider present at various workstation at the estates visited. The mandore was appointed as responsible for first aid box at each workstation. Noted during site visit, the spraying gang mandore (first aid box no. 15) and harvesting mandore (first aid box no.6) understanding on the basic first aid treatment was satisfactory.</p> <p>The estate monitors the usage and balance of the first aid kit. Sighted the monitoring records dated 20/1/2020 and 31/12/2020.</p> <p>The estates maintain the records of accident cases and reported to HQ using the Rapid 4 System. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p>Both estates visited submit the JKKP 8 form on annually basis to DOSH through MyKKP website.</p>	

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.5: Employment conditions			
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>Sime Darby Plantation has established Group Sustainability & Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/03/2020. Sime Darby Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees during morning muster. The last training was conducted on 15/07/2020 in Bukit Kerayong Estate and 08/01/2020 in Bukit Cheraka Estate.</p>	<p>Yes</p>
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>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin,</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance								
		caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from http://www.simedarbyplantation.com/sustainability/human-rights-charter .									
4.4.5.3	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. - Major compliance -	There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker. Sampled of total 23 payslip for March 2020, April 2020 September 2020 and December 2020 found that all the workers were paid accordingly.	Yes								
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. - Minor compliance -	<p><i>Reviewed the pay slips and Daily Oil Mill Declared Weight – By Delivery Note for September 2020 found that 4 contractor's workers (FFB transporter) in Bukit Kerayong Estate and 4 contractor's workers (FFB transporter) in Bukit Cheraka Estate have worked on rest day without paying according to Employment Act 1955. The sampled workers as below:</i></p> <table border="1"> <thead> <tr> <th><i>I/C No.</i></th> <th><i>Date of Work on Rest Day</i></th> </tr> </thead> <tbody> <tr> <td><i>Bukit Kerayong Estate</i></td> <td></td> </tr> <tr> <td><i>730622-10-55XX</i></td> <td rowspan="3"><i>06/09/2020, 13/09/2020 and 27/09/2020</i></td> </tr> <tr> <td><i>890911-10-51XX</i></td> </tr> <tr> <td><i>711125-10-64XX</i></td> </tr> </tbody> </table>	<i>I/C No.</i>	<i>Date of Work on Rest Day</i>	<i>Bukit Kerayong Estate</i>		<i>730622-10-55XX</i>	<i>06/09/2020, 13/09/2020 and 27/09/2020</i>	<i>890911-10-51XX</i>	<i>711125-10-64XX</i>	Minor Non-conformance
<i>I/C No.</i>	<i>Date of Work on Rest Day</i>										
<i>Bukit Kerayong Estate</i>											
<i>730622-10-55XX</i>	<i>06/09/2020, 13/09/2020 and 27/09/2020</i>										
<i>890911-10-51XX</i>											
<i>711125-10-64XX</i>											

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Criterion / Indicator		Assessment Findings		Compliance
		650128-10-68XX		
		<i>Bukit Cheraka Estate</i>		
		610721-10-54XX	06/09/2020, 13/09/2020, 20/09/2020, 27/09/2020	
		950307-10-55XX	06/09/2020	
		790820-08-62XX	13/09/2020, 20/09/2020, 27/09/2020	
		741004-10-54XX	06/09/2020, 13/09/2020, 20/09/2020	
		<i>Thus, a minor non-conformance was raised.</i>		
4.4.5.5	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. - Major compliance -	The estates' management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.		Yes
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. - Major compliance -	The estates' management has employed local and foreign workers from Indonesia, India, Bangladesh and Nepal. They are all under direct employment to the estates. Sampled of total 23 employment contracts and all of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms		Major Non-conformance

Criterion / Indicator		Assessment Findings	Compliance
		<p>and conditions were according to Collective Agreement and Employment Act 1955.</p> <p><i>Employment contracts signed by the 4 contractor's workers (KSG Enterprise Sdn Bhd) in Bukit Cheraka Estate was not comprehensive where only the rules stated in the contract. Terms and conditions of employment such as annual leave, wages, notice period, sick leave and etc was not outlined in the contract.</i></p> <p><i>Thus, a major non-conformance was raised.</i></p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>Seen the Estate Daily Attendance Report for monthly basis where it recorded the number of days work/ total tonnage and hours of overtime work. The report was generated from the daily data recorded in Daily Attendance Form.</p>	Yes
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>Interviewed with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.</p>	Yes
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 Daily Attendance Report and productivity reports. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips. Refer to indicator 4.4.5.3.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
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 -	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month and 10kg of rice once every two months. Free housing facilities were provided to all the workers and their families.	Yes
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. - Major compliance -	The estates' management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out at least bi-weekly basis by Medical Assistant using Housing Complex/ Nest/ Community Hall Inspections. The last inspection for December 2020 was conducted on 22/12/2020 in Bukit Kerayong Estate and 30/12/2020, 17in Bukit Cheraka Estate. Site visit to the housing area in both operating units found that the condition of the housing area is satisfied.	Yes
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. - Major compliance -	Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict. Gender Committee was established in Bukit Kerayong Estate and Bukit Cheraka Estate to monitor if there is any case of sexual harassment reported. The last meeting was carried out on 12/12/2020 with total 15 participants in Bukit Kerayong Estate and 23/09/2020 for SOU 7	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		Central East Region. There was no issue reported by the female workers. Activities such as <i>gotong-royong</i> , aerobic exercise and cake decoration was organized.	
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively.</p> <p>NUPW committee was established in Bukit Kerayong Estate and Bukit Cheraka Esttae. The last meeting was conducted on 17/12/2020 in Bukit Kerayong Estate and 20/03/2020 in Bukit Cheraka Estate. Issues concern were recorded in the meeting minutes and responded by the management during the meeting.</p>	Yes
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>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornograph. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years.</p> <p>No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
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>The estates visited has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors.</p> <p>Sighted the sample training records as follows:</p> <p><u>Bukit Kerayong Estate:</u></p> <ol style="list-style-type: none"> 1. First Aid Box refresher and firefighting training dated 19/11/2020 2. Basic outbreak first aid, CPR and AED training dated 29-30/09/2020 3. Inter 16 pump spraying training dated 21/08/2020 4. IPM leaf pest in oil palm plantation training dated 29/09/2020 5. Water Management and irrigation training dated 19/08/2020 6. Mechanical Buffalo Scissor Lift handling training dated 21/02/2020 7. FFB harvester (cutter) trining dated 21/02/2020 <p><u>Bukit Cheraka Estate:</u></p> <ol style="list-style-type: none"> 1. Trunk injection training dated 30/10/2020 2. PPE and SOP for spraying and manuring dated 29/10/2020 3. IPM, Bagworm and nettle caterpillar dated 29/09/2020 4. Basal pruning training dated 20/09/2020 	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
		5. Safety townhall training dated 20 – 21/08/2020 6. COBC and whistleblowing training dated 09/01/2020 7. Company policy briefing dated 08/01/2020 8. LCC inoculation training dated 18/01/2020 9. SOP and scout harvesting standard dated 13/01/2020 10. Harvesting SOP and Safety training dated 06/01/2020 11. Bunch census SOP training dated 03/01/2020	
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>The estates visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p> <p><u>Bukit Kerayong Estate:</u></p> <p>33 training was identified for management, employee and contractors and programmed throughout FY 2020.</p> <p><u>Bukit Cheraka Estate:</u></p> <p>18 training was identified for management, employee and contractors and programmed throughout FY 2020.</p>	Yes
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p>	<p>The estates visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>In the Policy stated as follows:</p> <p>Group Sustainability and Quality Statement:</p> <p>Minimizing Environmental Harm:</p> <ul style="list-style-type: none"> i. Protecting and enhancing biodiversity and ecosystem ii. No deforestation and No new development on peat land iii. Enhancing resilience against climate change impact iv. Adopting responsible consumption and production <p>Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement</p> <p>Environment</p> <ul style="list-style-type: none"> i. Comply to emission and effluent standard 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		ii. efficient use of water and energy iii. Minimize waste iv. Protect the ecosystem and biodiversity The Policy has been communicated to the workers during townhall meeting. Latest townhall meeting was conducted on 12/08/2020.	
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Sime Darby has established SOP for environmental impact assessment and documented in Estate Quality Management System, Standard Operation Manual sub-section 5.4 Planning, Appendix 5.4.1b: Environmental Aspect/Impact Evaluation Procedure, ver. 1, Issue no. 1 dated 01/11/2008. The estate visited has established environmental management plan base on aspect and impacts analysis conducted. The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team. The EAI/EIE and management plan was reviewed on annually basis. Latest review was conducted on 04/01/2020 for Bukit Kerayong Estate and 07/01/2020 for Bukit Cheraka Estate The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible.	Minor Non-conformance

Criterion / Indicator		Assessment Findings	Compliance
		<p><i>Noted during document review at Bukit Kerayong Estate, the Environmental Aspect/Impact evaluation was not conducted as per SOP established.</i></p> <p><i>The determination of environmental impacts at Bukit Kerayong Estate are not according to the EQMS – Environmental Aspect / Impacts Evaluation Procedure.</i></p> <p><i>a. EIE2020/01/09/FWE/03 – the frequency of transporting chemical and workers is identified as 3. However, this activity frequency should be daily.</i></p> <p><i>b. EIE2020/01/11/PWR/10 – it was identified there is high compliance potential of non-compliance to environmental regulation. However, there is no EMP been developed for this activity.</i></p> <p><i>Thus, a minor non-conformance was raised.</i></p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>The estate has established Environmental Management Plan FY 2020. The plan was reviewed on annually basis. Sighted the implementation of the management plan as follows:</p> <p><u>Bukit Kerayong Estate:</u></p> <ol style="list-style-type: none"> 1. Sighted during site visit at chemical premixing area, the wastewater from chemical mixing was collected in collection sump, pump and reused back in chemical mixing process. 2. The estate has established vehicle services schedule and displayed at the workshop and documented in vehicle service logbook and vehicle daily inspection records. Sighted the inspection records for vehicle no TF023 (BLN 5080), TF022 (BLG 2548) and TF015 (BKY 6478). 	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Bukit Cheraka Estate:</u></p> <ol style="list-style-type: none"> Sighted at the P19, the Legume Cover Crop, Mucuna Bracteata was well established. The estate has established vehicle services schedule and displayed at the workshop and documented in vehicle service logbook and vehicle daily inspection records. <p>The estate monitors the usage of diesel on monthly basis. The estate has established diesel usage baseline base on previous year usage. Records for the usage per FFB production as in criteria 4.5.2.1.</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Program to promote positive impact was documented in Pollution Prevention Plan.</p> <p>Among the promote positive impact as follows:</p> <ol style="list-style-type: none"> To place tray at the parking bay To carry out refreshing training on spillage training Intensive planting of beneficial plant in immature area Fixing barn owl box to achieve target ratio 1:10 ha 	Yes
4.5.1.5	<p>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.</p> <p>- Major compliance -</p>	<p>The estate visited continue provided training to ensure the awareness regarding the environmental policy among the employee. The management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance																																																
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The estates visited discussed the issues on environmental concern during Environmental, Safety and Health committee meeting conducted on quarterly basis.</p>	Yes																																																
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The estates visited has established energy management plan to optimize the consumption of non-renewable energy. sighted the management plan as follows:</p> <ol style="list-style-type: none"> The estate monitors the service maintenance for each vehicle and conducted accordingly as per scheduled. Sighted the vehicle service schedule and vehicle daily monitoring at the workshop board. The estates monitor the diesel consumption for non-renewable energy as follows: <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Bukit Estate</th> <th colspan="2">Kerayong</th> <th colspan="2">Bukit Cheraka Estate</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1.78</td> <td>1.82</td> <td>1.17</td> <td></td> <td>3.24</td> <td></td> </tr> <tr> <td>Feb</td> <td>1.67</td> <td>1.49</td> <td>1.98</td> <td></td> <td>1.90</td> <td></td> </tr> <tr> <td>Mar</td> <td>1.33</td> <td>1.12</td> <td>2.06</td> <td></td> <td>1.27</td> <td></td> </tr> <tr> <td>Apr</td> <td>1.52</td> <td>0.97</td> <td>1.78</td> <td></td> <td>1.22</td> <td></td> </tr> <tr> <td>May</td> <td>1.73</td> <td>1.09</td> <td>2.44</td> <td></td> <td>1.74</td> <td></td> </tr> </tbody> </table>	Month	Bukit Estate		Kerayong		Bukit Cheraka Estate		2019	2020	2019	2020	2019	2020	Jan	1.78	1.82	1.17		3.24		Feb	1.67	1.49	1.98		1.90		Mar	1.33	1.12	2.06		1.27		Apr	1.52	0.97	1.78		1.22		May	1.73	1.09	2.44		1.74		Yes
Month	Bukit Estate			Kerayong		Bukit Cheraka Estate																																													
	2019	2020	2019	2020	2019	2020																																													
Jan	1.78	1.82	1.17		3.24																																														
Feb	1.67	1.49	1.98		1.90																																														
Mar	1.33	1.12	2.06		1.27																																														
Apr	1.52	0.97	1.78		1.22																																														
May	1.73	1.09	2.44		1.74																																														

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Criterion / Indicator		Assessment Findings					Compliance
		Jun	1.61	1.06	2.29	1.78	
		Jul	0.72	1.40	1.98	1.86	
		Aug	1.29	1.32	2.26	1.67	
		Sep	1.48	1.48	1.45	1.57	
		Oct	2.03	1.65	2.17	2.02	
		Nov	1.69	1.31	3.08	2.75	
		Dec	2.41	1.54	3.98	3.48	
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 estates visited has established the direct usage of non-renewable energy such as diesel and electricity base on the consumption of previous year.					Yes
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No possible usage of renewable energy at the estate.					Yes
Criterion 4.5.3: Waste management and disposal							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The OUs have identified the waste products and source pollution generated in the estates and mill. The waste is categorized as follows:					Yes
		Type	Item Description	Location			

Criterion / Indicator		Assessment Findings			Compliance
		Scheduled Waste	Used lubricant, used hydraulic oil, batteries	Workshop	
			Clinical Waste	Clinic	
			Empty pesticide container, used oil drums	Main & Divisional store	
		Other waste	Rubbish	Workshop	
			Tyre and tubes		
		Recycle waste	Reuse empty Pesticide container	Main 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>Estate sampled has established management Plan base on the identification and source of pollutions and the documented in Waste management Plan FY 2020 and were available for review. In the management plan stated the type of waste, description, source of pollution, action to be taken and person responsible.</p> <p>Sighted the implementation as follows:</p> <ol style="list-style-type: none"> 1. The estate maintains the inventory records of empty pesticide container in chemical empty container book. Sighted the records FY 2020 			Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>The estate has appointed Sime Darby Industries as contractors to conduct the vehicle/machineries maintenance services and repairs. The waste generated by the activity was disposed by the contractor as they have the approval to conduct off site scheduled waste disposal as per approval letter from DOE with ref. no. AS(BB)91/110/619/161 Jilid 14 (69) dated 06/09/2011.</p>	
<p>4.5.3.3</p> <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures.</p> <p>Both estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estates visited.</p> <p><u>Bukit Kerayong Estate:</u></p> <p><i>FY 2020, the vehicle maintenance services was conducted by the estate foreman. Noted during document review, the first vehicle services in 2020 and SW 305 generated on 06/01/2020. As recorded in the BIN Card since 06/01/2020 till 23/12/2020, the SW 305 generated recorded at 540L. The waste generated from the activity were stored in the Scheduled Waste Store and yet to be disposed by the estate since the day of the audit.</i></p> <p><i>Thus, a major non-conformance was raised.</i></p> <p><u>Bukit Cheraka Estate:</u></p> <p>Disposal of SW 305 and SW 410 was conducted by Sime Darby Industries. Sighted the records of maintenance services conducted</p>	<p>Major Non-conformance</p>

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Criterion / Indicator		Assessment Findings	Compliance
		and permission letter to take out SW 305 and SW 410 from the estate premise dated 17/12/2020, 07/07/2020 and 06/02/2020.	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Empty pesticides container was identified as recycle waste. All empty pesticides containers were triple rinse, puncture and stored at designated stored before disposed to licensed contractors, SS Setia Technology Enterprise. Refer approval letter from DOE no AS (B) J 91/110/619/069 Jld 3(37) dated 24/10/2018. Sighted the implementation of the triple rinse during site visit at the storage area.</p> <p>Sighted the disposal records of empty pesticides container dated 23/11/2019 and 15/6/2020.</p>	Yes
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	Domestic waste was collected by municipal contractors and disposed at the municipal landfill.	Yes
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	The estates visited has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation.	Yes
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>	The action plan to reduce the identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan.	Yes

Criterion / Indicator	Assessment Findings	Compliance														
Criterion 4.5.5: Natural water resources																
<p>4.5.5.1 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. 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. <p>- Major compliance -</p>	<p>Documented in Sime Darby Slope and River Protection Policy dated 15/1/2015 signed by the Managing Director stated that buffer zone shall be maintained on both side of the riverbanks.</p> <table border="1" data-bbox="1050 644 1599 1107"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> <tr> <td>*> 3 meters</td> <td>20 meters</td> </tr> </tbody> </table> <p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 01/11/2008.</p> <p>The estate has established water management plan focusing on monitor the quality of main water inlet, contingency water, monitor the usage of fresh water, reuse and recycle wastewater management</p>	River width	Buffer zone	> 40 meters	50 meters	20 to 40 meters	40 meters	10 to 20 meters	20 meters	5 to 10 meters	10 meters	< 5 meters	5 meters	*> 3 meters	20 meters	<p>Yes</p>
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Criterion / Indicator		Assessment Findings				Compliance																																																																																																	
		<p>action plan. Sighted the implementation of the management plan as follows:</p> <p>The estate monitors the water consumption per FFB production.</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Bukit Estate</th> <th colspan="2">Kerayong</th> <th colspan="2">Bukit Cheraka Estate</th> </tr> <tr> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>2.13</td> <td>2.42</td> <td>1.21</td> <td>3.10</td> <td></td> <td></td> </tr> <tr> <td>Feb</td> <td>1.98</td> <td>2.46</td> <td>1.29</td> <td>2.11</td> <td></td> <td></td> </tr> <tr> <td>Mar</td> <td>1.53</td> <td>1.92</td> <td>1.88</td> <td>1.60</td> <td></td> <td></td> </tr> <tr> <td>Apr</td> <td>1.62</td> <td>1.66</td> <td>1.09</td> <td>1.81</td> <td></td> <td></td> </tr> <tr> <td>May</td> <td>1.09</td> <td>2.86</td> <td>1.42</td> <td>2.56</td> <td></td> <td></td> </tr> <tr> <td>Jun</td> <td>1.86</td> <td>1.67</td> <td>0.85</td> <td>1.92</td> <td></td> <td></td> </tr> <tr> <td>Jul</td> <td>1.24</td> <td>2.68</td> <td>2.19</td> <td>1.87</td> <td></td> <td></td> </tr> <tr> <td>Aug</td> <td>1.43</td> <td>2.44</td> <td>1.36</td> <td>2.46</td> <td></td> <td></td> </tr> <tr> <td>Sep</td> <td>2.36</td> <td>1.97</td> <td>1.43</td> <td>1.92</td> <td></td> <td></td> </tr> <tr> <td>Oct</td> <td>2.15</td> <td>2.11</td> <td>2.23</td> <td>2.55</td> <td></td> <td></td> </tr> <tr> <td>Nov</td> <td>2.53</td> <td>1.60</td> <td>3.10</td> <td>2.87</td> <td></td> <td></td> </tr> <tr> <td>Dec</td> <td>2.76</td> <td>1.17</td> <td>2.72</td> <td>3.39</td> <td></td> <td></td> </tr> </tbody> </table>				Month	Bukit Estate		Kerayong		Bukit Cheraka Estate		2019	2020	2019	2020	2019	2020	Jan	2.13	2.42	1.21	3.10			Feb	1.98	2.46	1.29	2.11			Mar	1.53	1.92	1.88	1.60			Apr	1.62	1.66	1.09	1.81			May	1.09	2.86	1.42	2.56			Jun	1.86	1.67	0.85	1.92			Jul	1.24	2.68	2.19	1.87			Aug	1.43	2.44	1.36	2.46			Sep	2.36	1.97	1.43	1.92			Oct	2.15	2.11	2.23	2.55			Nov	2.53	1.60	3.10	2.87			Dec	2.76	1.17	2.72	3.39			
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Criterion / Indicator		Assessment Findings	Compliance								
		<p>Both estates visited provided the clean and treated water to their workers by own water treatment plant and from Syarikat Bekalan Air Selangor.</p> <p>Sighted the river bufferzone for Sg. Tambak Jawa in field P09B for Bukit Kerayong Estate and Sg. Sembilang in field P09A for Bukit Kerayong Estate and field P03 for Bukit Cheraka Estate. The vegetation was well maintained and no sign of chemical application along the bufferzone.</p>									
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	Sighted no construction of bund, weirs and dams across waterways passing through.	Yes								
4.5.5.3	<p>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).</p> <p>- Minor compliance -</p>	The practice water harvesting of water from road-side drains being directed and stored in conservation roadside pits was observed in estate visited.	Yes								
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value											
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>	<p>As per Addendum Report to HCV Re-Assessment for Selangor Central Zone: Strategic Operating Unit (SOU) 7 Bukit Kerayong, Final Report ver III dated December 2015 by Plantation Sustainability Quality Management (PSQM) Department, dated January 2020.</p> <table border="1" data-bbox="1048 1273 1870 1337"> <thead> <tr> <th>Estate</th> <th>Area</th> <th>Ha</th> <th>HCV Status</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Estate	Area	Ha	HCV Status					Yes
Estate	Area	Ha	HCV Status								

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Criterion / Indicator		Assessment Findings				Compliance							
	<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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Bukit Kerayong</td> <td style="width: 25%;">Water Catchment</td> <td style="width: 25%;">3.00</td> <td style="width: 25%;">4</td> </tr> <tr> <td>Bukit Cheraka</td> <td>Slope</td> <td>55.52</td> <td>4</td> </tr> </table>	Bukit Kerayong	Water Catchment	3.00	4	Bukit Cheraka	Slope	55.52	4			
Bukit Kerayong	Water Catchment	3.00	4										
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4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <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>No RTE species were identified in the assessment conducted as per Addendum Report to HCV Re-Assessment for Selangor Central Zone: Strategic Operating Unit (SOU) 7 Bukit Kerayong, Final Report ver III dated December 2015 by Plantation Sustainability Quality Management (PSQM) Department, dated January 2020.</p> <p>The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report.</p> <p>Among the plan established:</p> <ol style="list-style-type: none"> 1. To ensure the signage is maintain at site and retrievable on map 2. To update and monitor record of terracing 3. To promote awareness on HCV 4. To manage human wildlife conflict 5. To maintain/enhance the biodiversity in the estate 				Yes							
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The estate has established HCV/Biodiversity Management Plan base on the HCV identified in the report.</p> <p>Sighted the implementation of the management plan as follows:</p>				Yes							

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Bukit Kerayong Estate:</u></p> <ol style="list-style-type: none"> 1. The estate monitors the HCV area on monthly basis. The monitor covers on evidence of encroachment, wildlife issue, pollution, etc. Sighted the monitoring records dated 26/8/2020, 3/9/2020, 10/10/2020, 2/11/2020 and 6/12/2020. 2. Sighted during site visit at the HCV area, water catchment in field P12A, the vegetation surrounding the water catchment is well established. Signage on prohibition of no fishing, no hunting and no swimming was erected at designated area along the HCV area. <p><u>Bukit Cheraka Estate:</u></p> <ol style="list-style-type: none"> 1. Sighted that Legume Cover Crop, Mucuna Bracteata has been planted along the slope to prevent soil erosion as sighted at HCV area, Slope at field P17A. 2. Sighted the signage on prohibition of hunting, damaging the area and trespassing at the area. 	
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 -	Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.	Yes
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	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	preparation was used such as felling & chipping, cambering/land forming and path construction.	
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 -	No controlled burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction	Yes
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Yes
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 -	SOP was established for the Estates. Sime Darby SOP issued 2/1/2008 and Agricultural Reference Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU 7 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc. Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.	
4.6.1.2	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. - Major compliance -	<p>Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015.</p> <p>The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly.</p> <p>Landscapes of both estates visited are mostly flat. Sime Darby has established policy on slope protection and documented in Slope and River Protection Policy signed by the Managing Director in Jan 2015. The policy stated for slope more than 25 degree must be exclude from any new plantation development and replanting program. All the existing crop and vegetation shall be maintained accordingly.</p> <p>The policy was communicated to the employee during master briefing, townhall training and displayed in several notice board in the estate.</p>	Yes
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.	Yes
Criterion 4.6.2: Economic and financial viability plan			

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Criterion / Indicator		Assessment Findings	Compliance																		
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 -	SOU 7 has continued its commitment to long term sustainability and improvements through a capital expenditure program. The management has forecasted 5 years business plan from FY 2019 – 2024.	Yes																		
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	<p>SOU 7 have long range replanting program until FY 2025. Replanting planned for the palm older than 25 years, non-performance field (yield) and Ganoderma infected palm. Observed the replanting program for the next financial year as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Bukit Kerayong</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Bukit Cheraka</td> <td>93.09</td> <td>48.87</td> <td>99.81</td> <td>95.19</td> <td>115.61</td> </tr> </tbody> </table>		2021	2022	2023	2024	2025	Bukit Kerayong	0.00	0.00	0.00	0.00	0.00	Bukit Cheraka	93.09	48.87	99.81	95.19	115.61	Yes
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Bukit Cheraka	93.09	48.87	99.81	95.19	115.61																
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast	<p>All relevant information contained in the annual budget plan for as sighted in annual budget FY2020 such as:</p> <ul style="list-style-type: none"> i. Total crop projection and yield potential ii. Activity direct cost <ul style="list-style-type: none"> a. Mature upkeep b. Manuring c. Harvesting and collection 	Yes																		

Criterion / Indicator		Assessment Findings	Compliance
	<p>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</p> <p>- Major compliance -</p>	<p>d. Transportation</p> <p>e. Nursery</p> <p>iii. Estate administration</p> <p>a. Admin Cost</p> <p>iv. Labour overhead</p> <p>v. Road and bridges</p> <p>vi. Cost of production.</p>	
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 budget plan was reviewed annually with both actual and forecasted amount for 5 years (up to 2024) and well documented upon request.</p>	Yes
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>Bukit Kerayong Estate and Bukit Cheraka Estate has engaged contractors for varieties of works such as FFB & EFB transporter and maintenance works. Sampled of the agreement/ letter of award (LOA) between company and the contractors as below:</p> <ul style="list-style-type: none"> i. Ref. No.: CER/TD/008/2021-CER dated 09/12/2020 for transportation of EFB which valid until December 2021. ii. Company Name: KSG Enterprise Sdn Bhd for FFB transporting which valid until 31/03/2021. 	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		Pricing of the works/ services and mechanism were clearly stated in the LOA and Terms & Conditions of Purchase Order and agreed by the contractors.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records printed from system as below: <ul style="list-style-type: none"> i. INV# BMSPV/0296/10/20 dated 02/11/2020; Payment made on 11/11/2020 ii. INV# 3934 dated 29/10/2020 but submitted to HQ on 16/11/2020; Payment made on 15/12/2020 iii. INV# PPPJ/SDPB/0130 dated 02/12/2020; Payment made on 08/12/2020 iv. INV# 20/0217 dated 30/11//2020; Payment made on 08/12/2020 Besides, interviewed with contractors also confirmed that payment was made promptly.	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors engaged by the estates' management has signed on a letter regarding the compliance of RSPO/ ISCC/ MSPO/ SCCS. All the contractors need to follow the RSPO/ ISCC/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system. Interviewed with the contractors confirmed that they were understood the MSPO requirements.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Bukit Kerayong Estate and Bukit Cheraka Estate has engaged contractors for varieties of works such as FFB & EFB transporter and maintenance works. Sampled of the agreement/ letter of award (LOA) between company and the contractors as below:</p> <ul style="list-style-type: none"> i. Ref. No.: CER/TD/008/2021-CER dated 09/12/2020 for transportation of EFB which valid until December 2021. ii. Company Name: KSG Enterprise Sdn Bhd for FFB transporting which valid until 31/03/2021. <p>Pricing of the works/ services and mechanism were clearly stated in the LOA and Terms & Conditions of Purchase Order and agreed by the contractors.</p>	Yes
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>Contractors have signed on the letter on RSPO/ ISCC/ MSPO/ SCCS requirements in accordance with Sime Darby Plantation Berhad management system which mentioned the contractor shall provide access to the RSPO/ ISCC/ MSPO/ SCCS auditors to contractors' operation site(s) and employees whenever deemed necessary. Seen the letter and signed on 03/01/2020.</p>	Yes
4.6.4.4	<p>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.</p> <p>- Major compliance -</p>	<p>All works performed at the estates are checked and verified by the estate's personnel.</p>	Yes
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			

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Criterion / Indicator		Assessment Findings	Compliance
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 -	There is no development of new planting at both visited estates.	Yes
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	There is no development of new planting at both visited estates.	Yes
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 -	There is no development of new planting at both visited estates.	Yes
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.	There is no development of new planting at both visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	There is no development of new planting at both visited estates.	Yes
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There is no development of new planting at both visited estates.	Yes
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 -	There is no development of new planting at both visited estates.	Yes
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 -	There is no development of new planting at both visited estates.	Yes
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation	There is no development of new planting at both visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	systems, roads and other infrastructure. - Major compliance -		
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 -	There is no development of new planting at both visited estates.	Yes
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 -	There is no development of new planting at both visited estates.	Yes
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no development of new planting at both visited estates.	Yes
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	There is no development of new planting at both visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	institutions. - Major compliance -		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at both visited estates.	Yes
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There is no development of new planting at both visited estates.	Yes
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 -	There is no development of new planting at both visited estates.	Yes
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no development of new planting at both visited estates.	Yes
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	There is no development of new planting at both visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no development of new planting at both visited estates.	Yes
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no development of new planting at both visited estates.	Yes

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Sime Darby Plantation Berhad has issued an inter-office mail (Ref. No.: SQM.RSPO.1811/22.11) dated 23/11/2018 regarding the statement on commitment towards MSPO implementation by Head, Global Sustainability Operations, Mr. Tang Men Kon. Sime Darby Plantation Berhad is committed to comply and implement the MSPO certification to demonstrate our commitment towards the production of certified sustainable palm oil products.	Yes
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 -	Sime Darby Plantation Berhad has clearly emphasized to achieve commitment towards a systematic approach in ensuring continuous improvement in the operation, compliance to statutory, legal and other regulatory requirements and establishment of traceability within the supply chain in the above-mentioned memorandum.	Yes
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 -	GSD Malaysia & Central East RSQM has conducted MSPO & RSPO Internal Audit on 23/11/2020 for Bukit Kerayong POM. The audit was carried out based on the reference of MS 2530-4:2013. Total 2 major, 1 minor non-conformity and 5 Opportunity for Improvement raised.	Yes

<p>4.1.2.2</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation Berhad has developed Internal Audit Procedure, Doc. No.: SD/SDP/PSQM/IAP, Rev. 2 dated 01/09/2017. The frequency of the internal audit shall be carried out at least once a year and when is required.</p> <p>Total 2 major, 1 minor non-conformity and 5 Opportunity for Improvement raised in Bukit Kerayong POM.</p> <p>Seen the Internal Audit Report with root cause identified for the non-conformities and OFIs raised. All the non-conformities and OFIs were closed on 07-08/12/2020 in Bukit Kerayong POM.</p>	<p>Yes</p>
<p>4.1.2.3</p>	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report has been distributed to the estates' management. The Management Representative has acknowledged on the Internal System(s) Audit Report on 23/11/2020 in Bukit Kerayong POM. Management review meeting was conducted to review the findings of the internal audit.</p>	<p>Yes</p>
<p>Criterion 4.1.3 – Management Review</p>			
<p>4.1.3.1</p>	<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>The latest management review meeting was carried out on 30/12/2020 in Bukit Kerayong POM where the agenda that discussed as below:</p> <ol style="list-style-type: none"> 1. Results of internal audits covering RSPO and MSPO 2. Customer feedback 3. Status of preventive and corrective actions 4. Follow-up actions from management reviews 5. Changes that could affect the management system 6. Recommendations for improvement 	<p>Yes</p>

		<p>7. Improvement of the effectiveness of the management system and processes</p> <p>8. Resources needs</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The mill has emphasized on Continual Improvement Plan and amongst the projects in 2020 are:</p> <ol style="list-style-type: none"> 1. To get additional revenue and profit with getting more FFB 2. To reduce the consumption of CaCO3 3. To improve Kernel Extraction Rat 4. To reduce electricity and water bill 	Yes
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>Any new technology and/or innovation equipment is subject to approval by Regional Offices and Headquarters.</p> <p>Any new information is updated to employees through morning briefings, memo, meetings, station training.</p> <p>Where new technology or system are introduced, awareness briefing is provided to the employees at all levels prior to the implementation</p>	Yes
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</p>	<p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to</p>	Yes

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	relevant to sustainable practices in the relevant languages and forms. - Major compliance -	effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation. Manager is responsible for address the communication and requests.	
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 -	The management has disseminated the information of the documents that made publicly available such as management plan, OSH plan, audit reports and land titles upon request during the stakeholder meetings. Besides, internal and external stakeholders could access to the company's website (http://www.simedarbyplantation.com/Sustainability.aspx) to obtain information such as policies, annual report and complaint procedures.	Yes
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 Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 01/04/2008 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the estate. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.	Yes
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> .	Assistant Manager of the POM has been appointed as social officer to handle any social issues reported in the mill. Appointment letter dated 01/02/2019 was sighted.	Yes

	- Minor compliance -		
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. - Major compliance -	Stakeholder list was developed and stakeholders such as local communities, government authorities, external FFB suppliers and contractors were included into the list. The Mill Management has carried out stakeholder meeting with the external FFB suppliers on 18/11/2020. Seen the meeting minutes with the questions raised by the external FFB suppliers which has been responded by the management during the meeting.	Yes
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Sime Darby Plantation has developed Plantation Quality Management System – Standard Operating Procedure for Sustainable Supply Chain and Traceability, Doc. No.: Appendix 15, Version 2 dated April 2019. The objective of the procedure is to provide guideline for estates to establish and ensure effective implementation on sustainable supply chain and traceability of certified sustainable materials (FFB). Procedure of incoming of FFB and outgoing of CPO was explained in the procedure.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	According to the Plantation Quality Management System – Standard Operating Procedure for Sustainable Supply Chain and Traceability, Doc. No.: Appendix 15, Version 2 dated April 2019, mill shall verify the information on supply estates based on the Table 2: Information for Verification. Supply chain contamination risk points were identified. The mill is using Sime Weigh System to trace the supply chain.	Yes
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system.	The Head of Operating Unit has the overall responsibility for the implementation of the Standard Operating Procedure for Sustainable Supply Chain and Traceability which is the Mill Manager. Besides,	Yes

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	<p>- Minor compliance -</p>	<p>Assistant Manager of the mill has been appointed as the person-in-charge for Environment/ Quality Management Systems. Role and responsibilities have clearly stated in the appointment letter dated 02/01/2019.</p>	
<p>4.2.3.4</p>	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>The records of incoming of FFB and outgoing of CPO and PK sales has been verified. The despatch of the CPO is determined by HQ Sales & Marketing and will be entered into the Sime Weigh System. The weighbridge operator will check the system before releasing the despatch.</p> <p>Bukit Kerayong POM has received FFB from own supplying estates and external FFB suppliers. Sampled of the weighbridge tickets/ FFB Consignment Note as below:</p> <ul style="list-style-type: none"> i. Estate: Bukit Cheraka Estate dated 05/12/2020 FFB C/N No.: 103466 Field: 98A Weight: 10,730 kgs ii. Estate: Bukit Kerayong Estate dated 05/12/2020 FFB C/N No.: 025419 Field: 09J Weight: 10,660 kgs <p>There were no sales of MSPO certified CPO and PK sold since last audit. Sampled of the despatch weighbridge ticket as below:</p> <p><u>CPO:</u></p> <ul style="list-style-type: none"> i. W/B Despatch Ticket No.: 013071 dated 30/12/2020 Nett Weight: 38,430 kgs 	<p>Yes</p>

		Customer: Nuri Edible Oil (NEO) Complex	
		PK:	
		i. W/B Despatch Ticket No.: 013016 dated 05/12/2020 Nett Weight: 19,670 kgs Customer: Hup Lee Oil Mill Sdn Bhd	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	<p>SOU 7 had continued to comply with the legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and SQM sustainability team.</p> <p>The mill had obtained and renewed license and permits as required by the law. Among others the licenses/permit viewed were:</p> <ol style="list-style-type: none"> 1. DOE License no. 003124 with compliance scheduled no. AS (B) 31/152/000/067. Validity period from 01/07/2020 – 30/06/2021 2. DOE Contradiction License no. 003771 with compliance schedule no. (B) B 91/120/066/428. Validity period from 17/07/2020 – 16/07/2020. 3. Weighbridge calibration with serial no. B8444688377 and safety sticker no. DE18-000621 dated 13/10/2020 4. Fire certificate no. JBPM: SL -7/1181/2020. Validity period 25/2/2020 – 24/02/2021 5. Scheduled Controlled Item permit no. B003518. Validity period 23/07/2020 – 22/07/2021 	Yes

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		<p>The mill management has obtained the approval from Jabatan Tenaga Kerja Selangor for the following items:</p> <ul style="list-style-type: none"> i. Ref. No.: JTKS € 6/119. Jld III (03) dated 26/11/2013 for overtime limit not more than 130 hours. ii. Ref. No.: JTKS€6/115.Jld61-12(2) dated 18/12/2019 for deduction of wages for insurance Great Eastern and MCIS. 	
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>All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register for 2020.</p>	Yes
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>The latest legal register for 2020 was sighted. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers’ Minimum Standard of Housing and Amenities Act Regulation 2020, Minimum Wages order 2020 to name a few. Other related legal for COVID19 pandemic under Prevention and Control of Infectious Diseases (Measure Within the Infected Local Areas) Regulation 2020 was also has been identified.</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Group Sustainability will update the operating regarding any changes on applicable laws to the operating units. The person responsible appointed at the operating units will update the changes in the Legal Register.</p> <p>The estate has appointed the Asst. Manager as person responsible to monitor any changes to the LORR and update when necessary as per appointment letter signed by the estate manager dated 02/01/2019.</p>	Yes
<p>Criterion 4.3.2 – Lands use rights</p>			

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<p>4.3.2.1</p>	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Bukit Kerayong POM is located inside of the land of Bukit Kerayong Estate. The land is belonging to Sime Darby Plantation Sdn Bhd. Sighted the copy of the land title. There is no issue on land use claims evidence during the audit. Interviewed with the local communities confirmed that no land encroachment or land dispute reported.</p>	<p>Yes</p>
<p>4.3.2.2</p>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	<p>Bukit Kerayong POM is located inside of the land of Bukit Kerayong Estate. The land is belonging to Sime Darby Plantation Sdn Bhd. Sighted the copy of the land title. There is no issue on land use claims evidence during the audit. Interviewed with the local communities confirmed that no land encroachment or land dispute reported. Details of land title that where the mill is located as below:</p> <p>Land title No.: 52712 Lot No.: 2894 Area: 11.7106 ha</p>	<p>Yes</p>
<p>4.3.2.3</p>	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>The mill land title was under Bukit Kerayong Estate. The mill located in lot 2894 with land title no. 52712. Mill boundary was clearly demarcated with fences.</p>	<p>Yes</p>
<p>4.3.2.4</p>	<p>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).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Bukit Kerayong POM at the time of audit. The land belongs to Sime Darby Plantation Berhad and land ownership documents verified. Interviewed with the local communities confirmed that no land encroachment or land dispute reported.</p>	<p>Yes</p>

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 -	There is no customary land or negotiated agreements within the Bukit Kerayong POM land area.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The right to use the land is not disputed and there was no customary land within the Bukit Kerayong POM.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no land dispute or customary rights issues in the mill.	Yes
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 -	Social & Environment Projects Unit, PSQM Department has conducted Social Impact Assessment (SIA) on 02-04/11/2015 for SOU 7 Bukit Kerayong. There is no new SIA was conducted since last assessment. Social Management Action Plan 2020 was reviewed on 30/12/2020 by social officer. Issues reported during the stakeholder meeting with external FFB suppliers and NUPW meeting were incorporated into the management plan.	Yes
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	The company has developed a documented procedure in Sustainable Plantation Management System on handling social issues, Appendix 5, Version 1, and Issue No.1, dated 01/11/2008. The procedure has	OFI

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	<p>- Major compliance -</p>	<p>detailing the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner.</p> <p>Sime Darby Plantation Berhad has developed Standard Operation Manual (SOM) – Procedure for External Communication, Appendix 5.5.3.2, version 1 dated 1/4/2018 to put in place a system to effectively communicate with external interested parties on matters pertaining to performance of the mill and estates. Timeframe for external communication to provide feedback within two weeks of the date of receipt for communication requiring direct feedback and within one week of the completion of the investigation for communication requiring investigation.</p> <p><i>The mill to ensure the consistency implementation of the format of "Borang Kerosakan Rumah – Workers/ NC/ Staff" used and to indicate the date of completion of the complaint.</i></p> <p><i>Thus, an OFI was raised.</i></p>	
<p>4.4.2.2</p>	<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>Bukit Kerayong POM has implemented "Borang Kerosakan Rumah – Workers/ NC/ Staff" and Communication and Complain Logbook by Stakeholder and Worker to record complaints and requests reported by the stakeholders. Most of the complaints were related to housing repair. Sampled of the complaints as below:</p> <ul style="list-style-type: none"> i. House No.: JSB 4 dated 28/04/2020 Issue: Ceiling in the master bedroom leakage, missing windows, no water from the water pipe in the toilet. Action: The management has taken action to rectify all the issues and seen the photo evident of the repaired done. The complainant has acknowledged on the action taken. 	<p>Yes</p>

<p>4.4.2.3</p>	<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>Complaint Form for Housing Repair and Communication and Complain Logbook by Stakeholder and Worker was available in the office where the workers can lodge complaint. Besides, a hotline "Suara Kami" is available for the workers to make complaint directly to HQ if they have any issue. The stakeholders are aware and understand the complaint procedure.</p>	<p>Yes</p>
<p>4.4.2.4</p>	<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>Interviewed 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.</p>	<p>Yes</p>
<p>4.4.2.5</p>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Record of complaints from Year 2018 were maintained.</p>	<p>Yes</p>
<p>Criterion 4.4.3: Commitment to contribute to local sustainable development</p>			
<p>4.4.3.1</p>	<p>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.</p> <p>- Minor compliance -</p>	<p>The mill management has made contribution to the local communities such as provide job opportunity for the local communities. Besides, the mill management has contributed free mutton to the workers who celebrated Deepavali. Each of the worker has been provided with 10kg of rice once every 2 months.</p>	<p>Yes</p>
<p>Criterion 4.4.4: Employees safety and health</p>			

<p>4.4.4.1</p>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>In the Policy Statement stated as follows:</p> <p>“Upstream Malaysia is committed to providing safe and healthy workplaces and operating in an environmentally responsible manner at all our operations in Malaysia.”</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.</p> <p>The GSQM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>Estate visited has established Safety and Health Plan and reviewed on annually basis. The plan covers on OSH Legal Compliance, Emergency Response Plan, OSH Management System and Risk Management, HIRADC, training, OSH committee meeting, workplace inspection, medical surveillance and etc.</p> <p>Sighted the implementation of the management plan FY 2020 as follows:</p> <ol style="list-style-type: none"> 1. The mill sent the workers involved in chemical handling and welding works for medical surveillance on annually basis. Latest annual medical surveillance was conducted on 17/02/2020 by registered HQ/08/DOC/00/329. 8 workers were sent for surveillance and found fit to work as chemical handlers 2. Latest LEV Inspection, Testing and Examination conducted on 04/07/2020 as per report ref. no. HQ/09/JHII/00/155-2020/BK. 	<p>Yes</p>
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		<p>3. The mill conducts LEV monitoring on weekly basis. Sighted monitoring records 11/10/2020, 08/11/2020 and 12/12/2020.</p>	
<p>4.4.4.2</p>	<p>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 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 shall have knowledge and access to latest national regulations and collective agreements. 	<p>Sime Darby Plantation has established Safety and health policy as per Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 01/06/2020.</p> <p>The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>The policy has been communicated to the workers through induction training for new workers, morning briefing, iCARE Safety and Health Townhall meeting, and displayed at various notice board within the estate.</p> <ol style="list-style-type: none"> 1. Safety townhall dated 21/08/2020 2. Policy briefing dated 05/12/2020 <p>The mill has conducted assessment for risk on all the operations and documented in Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations such as boiler station, FFB ramp, fruit handling station, Sterilizer station, office operation, security, pest and disease and other support operation. The HIRARC was reviewed at minimum once a year, if accident occur or changes on the operation.</p> <p>The mill reviewed the HIRARC on annually basis and during accident occur. Latest review was conducted on 01/11/2020 due to accident happen 18/10/2020 at boiler station. The new risk control measure has been updated in the HIRARC.</p> <p>The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst.</p>	<p>Yes</p>

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	<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 and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Manager and representative form the chemical suppliers to the supervisors and operators. Sighted the sampled training records as follows:</p> <ol style="list-style-type: none"> 1. LPC sampling method training dated 04/09/2020 2. CHRA assessment training dated 04/11/2020 <p>The mill provided appropriate PPE to all workers according to the job type. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) dated 17/3/2008.</p> <p>PPE issuance was recorded in PPE Issue logbook and store BIN Card. The records in the logbook was done by workers basis for monitoring purpose.</p> <p>Procedures of chemical handling is presented in several documents, such Document No. SD/SDP/SQM (ESH)/001-1Sime Darby Plantation Environment, Safety, and Health Management System (ESHMS) Manual dated July 1st, 2012.</p> <p>The Mill Manager has been appointed as Person Responsible / Chairman for Safety and Health in the estate as per appointment letter signed by the Regional general Manager dated 02/01/2019.</p> <p>Mill management has appointed Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the, accident and incident report, OSHA compliance, PPE issue, first aid kit monitoring, PPE monitoring, workplace inspection, firefighting equipment monitoring and training. Sighted the minutes meeting dated 19/06/2020, 28/09/2020 and 21/12/2020.</p>	
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		<p>Accident of emergency procedure is presented in Mill Quality Management System Standard Operation manual (MQMS SOM) dated November 1st, 2008. Flowchart of emergency handling was presented in Appendix 5.5.3.3.</p> <p>Noted during interview with workers show the satisfactory understanding on the emergency procedure established. Training was conducted as follows:</p> <ol style="list-style-type: none"> 1. Basic outbreak first aid, CPR and AED training dated 29-30/09/2020 <p>First aider present at various workstation at the mill with appointed responsible person. Latest training was conducted on 29-30/09/2020. Noted during site visit and interview with workers noted that workers aware regarding the location of the nearest first aid kit from their workstation. Sighted the first aid monitoring records and first aid items used records FY 2020.</p> <p>The mill maintains the records of accident cases and documented in the "Laporan dan Siasatan Kemalangan" log and reported to HQ using the PSQM-ESH Monthly update form. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p>The mill submits the JKPP 8 form on annually basis to DOSH through MyKKP website.</p>	
<p>Criterion 4.4.5: Employment conditions</p>			
<p>4.4.5.1</p>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established Group Sustainability & Quality Policy Statement dated 02/12/2019 by Group Managing Director where the company is respecting, upholding & no-exploitation of fundamental human rights. This policy statement is guided by the commitment spells out in the Human Rights Charter (HRC) last revised 2020. Besides, Policy on the Protection of Human Rights Defenders (HRDs) was established with effective date on 25/03/2020. Sime Darby</p>	<p>Yes</p>

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		<p>Plantation respect and safeguard human rights, notion of democracy and its institution. They recognize that Human Rights Defenders have the role and responsibility of upholding human rights and the need for them to be able to lodge complaints that may arise from their business activities and relationship with SDP. This Policy is applied to all stakeholders affected by the business activities and relationships including directors, employees, counterparties, business partners, workers in our operations and supply chains, and communities surrounding our operations.</p> <p>The policies were communicated to the employees on 05/12/2020.</p>	
<p>4.4.5.2</p>	<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>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They promote diversity and inclusion by providing equal opportunities and not tolerating any form of discrimination on the grounds of ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity union membership, political affiliation or age. The policy has been briefed to all the employees and stakeholders. The policy could be downloaded from http://www.simedarbyplantation.com/sustainability/human-rights-charter.</p>	<p>Yes</p>
<p>4.4.5.3</p>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>There were employment contracts for staffs and workers. Pay and conditions are documented and achieved the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per collective agreement and Employment Act 1955 which have been signed by the worker. Sampled of total 12 pay slips for January 2020, March 2020 and September 2020 found that all the workers were paid accordingly.</p>	<p>Major Non-conformance</p>

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		<p>However, reviewed the pay slips of the workers who joined NUPW association found that the deduction made for the union fee was RM 11. There was no reimbursement of RM 3 made to the workers on March 2020, September 2020 and December 2020 as per MAPA/NUPW Circular No. 22/2015 dated 4/8/2015 and sampled of workers as below:</p> <ul style="list-style-type: none"> i. Employee No.: 9838 ii. Employee No.: 6782 iii. Employee No.: 6790 iv. Employee No.: 29579 <p>Below are the workers who joined on December 2020 were also not reimbursed for the RM 3.</p> <ul style="list-style-type: none"> i. Employee No.: 152134 ii. Employee No.: 159739 iii. Employee No.: 159741 iv. Employee No.: 159742 v. Employee No.: 159993 <p>Thus, a major non-conformance was raised.</p>	
<p>4.4.5.4</p>	<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>There were contractors engaged by the mill management for workshop activity and backhoe driver. There are total 3 contractor’s workers (Lotus Two Enterprise) employed to work in the workshop of the mill and seen the employment contracts signed by the workers. The workers were paid accordingly to the Employment Act 1955 and agreed employment contracts.</p>	<p>Yes</p>
<p>4.4.5.5</p>	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>	<p>The mill management has registered all their workers into Employee Master Details Listing in SEMUA system where personal details such as full name, gender, date of birth, date join company, race, designation and wages were recorded.</p>	<p>Yes</p>

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	- Major compliance -		
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	The mill management has employed local and foreign workers from Indonesia, India and Nepal. They are all under direct employment to the estates. Sampled of total 12 employment contracts and all of them have signed on the employment contract prior to work and extension contract where the original contract has expired. Terms and conditions were according to Collective Agreement and Employment Act 1955.	Yes
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	The mill has implemented "Punch Card" system to record the working hours and overtime of the workers. Daily Input Form will be signed by the workers whenever there is any overtime work.	Yes
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Interviewed with the workers confirmed that they have rest time in between of the working hours. Overtimes were paid according to the rate stated in the agreement and regulatory requirements. The overtime offered upon mutually agreement.	Yes
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 -	Wages and overtime were paid according to the Mill Daily Attendance Report and Daily Input Form. Total hours of overtime and daily attendance has recorded in the SAP system and the payslips. Refer to indicator 4.4.5.3.	Yes
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.	All the workers are provided with free medical facilities. The workers are entitled with the phone allowance of RM 5 for every month and 10kg of rice once every two months. Free housing facilities were provided to all the workers and their families.	Yes

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	- Minor compliance -		
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The mill management has provided free housing facilities to all the workers. Basic amenities such as water and electricity were provided to the workers. Linesite inspection was carried out weekly basis by Assistant Manager using Housing Complex/ Nest/ Community Hall Inspections. The last inspection for December 2020 was conducted on 26/12/2020 in Bukit Kerayong POM.</p>	Yes
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>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They seek to create a working environment with zero tolerance for sexual harassment and abuse and in which violence is never used to resolve issues or conflict.</p> <p>Gender Committee was established in Bukit Kerayong POM and meeting was conducted on 16/01/2020. There was no issue reported during the meeting. Interviewed with the female workers confirmed that no sexual harassment or violence case reported.</p>	Yes
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>Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They respect the rights of their employees to form and join unions and bargain collectively.</p> <p>NUPW committee was established in Bukit Kerayong POM and meeting was conducted on 29/12/2020. Seen the meeting minutes and issues</p>	Yes

		discussed were incorporated into Social Management Plan with action has been taken.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Sime Darby Plantation has developed Human Rights Charter last revised 2020 where they have a responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. They recognize that protecting the wellbeing of children means safeguarding them from any form of maltreatment or exploitation, including child sex tourism, child trafficking and child pornograph. They are eradicating child labour in all their supply chain and not employ anyone under age of 18 years. No employees below the age of 18 were sighted through verified the Employee Master Listing and interviewed with the workers.	Yes
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	The mill visited has established training plan base on the training need analysis conducted. The training plan covers all job designation including the contractors. Sighted the sample training records as follows: <ol style="list-style-type: none"> 1. SCCS training dated 29/06/2020 2. OCP quality with new supplier briefing dated 27/07/2020 3. OCP reception for auxiliary police briefing dated 29/07/2020 4. LPC sampling method training dated 04/09/2020 5. CHRA assessment training dated 04/11/2020 	Yes

		<p>6. Basic outbreak first aid, CPR and AED training dated 29-30/09/2020</p> <p>7. Emergency drill training dated 02/11/2020</p>	
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The mill visited has conducted training need analysis for all employee, management and contractors. The need analysis was conducted base on the job designation and training required by the job type.</p> <p>31 training was identified for management, employee and contractors and programmed throughout FY 2020.</p>	Yes
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The mill visited has training program which updated annually. The annual internal audit by GSQM and management review does review the effectiveness of the training plan and its execution.</p>	Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Sime Darby Plantation has established environmental policy documented in Group Sustainability and Quality Statement signed by Group Managing Director dated 2/12/2019 and Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement signed by CEO Upstream Malaysia dated 1/6/2020.</p> <p>In the Policy stated as follows:</p> <p>Group Sustainability and Quality Statement: Minimizing Environmental Harm:</p>	Yes

		<ul style="list-style-type: none"> i. Protecting and enhancing biodiversity and ecosystem ii. No deforestation and No new development on peat land iii. Enhancing resilience against climate change impact iv. Adopting responsible consumption and production <p>Upstream Malaysia Health, Safety and Environment (HSE) Policy Statement</p> <p>Environment</p> <ul style="list-style-type: none"> i. Comply to emission and effluent standard ii. efficient use of water and energy iii. Minimize waste iv. Protect the ecosystem and biodiversity 	
<p>4.5.1.2</p>	<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 mill visited has established environmental management plan base on aspect and impacts analysis conducted.</p> <p>The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation conducted and documented in Pollution Prevention Plan. The EAI/EIE was reviewed by the estate management team.</p> <p>The EAI/EIE and management plan was reviewed on annually basis. Latest review was conducted on 07/01/2020.</p> <p>The management plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated Environmental Issue, Mitigation Measures and Person Responsible.</p>	<p>Yes</p>

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<p>4.5.1.3</p>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The mill has established Environmental Management Plan. The plan was reviewed on annually basis. Sighted the implementation of the management plan FY 2020 as follows:</p> <ol style="list-style-type: none"> 1. The mill has completed the construction of the EFB yard bund wall and communicate with estates to reduce EFB balance below 200mt at yard. The EFB disposal were reported to DOE in quarterly return form. Sighted the quarterly return form for quarter 3 and 4 FY 2020. 2. The mill use more fiber and reduce the usage of shell to prevent black smoke emission from chimney. Sighted the records of fibre and shell usage as follows: <table border="1" data-bbox="1048 783 1653 1374"> <thead> <tr> <th>Month</th> <th>Fiber</th> <th>Shell</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>964.76</td> <td>407.63</td> </tr> <tr> <td>Feb</td> <td>1542.16</td> <td>655.57</td> </tr> <tr> <td>Mar</td> <td>1809.45</td> <td>770.17</td> </tr> <tr> <td>Apr</td> <td>1580.43</td> <td>677.54</td> </tr> <tr> <td>May</td> <td>1559.61</td> <td>663.17</td> </tr> <tr> <td>Jun</td> <td>1798.29</td> <td>770.70</td> </tr> <tr> <td>Jul</td> <td>1594.46</td> <td>683.34</td> </tr> <tr> <td>Aug</td> <td>1277.13</td> <td>547.34</td> </tr> </tbody> </table>	Month	Fiber	Shell	Jan	964.76	407.63	Feb	1542.16	655.57	Mar	1809.45	770.17	Apr	1580.43	677.54	May	1559.61	663.17	Jun	1798.29	770.70	Jul	1594.46	683.34	Aug	1277.13	547.34	<p>Yes</p>
Month	Fiber	Shell																												
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		Sep	1477.18	627.79		
		Oct	1460.82	621.03		
		Nov	1273.17	545.64		
		Dec	1178.78	505.19		
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	<p>Program to promote positive impact was documented in Pollution Prevention Plan.</p> <p>Among the promote positive impact as follows:</p> <ol style="list-style-type: none"> To place metal/aluminium tray underneath vehicle to prevent leakage of lubricant fluids from aged vehicle parked. To communicate with estates to reduce EFB balance below 200mt at yard. 				Yes
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 -	<p>The mill continues provided training to ensure the awareness regarding the environmental policy among the employee. The mill management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p>				Yes
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	<p>The mill has discussed on environmental issue during Environmental Performance Monitoring Committee meeting where representative of the management and employee raised their concerns about environmental quality in the estates.</p>				Yes
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 visited maintains records of energy usage, which is reported monthly to head office through SAP system. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows:</p> <table border="1" data-bbox="1048 523 1556 1345"> <thead> <tr> <th>Month</th> <th>Consumption / ton CPO</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>0.36</td></tr> <tr><td>Feb</td><td>0.29</td></tr> <tr><td>Mar</td><td>0.21</td></tr> <tr><td>Apr</td><td>0.25</td></tr> <tr><td>May</td><td>0.22</td></tr> <tr><td>Jun</td><td>0.23</td></tr> <tr><td>Jul</td><td>0.22</td></tr> <tr><td>Aug</td><td>0.11</td></tr> <tr><td>Sep</td><td>0.10</td></tr> <tr><td>Oct</td><td>0.11</td></tr> <tr><td>Nov</td><td>0.11</td></tr> </tbody> </table>	Month	Consumption / ton CPO	Jan	0.36	Feb	0.29	Mar	0.21	Apr	0.25	May	0.22	Jun	0.23	Jul	0.22	Aug	0.11	Sep	0.10	Oct	0.11	Nov	0.11	<p>Yes</p>
Month	Consumption / ton CPO																										
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Nov	0.11																										

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		Dec	0.15		
		The mill has established the management plan to optimize the usage of diesel and documented in the Pollution Prevention Plan FY 2020 established.			
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. The baseline was established base on previous year fuel usage.			Yes
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy used is from biofuel (shell and fiber) for boiler start-up. Sighted the records for usage of renewable energy FY 2020 as follows:			Yes
		Month	Fiber/ ton CPO	Shell / ton CPO	
		Jan	0.1400	0.0592	
		Feb	0.1400	0.0595	
		Mar	0.1400	0.0596	
		Apr	0.1400	0.0600	
		May	0.1400	0.0595	
		Jun	0.1400	0.0600	

		Jul	0.1400	0.0600		
		Aug	0.1400	0.0600		
		Sep	0.1400	0.0595		
		Oct	0.1400	0.0595		
		Nov	0.1400	0.0600		
		Dec	0.1400	0.0600		

Criterion 4.5.3: Waste management and disposal

4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The mil has identified the waste products and source pollution and documented in Waste Management Plan. The plan was reviewed on annually basis. The waste has been identified as follows:</p> <table border="1" data-bbox="1048 1002 1617 1364"> <thead> <tr> <th>Type</th> <th>Item Description</th> </tr> </thead> <tbody> <tr> <td>Scheduled Waste</td> <td>Used lubricant, used hydraulic oil, batteries, rags, Used lubricant container, used chemical, spent chemical container</td> </tr> <tr> <td>Domestic waste</td> <td>Rubbish</td> </tr> </tbody> </table>	Type	Item Description	Scheduled Waste	Used lubricant, used hydraulic oil, batteries, rags, Used lubricant container, used chemical, spent chemical container	Domestic waste	Rubbish	Yes
Type	Item Description								
Scheduled Waste	Used lubricant, used hydraulic oil, batteries, rags, Used lubricant container, used chemical, spent chemical container								
Domestic waste	Rubbish								

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		Recycle waste	POME																				
			EFB																				
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 has established waste management plan as per waste identification. The plan was reviewed on annually basis.</p> <p>1. The mill monitors the inventory of scheduled waste and reported to DOE through E-SWISS. Sighted the inventory records for the month of January – November 2020.</p> <p>2. EFB were disposed at sister estate through land application/mulching. Sighted the EFB disposal records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Ton</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1496.25</td> </tr> <tr> <td>Feb</td> <td>2399.59</td> </tr> <tr> <td>Mar</td> <td>2762.49</td> </tr> <tr> <td>Apr</td> <td>2464.24</td> </tr> <tr> <td>May</td> <td>2492.92</td> </tr> <tr> <td>Jun</td> <td>2782.99</td> </tr> <tr> <td>Jul</td> <td>2332.93</td> </tr> <tr> <td>Aug</td> <td>2120.42</td> </tr> </tbody> </table>			Month	Ton	Jan	1496.25	Feb	2399.59	Mar	2762.49	Apr	2464.24	May	2492.92	Jun	2782.99	Jul	2332.93	Aug	2120.42	Yes
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May	2492.92																						
Jun	2782.99																						
Jul	2332.93																						
Aug	2120.42																						

		Sep	2213.25		
		Oct	2477.06		
		Nov	2111.47		
		Dec	1848.05		
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1 dated 26/2/2016. Proper disposal of waste material is carried out as per the company procedures. The procedures are fully understood by workers and managers.</p> <p>The mill also has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited, and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal records:</p> <ol style="list-style-type: none"> SW 305, Consignment Note no. 35579, dated 10/11/2020 SW 422, Consignment Note no. 35579, dated 10/11/2020 			Yes

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		<p>3. SW 409, Consignment Note no. 35579, dated 10/11/2020</p> <p>4. SW 417, Consignment Note no. 35579, dated 10/11/2020</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>The mill has appointed MH Millennium as contractors for domestic waste collection. The waste was collected 2 times per week and disposed at municipal MPK landfill.</p>	Yes								
<p>Criterion 4.5.4: Reduction of pollution and emission</p>											
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 estates visited has conducted the assessment of all polluting activities during Environmental Aspects identification, Environmental Impact Evaluation.</p>	Yes								
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 action plan to reduce the identified significant impact has been documented in Pollution Prevention Plan and Waste Management Plan.</p>	Yes								
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>Treated POME discharge was regularly monitored as prescribed under Compliance Schedule. Limit of Biochemical Oxygen Demand (BOD) discharge is 5000 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>1st quarter</p> <table border="1"> <thead> <tr> <th></th> <th>January</th> <th>February</th> <th>March</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.60</td> <td>7.70</td> <td>7.80</td> </tr> </tbody> </table>		January	February	March	pH	7.60	7.70	7.80	Yes
	January	February	March								
pH	7.60	7.70	7.80								

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		<table border="1"> <tr> <td>BOD</td> <td>215</td> <td>685</td> <td>458</td> </tr> </table> <p>2nd quarter</p> <table border="1"> <tr> <td></td> <td>April</td> <td>May</td> <td>June</td> </tr> <tr> <td>pH</td> <td>7.60</td> <td>N/A</td> <td>7.50</td> </tr> <tr> <td>BOD</td> <td>290</td> <td>N/A</td> <td>240</td> </tr> </table> <p>3rd quarter</p> <table border="1"> <tr> <td></td> <td>July</td> <td>August</td> <td>September</td> </tr> <tr> <td>pH</td> <td>7.70</td> <td>7.70</td> <td>7.80</td> </tr> <tr> <td>BOD</td> <td>84.00</td> <td>95.00</td> <td>118.00</td> </tr> </table> <p>The effluent analysis confirms with condition prescribed under Compliance Schedule License.</p>	BOD	215	685	458		April	May	June	pH	7.60	N/A	7.50	BOD	290	N/A	240		July	August	September	pH	7.70	7.70	7.80	BOD	84.00	95.00	118.00	
BOD	215	685	458																												
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Criterion 4.5.5: Natural water resources																															
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources.</p>	<p>The mill has established water management Plan and documented in Identification and Management of wastewaters and Action Plan to reduce freshwater usage. In the plan stated the water source, areas of concern, monitoring, contingency plan, mitigation plan, person responsible and time frame. Sighted the implementation of the management plan as follows:</p>	Yes																												

	<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<p>i. The mill continues to monitor the water consumption. Sighted the records of water consumption as follows:</p> <table border="1" data-bbox="1048 443 1541 1295"> <thead> <tr> <th>Month</th> <th>L/FFB</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>2.93</td></tr> <tr><td>Feb</td><td>2.28</td></tr> <tr><td>Mar</td><td>2.31</td></tr> <tr><td>Apr</td><td>2.42</td></tr> <tr><td>May</td><td>2.26</td></tr> <tr><td>Jun</td><td>2.40</td></tr> <tr><td>Jul</td><td>2.46</td></tr> <tr><td>Aug</td><td>2.27</td></tr> <tr><td>Sep</td><td>1.60</td></tr> <tr><td>Oct</td><td>1.21</td></tr> <tr><td>Nov</td><td>1.29</td></tr> <tr><td>Dec</td><td>1.21</td></tr> </tbody> </table>	Month	L/FFB	Jan	2.93	Feb	2.28	Mar	2.31	Apr	2.42	May	2.26	Jun	2.40	Jul	2.46	Aug	2.27	Sep	1.60	Oct	1.21	Nov	1.29	Dec	1.21	
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<p>4.5.5.2</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 006013. Limit of Biochemical Oxygen Demand (BOD) discharge is 2500 mg/l for land application. Regular monitoring was done on monthly basis and every quarterly via Quarterly return form to DOE for compliance. Sighted the quarterly return form as follows:</p> <p>1st quarter</p> <table border="1" data-bbox="1048 635 1617 834"> <thead> <tr> <th></th> <th>January</th> <th>February</th> <th>March</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.60</td> <td>7.70</td> <td>7.80</td> </tr> <tr> <td>BOD</td> <td>215</td> <td>685</td> <td>458</td> </tr> </tbody> </table> <p>2nd quarter</p> <table border="1" data-bbox="1048 898 1617 1098"> <thead> <tr> <th></th> <th>April</th> <th>May</th> <th>June</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.60</td> <td>N/A</td> <td>7.50</td> </tr> <tr> <td>BOD</td> <td>290</td> <td>N/A</td> <td>240</td> </tr> </tbody> </table> <p>3rd quarter</p> <table border="1" data-bbox="1048 1161 1617 1361"> <thead> <tr> <th></th> <th>July</th> <th>August</th> <th>September</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.70</td> <td>7.70</td> <td>7.80</td> </tr> <tr> <td>BOD</td> <td>84.00</td> <td>95.00</td> <td>118.00</td> </tr> </tbody> </table>		January	February	March	pH	7.60	7.70	7.80	BOD	215	685	458		April	May	June	pH	7.60	N/A	7.50	BOD	290	N/A	240		July	August	September	pH	7.70	7.70	7.80	BOD	84.00	95.00	118.00	<p>Yes</p>
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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 -	SOP available for the Palm Oil Mill and the Estates. Palm Mill holds two SOPs: sustainability Plantation Management System (MQMS/SOM/08 v.1 dated 1/11/2008) includes mill SOP and Mill Quality Management Manual v.1 2008/MQMS/QMM/08 as a guidance document to operate the mill. Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.	Yes
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The monitoring of the mill process is made through the shift supervision headed by an Engineer. All process parameters are documented and summarized in a daily report. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Planning and Monitoring Unit visited the operating units on timely basis. Their reports cover on all aspect of operation.	Yes
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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2020 and business plan FY 2020 – FY 2024 In the 5 years business plan include items as follows: i. Mill intake – FFB input	Yes

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		<ul style="list-style-type: none"> ii. Production of CPO iii. Production of PK iv. Total Palm Oil Extraction v. Total Palm Kernel Extraction vi. Mill cost <p>The business plan for FY2020 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization and etc. It also includes environment, social (workers and staff's welfare), and health and safety component and associated capital expenditure.</p>	
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>Bukit Kerayong POM has received and processed FFB from owned supplying estates and external FFB suppliers.</p> <p>Sampled the contract agreements/ letter of award for services provider and external FFB suppliers as below:</p> <ul style="list-style-type: none"> i. Agreement No.: P/P/0820/FFB01917L for FFB supply which valid until 31/12/2020. ii. Agreement No.: P/P/0820/FFB01919L for FFB supply which valid until 31/12/2020. iii. Ref. No.: CER/SSJ/006/2020-BKM for rental of backhoe which valid until December 2020. <p>The agreement for the FFB suppliers that expired on 31/12/2020 were in progress of renewal. Seen the draft agreements and the OCP Upstream Department will send to the FFB suppliers by this month.</p> <p>Pricing of the contract was stated in the agreement of First Schedule and acknowledged by the suppliers and contractors.</p>	Yes

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<p>4.6.3.2</p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -</p>	<p>Payment terms were clearly stated in the agreement signed by the contractors and suppliers. Verified the invoice submitted and payment records as below:</p> <ul style="list-style-type: none"> i. INV# 0000062 dated 02/10/2020; Payment voucher# 1600048465 dated 17/11/2020 ii. Vendor Code# 1001010951 dated 09/11/2020; Payment made on 16/11/2020 iii. Vendor Code# 1001010961 dated 16/11/2020; Payment made on 23/11/2020 <p>Besides, interviewed with contractors and FFB suppliers also confirmed that payment was made promptly.</p>	<p>Yes</p>
<p>Criterion 4.6.4: Contractor</p>			
<p>4.6.4.1</p>	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -</p>	<p>The contractors engaged by the mill management has signed on a letter regarding the compliance of RSPO/ ISCC/ MSPO dated 16/7/2020.</p> <p>Briefing of sustainability were given to contractors on during the application of Permit to Work. Sampled one of the training conducted to the new contractor on 16/07/2020. Seen the record of attendance of the training.</p>	<p>Yes</p>
<p>4.6.4.2</p>	<p>The management shall provide evidence of agreed contracts with the contractor. - Major compliance -</p>	<p>Sampled the contract agreements/ letter of award for services provider and external FFB suppliers as below:</p> <ul style="list-style-type: none"> i. Agreement No.: P/P/0820/FFB01917L for FFB supply which valid until 31/12/2020. ii. Agreement No.: P/P/0820/FFB01919L for FFB supply which valid until 31/12/2020. iii. Ref. No.: CER/SSJ/006/2020-BKM for rental of backhoe which valid until December 2020. 	<p>Yes</p>

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		<p>The agreement for the FFB suppliers that expired on 31/12/2020 were in progress of renewal. Seen the draft agreements and the OCP Upstream Department will send to the FFB suppliers by this month.</p> <p>Pricing of the contract was stated in the agreement of First Schedule and acknowledged by the suppliers and contractors</p>	
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>A letter dated 16/7/2020 on RSPO/ ISCC/ MSPO awareness issued to all the contractors and suppliers in the mill. The letter has stated that all Contractors need to comply with local legal requirements and provide access to the RSPO/ ISCC/ MSPO/ SCCS auditors to contractors' operation site(s) and employees whenever deemed necessary.</p>	Yes

Appendix B: List of Stakeholders Contacted

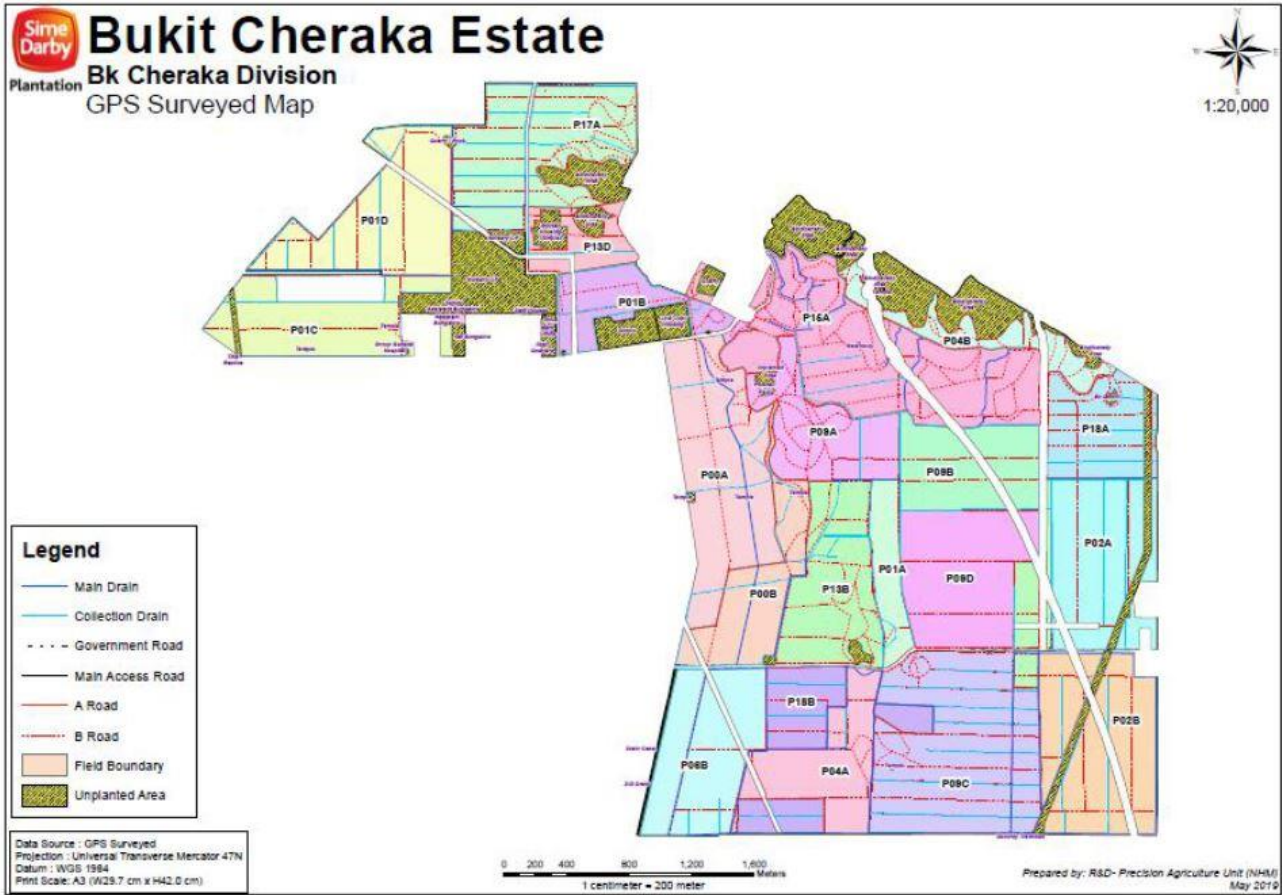
<p>Government Officer: SJK (T) Ladang Braunston SJK (T) Jalan Acob SJK (T) Brafferton</p>	<p>Community/neighbouring village: Representative of Taman Sri Kerayong</p>
<p>Suppliers/Contractors/Vendors: Contractors Outside Crop Purchase/Smallholder/collection center</p>	<p>Worker’s Representative/Gender Committee: Workers Gender Committee Representatives</p>

Appendix C: Smallholder Member Details

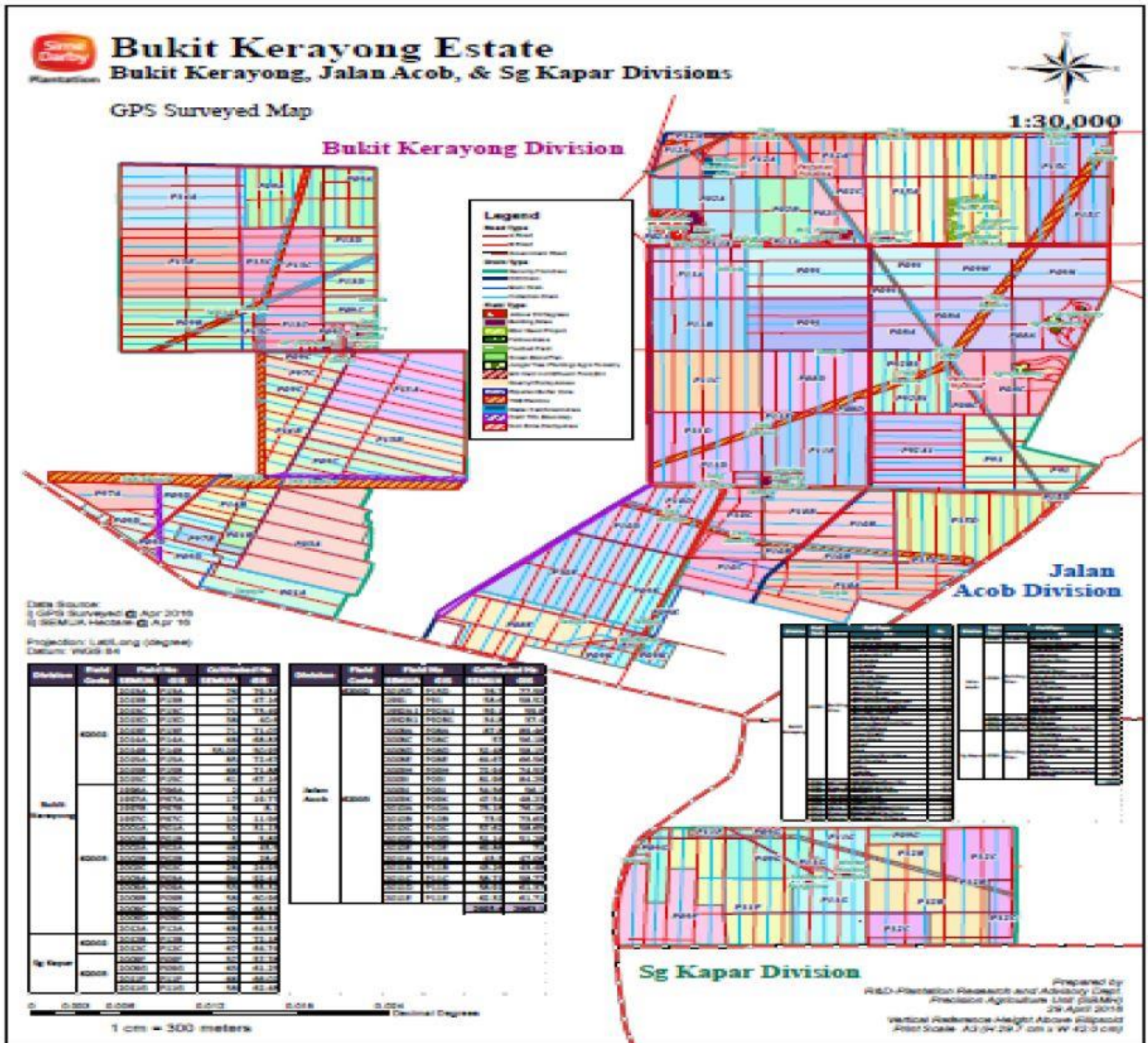
Not applicable.

Appendix D: Location and Field Map





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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