

**MALAYSIAN SUSTAINABLE PALM OIL  
- ANNUAL SURVEILLANCE ASSESSMENT (ASA 3)  
Public Summary Report**

<b>Sime Darby Plantation Berhad</b>
Client company Address: Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia
Certification Unit: SOU 3 Elphil Palm Oil Mill & Elphil Estate, Kamuning Estate and Kinta Kellas Estate  Location of Certification Unit: Elphil Palm Oil Mill, Jalan Lintang, Sungai Siput Utara, 31100 Sungai Siput, Perak, Malaysia

**Report prepared by:**  
**Vijay Kanna Pakirisamy** (Lead Auditor)

**Report Number: SMO 3293269**

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

1.1 Organizational Information and Contact Person			
Company Name	Sime Darby Plantation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Elphil Palm Oil Mill	540132004000	31/05/2021
	Elphil Estate	529849002000	31/05/2021
	Kamuning Estate	524034002000	30/09/2021
	Kinta Kellas Estate	528648002000	31/03/2021
Address	<u>Head Office:</u> Level 5, Main Block, Plantation Tower, No. 2, Jalan PJU 1A/7, 47301 Ara Damansara, Selangor, Malaysia		
	<u>Certification unit:</u> Elphil Palm Oil Mill, Jalan Lintang, Sungai Siput Utara, 31100 Sungai Siput, Perak, Malaysia		
Certification Unit	SOU 3 Elphil POM		
Contact Person Name	Mdm. Shylaja Devi Vasudevan Nair (Head, Sustainability Unit - PSQM)		
Website	www.simedarbyplantation.com	E-mail	shylaja.vasudevan@simedarbyplantation.com
Telephone	03-78487379 (Head Office)	Facsimile	03-78487356 (Head Office)
1.2 Certification Information			
Certificate Number	Part 4 (Mill): MSPO 705883 Part 3 (Estates): MSPO 705885		
Issue Date	25/03/2018	Expiry date	24/03/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	1) MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders 2) MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills		
Stage 1 Date	Not Applicable (The Certification unit is RSPO Certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	20 - 22/11/2017		
Continuous Assessment Visit Date (CAV) 1	18 - 20/02/2019		
Continuous Assessment Visit Date (CAV) 2	10 - 12/03/2020		

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Continuous Assessment Visit Date (CAV) 3	16 - 18/03/2021		
Continuous Assessment Visit Date (CAV) 4	TBC		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 717672	MSPO Supply Chain Certification Standard, dated 1 October 2018	BSI Services Malaysia Sdn. Bhd.	11/11/2024
RSPO 550180	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn. Bhd.	17/06/2021

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Elphil Palm Oil Mill	Elphil Palm Oil Mill, Jalan Lintang, Sungai Siput Utara, 31100 Sungai Siput, Perak, Malaysia	101.09361	4.89000
Elphil Estate	Ladang Elphil, Bt. 6, Jalan Lintang, 31100 Sungai Siput(U), Perak, Malaysia	101.09361	4.89000
Kamuning Estate	Ladang Kamuning/Changkat Salak, 31100 Sungai Siput, Perak, Malaysia	101.06238	4.82665
Kinta Kellas Estate	Ladang Kinta Kellas, P.O. Box 31007, Batu Gajah, Perak, Malaysia	101.07520	4.462804

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Kamuning Estate	2,638.19	84.59	1,165.65	3,888.43	67.85
Elphil Estate	1,661.98	26.53	176.92	1,865.43	89.09
Kinta Kellas Estate	956.34	3.69	100.71	1,060.74	90.16
Total	5,256.51	114.81	1,443.28	6,814.60	

**Notes:**

Kinta Kellas Estate  
 Infrastructure increased by 6.42 Ha. Based on resurvey conducted by SDPB GPS team and e-mail dated May 2020 from Precision Agriculture Unit, the total planted hectareage was reconfirmed to be 956.34Ha and total area 1060.74Ha. Hence the area statement was amended accordingly.

Kamuning Estate  
 Reduction 955.55 Ha at Infrastructure due to field transfer to Elphil Estate since 2009 which was not previously removed from the estates area statement.

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<b>1.5 Plantings &amp; Cycle</b>							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Kamuning Estate	337.00	807.00	1182.19	312.00	-	2301.19	337.00
Elphil Estate	218.63	442.04	88.13	894.08	19.10	1443.35	218.63
Kinta Kellas Estate	59.61	367.80	-	528.93	-	896.73	59.61
<b>Total (ha)</b>	<b>615.24</b>	<b>1616.84</b>	<b>1270.32</b>	<b>1735.01</b>	<b>19.10</b>	<b>4641.27</b>	<b>615.24</b>

<b>1.6 Certified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Mar 2020 - Feb 2021)	Actual (Mar 2020 - Feb 2021)	Forecast (Mar 2021 - Feb 2022)
Kamuning Estate	34,700.00	36,634.860	41,888.00
Elphil Estate	32,800.00	27,657.450	31,428.00
Kinta Kellas Estate	22,300.00	20,258.160	21,455.00
Sogomana Estate	-	326.08	-
Sungai Wangi Estate	-	195.41	-
NLFCS Sungei Krudda	-	90.26	-
<b>Total</b>	<b>89,800.00</b>	<b>85,162.22</b>	<b>94,771.00</b>

<b>1.7 Uncertified Tonnage of FFB</b>			
Estate/FFB Suppliers	Tonnage / year		
	Estimated (Mar 2020 - Feb 2021)	Actual (Mar 2020 - Feb 2021)	Forecast (Mar 2021 - Feb 2022)
Tang Tatt	-	78,486.09	-
Eng Huat Latex Centrate Sdn Bhd	-	27,738.54	-
FELCRA Kg Jasa	-	496.85	-
FELCRA Sungai Siput	-	293.72	-
<b>Total</b>	<b>-</b>	<b>107,015.20</b>	<b>-</b>

<b>1.8 Certified Tonnage</b>			
Mill Capacity: 45 MT/hr	Estimated (Mar 2020 - Feb 2021)	Actual (Mar 2020 - Feb 2021)	Forecast (Mar 2021 - Feb 2022)
	FFB	FFB	FFB

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<b>SCC Model: MB</b>	89,800.00	85,162.22	94,771.00
	<b>CPO (OER: 20.49 %)</b>	<b>CPO (OER: 21.09 %)</b>	<b>CPO (OER: 20.60 %)</b>
	18,400.00	17,964.60	19,522.83
	<b>PK (KER: 5.57 %)</b>	<b>PK (KER: 5.36 %)</b>	<b>PK (KER: 5.50 %)</b>
	5,000.00	4,563.67	5,212.41

<b>1.9 Actual Sold Volume (CPO)</b>					
<b>CPO (MT)</b>	<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
17,964.60	-	-	176.98	17,567.42	17,744.40

<b>1.10 Actual Sold Volume (PK)</b>					
<b>PK (MT)</b>	<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
4,563.67	-	-	967.10	3,549.92	4,517.02

## 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 16<sup>th</sup> – 18<sup>th</sup> March 2021. The audit programme is included below in Section 2.2. The approach to the audit was to treat the Elphil Palm Oil Mill as an MSPO Certification Unit and its three (Elphil Estate, Kamuning Estate and Kinta Kellas Estate) FFB supply bases as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

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

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

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

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Elphil POM	✓	✓	✓	✓	✓
Elphil Estate	✓		✓		✓
Kamuning Estate		✓	✓	✓	
Kinta Kellas Estate	✓	✓		✓	✓

**Tentative Date of Next Visit: March 14, 2022 - March 16, 2022**

**Total No. of Mandays: 6 Mandays**

**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role (Team Leader or Team member)</b>	<b>Qualifications (Short description of the team members)</b>
Vijay Kanna Pakirisamy (VKP)	Trainee Lead Auditor	He holds a bachelor’s degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10-year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINNWATCH. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the aspects of Occupational, Health & Safety, Environment and estate best practises. He is fluent in Bahasa Malaysia and English languages.
Hafriazhar Mohd Mokhtar (HMM)	Team Member	Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands and Gabon. During this assessment, he covered the legal issues, social issues, worker’s welfare and supply chain requirements. He is fluent in Bahasa Malaysia and English languages.



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## 2.2 Assessment Plan

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

DATE	TIME	SUBJECTS	VKP	HMM
Tuesday 16/03/2021  <b>Elphil POM</b>	0830 - 0900	Opening Meeting: <ul style="list-style-type: none"> <li>▪ Opening Presentation by Audit Team leader</li> <li>▪ Confirmation of Assessment Scope and finalise Audi Plan (Including Stakeholders Consultation).</li> <li>▪ Verification of Previous Audit Findings</li> </ul>	✓	✓
	0900 - 1300	<b>Elphil POM</b> 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.	✓	✓
	1000 - 1200	<b>Stakeholder consultations:</b> Consultation with stakeholders such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighbouring estates, smallholders, villages, workers representative, etc.)		✓
	1300 - 1400	Lunch Break	✓	✓
	1400 - 1630	<b>Elphil POM</b> 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	✓	✓
	1630 - 1700	Interim Closing Briefing	✓	✓
Wednesday 17/03/2021  <b>Kamuning Estate</b>	0830 - 1300	<b>Kamuning Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	✓	✓
	1000 - 1200	<b>Stakeholder consultations:</b> Consultation with stakeholders such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighbouring estates, smallholders, villages, workers representative, etc.)		✓
	1300 - 1400	Lunch Break	✓	✓

DATE	TIME	SUBJECTS	VKP	HMM
	1400 - 1630	<b>Kamuning Estate</b> 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	✓	✓
	1630 - 1700	Interim Closing Briefing	✓	✓
Thursday 18/03/2021	0830 - 1300	<b>Kinta Kellas Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	✓	✓
<b>Kinta Kellas Estate</b>	1000 - 1200	<b>Stakeholder consultations:</b> Consultation with stakeholders such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighbouring estates, smallholders, villages, workers representative, etc.)		✓
	1300 - 1400	Lunch Break	✓	✓
	1400 - 1600	<b>Kinta Kellas Estate</b> 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	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 one (1) Minor nonconformity and three (3) Opportunity for Improvements (OFI) raised. The SOU 03 Elphil 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/Minor Nonconformities:								
<b>Ref:</b> <b>2035345-202103-N1</b>	<b>Area/Process: Kinta Kellas Estate</b>	<b>Clause:</b> <b>MS 2530:2013 Part-3,4.4.4.2</b>						
	<b>Issue Date: 18/03/2021</b>	<b>Due Date:</b> <b>Next Surveillance Audit</b>						
<b>Requirements:</b>	The risks of all operations shall be assessed and documented.							
<b>Statement of Nonconformity:</b>	Existing Control stated in the Estate’s HIRARC Register was not implemented accordingly.							
<b>Objective Evidence:</b>	With reference to the HIRARC Register as below: Estate: Kinta Kellas Estate Department: Workshop Section: Gas - Cutting (Using Oxygen and Acetylene Gas)							
	<table border="1"> <thead> <tr> <th>Job Step</th> <th>Hazards</th> <th>Existing Control</th> </tr> </thead> <tbody> <tr> <td>Closing Gas Valve, Extinguish Flame</td> <td>Leaking Gas</td> <td>Flash Back Arrestor</td> </tr> </tbody> </table>	Job Step	Hazards	Existing Control	Closing Gas Valve, Extinguish Flame	Leaking Gas	Flash Back Arrestor	
	Job Step	Hazards	Existing Control					
Closing Gas Valve, Extinguish Flame	Leaking Gas	Flash Back Arrestor						
During the site visit to the workshop at Kinta Kellas Estate, it was noticed that the Oxygen and Acetylene tanks used for Welding Works were without Flashback Arrestors therefore the existing control that was supposed to be in place was not implemented effectively. Hence a minor nonconformity was raised.								

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Corrections:	<ol style="list-style-type: none"> <li>1. Replace a new flashback arrestor immediately.</li> <li>2. Briefing to be conducted on importance of flashback arrestors and SOP for Oxygen and Acetylene Tanks to Foreman and related personals.</li> </ol>
Root cause analysis:	<ol style="list-style-type: none"> <li>1. The flashback arrestor had been removed due to defect and not replaced for the day.</li> <li>2. Lack of knowledge on the importance of the use of flashback arrestor by personals.</li> </ol>
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Daily monitoring on the flashback arrestor by the Foreman.</li> <li>2. PIC (Foreman) to inform and replace the flashback arrestors if there are any defects in the future.</li> <li>3. Conduct periodic Safe Operating Procedures training of Workshop Tools for Foreman and related personals.</li> </ol>
Assessment Conclusion:	The CAP is accepted, and the implementation of the CAP will be verified during next assessment.

**Opportunity For Improvement**

<b>Ref:</b> <b>2035345-202103I1</b>	<b>Area/Process: MSPO 2530: Part 3 (All Estates)</b>	<b>Clause: 4.1.2.2</b>
Objective Evidence:	Some findings for internal audits could be further elaborated its root cause of nonconformities, corrections taken to address the nonconformities and corrective actions taken to address the determined root cause.	
<b>Ref:</b> <b>2035345-202103I2</b>	<b>Area/Process: MSPO 2530: Part 3 (Estates)</b>	<b>Clause: 4.5.3.2</b>
Objective Evidence:	Implementation of Waste Management Plan related to Used Contaminated PPE could be further improved to ensure its efficiency of recycling potential.	
<b>Ref:</b> <b>2035345-202103I3</b>	<b>Area/Process: MSPO 2530: Part 4 (Mill)</b>	<b>Clause: 4.1.2.2</b>
Objective Evidence:	Some findings for internal audits could be further elaborated its root cause of nonconformities, corrections taken to address the nonconformities and corrective actions taken to address the determined root cause.	

**Noteworthy Positive Comments**

1	Good relationship being maintained with surrounding communities and stakeholders.
2	Good commitment from the management on maintaining the certification.

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

**Major/Minor Nonconformities:**

<b>Ref:</b> <b>1894208-202002-M1</b>	<b>Area/Process: Estates</b>	<b>Clause: MS 2530:2013 Part-3, 4.4.2.5</b>
	<b>Issue Date: 12/03/2020</b>	<b>Due Date: 10/06/2020</b>
Requirements:	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	

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Statement of Nonconformity:	The complaint records were not available for the past 24 months.
Objective Evidence:	The complaint records for Kamuning Estate (housing defects) were not available for the past 24 months. The oldest record was in November 2019.
Corrections:	Each division will assign one person in charge to maintain the available record and keep track on the progress.
Root cause analysis:	Due to changing of staff and old record book are misplaced. Previously the monitoring of the record was managed by the Hospital Assistant. He was retired and during the handing over process, the record book was misplaced.
Corrective Actions:	Estate management has identified the action plan as below: - The complaint records will be kept at office after working hours. Only PIC can take the complaint records for update purposes. Executive can counter check with the report at office. - All related documents; PO and Invoices of repair works done by contractor to be kept and labelled specifically.
Assessment Conclusion:	The following evidences were verified: 1. Copy of logbook that will be used to record the complaints lodged. Filing of forms will be no longer used. 2. Assigned PIC to maintain the safekeeping of the logbooks. Based on the evidence of correction and corrective action, the NCR is effectively closed out on 10/06/2020. Continuous implementation shall be verified in the next assessment.
Verification Statement	Complaints and resolutions records for the last 24 months were well documented and available for verification at the sampled estates. Hence, the major nonconformity remains closed.

**Major/Minor Nonconformities:**

<b>Ref:</b>	<b>Area/Process: Estates</b>	<b>Clause: MS 2530:2013 Part-3, 4.4.5.6</b>
<b>1894208-202002-M2</b>	<b>Issue Date: 12/03/2020</b>	<b>Due Date: 10/06/2020</b>
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 duration of employment was not in accordance to the requirement of Indonesian Consulate.	
Objective Evidence:	In Elphil Estate, it was found out that Worker ID: 139571 (Lalu Sepriadi) has the employment contract (Ref no: ECFW/Mac19/Pnsr/Oth/V1.0) with duration of employment for 3 years (25/01/2018 – 25/01/2021) which is not in accordance with Demand Letter, Manpower Qualification Request Terms & Condition: Duration of Contract: 2 years & extendable signed by Sime Darby Plantation Sdn Bhd, Pt Wira Karitas and Kedutaan Besar Republik Indonesia on 18/03/2016 and Kontrak Pekerjaan - Tenaga Kerja Asing Semenanjung Malaysia January 2015.	
Corrections:	Estate management has Issue the new employment contract using specific form as instruct by the Human Resource Department.	
Root cause analysis:	During preparing the employment contract, the responsible clerk was using the different format of EC form. Sime Darby Plantation Bhd has establish the EC using the understood language and the issuance is based on the nationality. In this finding,	

	issuance using the form for 'Other Nationality' instead of 'For Indonesian Workers - Peninsular Malaysia & Sarawak'.
Corrective Actions:	To assign double layer monitoring before issue approval the employment contract.
Assessment Conclusion:	<p>The following evidences were verified:</p> <ol style="list-style-type: none"> <li>1. A copy of new employment contract using the specific form that has been issued to the concerned workers.</li> <li>2. Assigned PIC to conduct the "double layer" monitoring prior to approval of employment contract</li> </ol> <p>Based on the evidence of correction and corrective action, the NCR is effectively closed out on 10/06/2020. Continuous implementation shall be verified in the next assessment.</p>
Verification Statement	Copies of fair contracts that have been signed by both employee and employer were provided to each employee as per records in the sampled estates. The work agreements also attached with each workers' renewal of agreement to use new agreement (Foreign Workers) and Changes of terms & conditions due to Minimum Wage Order (MWO) revision use new agreement (Local Workers). It was verified that all sampled contract agreements were in compliance with Demand Letter, Manpower Qualification Request Terms & Condition: Duration of Contract: 2 years & extendable signed by Sime Darby Plantation Sdn Bhd, Pt Wira Karitas and Kedutaan Besar Republik Indonesia on 18/03/2016 and Kontrak Pekerjaan - Tenaga Kerja Asing Semenanjung Malaysia January 2015. Hence, the major nonconformity remains closed.

Major/Minor Nonconformities:				
<b>Ref:</b> <b>1894208-202002-M3</b>	<b>Area/Process: Estates</b>	<b>Clause: MS 2530:2013 Part-3, 4.6.4.</b>		
	<b>Issue Date: 12/03/2020</b>	<b>Due Date: 10/06/2020</b>		
Requirements:	Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information.			
Statement of Nonconformity:	The compliance of legal requirement was not adequately demonstrated by the contractor.			
Objective Evidence:	Some of the lorries used by the FFB transport contractor have exceeded the regulated load limit stipulated in their "Permit Kendaraan" i.e. BDM: 34,500 kg for lorry no. ABY 6260 and 24,000 kg for lorry no. AHY 9768 when sending the FFB from Kamuning Estate to Elphil POM. Sampled of trips are as follows:			
	Date	Ticket Number	Lorry Number	Gross Weight (mt)
	14/02/2020	122132	ABY 6260	38.93
	29/02/2020	122772	ABY 6260	39.40
	28/02/2020	122737	AHY 9768	28.49
Corrections:	The immediate action has planned as follows: - Each lorry that exceed the regulated load limit during weighing at estate weighbridge will be hold their trip until the load is reduced. - Inter Office Mail (IOM) from Estate Management to FFB transporter contractor will be issued as directive to not overloading the FFB and adhere to load limit stipulated in the "Permit Kendaraan"			
Root cause analysis:	Driver try to reduce their trip by loading overload crop. This scenario Frequent happen for last trip to clear the last load.			

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Corrective Actions:	Estate management agreed to conduct the control measure as follow: - Remind driver and all estate supervision team on BDM of each lorry used as per their "Permit Kenderaan". - The latest gross weight will be displayed at estate weighbridge room for monitoring tool.
Assessment Conclusion:	The following evidences were verified: 1. Attendance record that shows the lorry drivers, estate supervision team and weighbridge operators have been reminded through a briefing 2. Pictures that show the gross weight limit schedule has been displayed at the weighbridge room 3. Memo dated March 2020 from the estate management to the FFB transport contractors with regards to load limit compliance Based on the evidence of correction and corrective action, the NCR is effectively closed out on 10/6/2020. Continuous implementation shall be verified in the next assessment.
Verification Statement	The compliance of legal requirement was adequately demonstrated by the contractors. All sampled lorries lorries used by the FFB transport contractor were in compliance with the regulated load limit stipulated in their "Permit Kenderaan". Hence, the major nonconformity remains closed.

**3.4 Summary of the Nonconformities and Status**

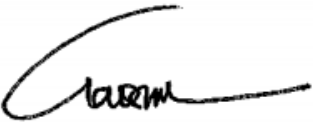

CAR Ref.	CLASS	ISSUED	STATUS
M01 – Part 3	Major	23/11/2017	Closed
M02 – Part 3	Minor	23/11/2017	Closed
M03 – Part 3	Minor	23/11/2017	Closed
M04 – Part 3	Minor	23/11/2017	Closed
M05 – Part 3	Major	23/11/2017	Closed
M06 – Part 3	Minor	23/11/2017	Closed
M01 – Part 4	Minor	23/11/2017	Closed
M02 – Part 4	Minor	23/11/2017	Closed
M03 – Part 4	Minor	23/11/2017	Closed
M04 – Part 4	Minor	23/11/2017	Closed
M05 – Part 4	Minor	23/11/2017	Closed
1744125-201902-N1	Minor	20/02/2019	Closed on 12/03/2020
1894208-202002-M1	Major	12/03/2020	Closed on 12/06/2020
1894208-202002-M2	Major	12/03/2020	Closed on 12/06/2020
1894208-202002-M3	Major	12/03/2020	Closed on 12/06/2020
2035345-202103-N1	Minor	18/03/2021	"Open"

**3.5 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues:</b> NUPW representative: Both mill and estates have no issue allowing workers freedom to associate. Representatives were freely elected by members without intervention by management. Meetings among workers representatives and management regularly conducted</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
2	<p><b>Issues:</b> Licensing Inspector (IPD Sg. Siput): Sime Darby estates have no issue in armoury and weapon licensing. Facilities for safekeeping also well maintained.</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
3	<p><b>Issues:</b> Local village (Kampung Seri Jaya) representatives: Presence of Sime Darby mill and estates provides employment opportunities among villagers who were given priority as local communities. No issue related to land disputes or caused by mill and estates operations in terms of local communities' safety and environment.</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
4	<p><b>Issues:</b> External FFB supplier: No issue in FFB delivery and payments. Mill fairly grade FFB based on quality delivered and purchase agreement.</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
5	<p><b>Issues:</b> FFB Transporter: No issue in transportation contracts pricing and payment. Has long business relationship with company for more than 10 years.</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>



**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment SOU 3 Elphil Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of SOU 3 Elphil Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> JAYAGANESH DHARMESEELAN	<b>Name:</b> VIJAY KANNA PAKIRISAMY
<b>Company name:</b> SIME DARBY PLANTATION BHD	<b>Company name:</b> BSI SERVICES MALAYSIA SDN BHD
<b>Title:</b> SENIOR MANAGER	<b>Title:</b> CLIENT MANAGER
<b>Signature:</b> 	<b>Signature:</b> 
<b>Date:</b> 14 <sup>TH</sup> MAY 2021	<b>Date:</b> 13 <sup>th</sup> May 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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sime Darby Plantation has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2. Policy re-briefing was conducted on 22/01/2021 at Kamuning Estate to all employees by the estate management. Kinta Kellas Estate management latest conducted all policies re-briefing to its employees on 20/01/2021.	Yes
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	Sime Darby Plantation has established a policy called "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. The policy covers commitment to: <ul style="list-style-type: none"> <li>- Promoting good governance and transparency</li> <li>- Contributing to a better society</li> <li>- Minimizing environmental harm</li> <li>- Delivering sustainability quality</li> </ul> <p>The policy is guided by three main documents i.e.:</p> <ul style="list-style-type: none"> <li>- Responsible Agriculture Charter</li> <li>- Human Rights Charter</li> </ul>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>– Innovation &amp; Productivity Charter</p> <p>All the above documents and the policy statement are made available online via Sime Darby's website link as per following:  <a href="https://www.simedarbyplantation.com/sites/default/files/20191218%20GSQM%20Policy%20English.pdf">https://www.simedarbyplantation.com/sites/default/files/20191218%20GSQM%20Policy%20English.pdf</a></p>	
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p><b>- Major compliance -</b></p>	<p>Internal audit was planned to be conducted annually. Latest internal audit in Kamuning Estate was conducted on 13/01/2021 by internal auditors' team led by Mohammad Jannati Mat Yusoff. The MSPO Part 3 internal audit was conducted in combination with RSPO P&amp;C requirement audit as well. A total of 3 Major Nonconformities, 7 Minor Nonconformities and 4 OFIs were raised and verified closed by lead auditors. Previous audit was conducted on 23/01/2020.</p> <p>Latest internal audit in Kinta Kellas Estate was conducted on 12/01/2021 by internal auditors' team led by Mohd. Yusri Yusoff @ Saud. The MSPO Part 3 internal audit was conducted in combination with RSPO P&amp;C requirement audit as well. A total of 6 Major Nonconformities, 7 Minor Nonconformities and 3 OFIs were raised and verified closed by lead auditors. Previous audit was conducted on 22/01/2020.</p>	Yes
<b>4.1.2.2</b>	<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><b>- Major compliance -</b></p>	<p>An internal audit procedure (SD/SDP/PSQM/IAP dated 01/11/2017) had been established and documented.</p> <p>The results of the audit conducted on 13/01/2021 in Kamuning Estate was reported under internal audit report. The identification of strengths and root causes of nonconformities, to implement the</p>	OFI

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Criterion / Indicator		Assessment Findings	Compliance
		<p>necessary corrective action have been carried out prior to the closure of all findings. Status of all findings were reviewed during the Management Review Meeting held on 12/03/2021.</p> <p>For Kinta Kellas Estate the results of the audit conducted on 12/01/2021 was reported for status review during the Management Review Meeting held on 19/01/2021.</p> <p>However, some findings for internal audits could be further elaborated its root cause of nonconformities, corrections taken to address the nonconformities and corrective actions taken to address the determined root cause.</p>	
<b>4.1.2.3</b>	Report shall be made available to the management for their review. - <b>Major compliance</b> -	The minutes of meeting records for management review indicated report available in the review made for internal audit result status.	Yes
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - <b>Major compliance</b> -	The minutes of meeting records for the latest management review meeting conducted on 12/3/2021 chaired by Kamuning the Estate Manager and on 19/1/2021 for Kinta Kellas Estate together with the estate management team found sufficient review of continuous suitability, adequacy, and effectiveness of the requirements for effective implementation of MSPO. Decision available by management to maintain the well implementation of MSPO.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	The latest Continual Improvement Plan for 2021 was adopted in the RSPO/MSPO CIP for both estates. The improvement plans include workers welfare, waste management, occupational health & safety and operations improvements. For example, a number of improvement projects have been initiated for the field operation and workers quarters.	Yes
<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	Mechanization for field operation has been introduced at both Sime Darby estates, which was sighted on site, for example the use of Mechanical Grabber for FFB evacuation, Control Droplet Applicator (CDA) for Pesticide Operations and ATV Mounted Sprayer for Pesticide Application.  The estates have also moved towards chemical reduction and introducing more Integrated Pest Management in their practices. This could be verified through the sighting of beneficial plants all around the estates and the IPM Action Plans that were available for verification.	Yes
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. <b>- Major compliance -</b>	The action plan to provide the necessary resources for improvements have been adopted in the yearly budget and M Plan for both estates.	Yes
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

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4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.  - Major compliance -	Due to the multiple implementations of Movement Control Order by the government, Kamuning Estate unable to conduct the stakeholder meeting with external stakeholders hence sending mails and emails to external stakeholders to seek for any feedbacks on 4/3/2021 while Kinta Kellas Estate on 25/2/2021. Referring to the records of letter sent to stakeholder including Appendix A i.e. explanation on the intention of stakeholder consultation & Appendix B i.e. the stakeholder feedback forms.	Yes
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 -	Management documents related to sustainability available at each operating unit visited during the on-site audit upon request including sustainability policies, procedures, social and environmental assessments as well as management action plans etc. Furthermore, global documents accessible via company's website as per following link: <a href="https://www.simedarbyplantation.com/sustainability/beliefs-progress/governance/sustainability-policies">https://www.simedarbyplantation.com/sustainability/beliefs-progress/governance/sustainability-policies</a> .	Yes
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders.  - Major compliance -	The procedures were communicated with external stakeholders through letters of consultation sent on 04/03/2021 by Kamuning Estate and on 25/02/2021 by Kinta Kellas Estate. Internal stakeholders' communication was done during policies and procedures re-briefing conducted on 22/01/2021 by Kamuning Estate management to all employees and on 20/01/2021 by Kinta Kellas Estate management to all its employees.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	Management officials nominated are the estate managers as per inter-office mail letter of appointment by the Regional CEO dated 02/01/2021.	Yes
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. <b>- Major compliance -</b>	List of stakeholders among internal and external parties maintained up to date as of January 2021. Due to the multiple implementations of Movement Control Order by the government, Kamuning Estate unable to conduct the stakeholder meeting with external stakeholders hence sending mails and emails to external stakeholders to seek for any feedbacks on 04/03/2021 while Kinta Kellas Estate on 25/02/2021. Referring to the records of letter sent to stakeholder including Appendix A i.e. explanation on the intention of stakeholder consultation & Appendix B i.e. the stakeholder feedback forms.	Yes
<b>Criterion 4.2.3 – Traceability</b>			
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). <b>- Major compliance -</b>	Procedure available as per Sustainability Plantation Management System Appendix 15; SOP for Sustainable Supply Chain and Traceability; Version 2; Year 2018; Issue # 5; Issue date: April 2019.  Based on the SOP Para 6.0 Delivery of FFB From the Estate; Sub-para 6.3 Estate shall ensure sufficient information is stated on the weighbridge ticket or consignment note of all delivery FFB including:  i. RSPO, MSPO and ISCC Certificate number (where applicable)  ii. MSPO Certificate Validity  iii. Greenhouse gas (GHG) emission value (either disaggregated default or actual value)	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		iv. Distance (from estate to respective oil mill – ISCC only) v. Country of origin (ISCC only)  The functionality to include the relevant information in the weighbridge tickets for estates and mills is available in the SDP Weigh System. In the case of unavailability of the SDP Weigh System, the information under 6.3 still needs to be documented manually.	
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system.  <b>- Major compliance -</b>	Regular inspections of estates’ FFB productions and delivery conducted by estate management on daily basis and reported to HQ.  Additionally, Internal audit conducted annually by internal auditors from the Regional Sustainability Team (RSQM). Sighted a sample of latest internal audit in Kamuning Estate conducted on 13/01/2021 by internal auditors’ team led by Mohammad Jannati Mat Yusoff. The MSPO Part 3 internal audit was conducted including with traceability requirements. Previous audit was conducted on 23/01/2020.	Yes
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system.  <b>- Minor compliance -</b>	Appointed overall PIC in Kamuning Estate is Azizul Muhaimi Bin Abdul Rauf, Assistant Manager of Kamuning Estate as per letter of appointment dated 01/01/2021. For Kinta Kellas Estate, the appointed PIC is Muhammad Hamdi Bin Ahmad Zani as per appointment letter dated 04/09/2020.	Yes
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained.  <b>- Major compliance -</b>	Records of FFB deliveries available as per sample sighted as following: – Supplier: E142-E-Kinta Kellas; FFB ticket # 131469; DO # 16849; Date: 30/9/2020; Lorry # JTX4595K12; Net weight: 11,780 kg; FFB origin: Field # 2016B	Yes



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Criterion / Indicator		Assessment Findings	Compliance
		– Supplier: E142-E-Kinta Kellas; FFB ticket # 136394; DO # 17566; Date: 27/2/2021; Lorry # ADD1729K10; Net weight: 10,450 kg; FFB origin: Field # 2014B	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.  <b>- Major compliance -</b>	<p>SOU 3 estates continued to comply with legal requirements. Permit and licenses checked as below:</p> <p>Kamuning Estate</p> <ol style="list-style-type: none"> <li>1. MPOB License; License Number: 524034002000; Estate Area: 2018 Ha; License Validity Period: 01/10/2020 – 30/09/2021.</li> <li>2. MPOB License (Nursery); License Number: 558418011000; License Validity</li> <li>3. MPOB License (Changkat Salak Division); License Number: 524393002000; Estate Area: 2435 Ha; License Validity Period: 01/11/2020 – 31/20/2021.</li> <li>4. Air Compressor License (Air Receiver); License Number: PK PMT 5556; Reference Number: PMT-PK/19 37418; License Valid till 16/01/2021. Application has been submitted for license renewal through MyKKP on 17/11/2020, pending approval.</li> <li>5. Air Compressor License (Air Receiver); License Number: PK PMT 5555; Reference Number: PMT-PK/19 37417; License Valid till</li> </ol>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>16/01/2021. Application has been submitted for license renewal through MyKKP on 17/11/2020, pending approval.</p> <p>6. Permit Barang Kawalan Berjadual (Diesel); P Serial Number: A 001953; Reference Number: SK/20/B.PGK.KK; Storage Capacity: 10,000 Liters; License Validity Period: 18/02/2021 – 17/02/2024.</p> <p>Kinta Kellas Estate</p> <p>1. Air Compressor (Air Receiver) License; License Number: PK PMT 951; Reference Number: PMT-PK/20 51492; License Validity Period: 25/11/2021.</p> <p>2. MPOB License; License Number: 528648002000; Estate Area: 1061.93; License Validity Period: 01/04/2021 – 31/03/2021.</p> <p>3. Permit Barang Kawalan Berjadual (Diesel); Reference Number: SK/018/14(D)/KPDN.HEP.PK; Diesel Storage capacity: 8,500 Liters; License Validity: 18/07/2020 – 17/07/2021.</p>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>Documented Procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>All legal requirements were documented in Legal and Other Requirement Register available at the estates. The register is reviewed regularly and updated as and when there are new or amended legal requirements that are applicable to the estate operations. The latest review is as below; Kamuning Estate: 05/01/2021</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		Kinta Kellas: 01/01/2021	
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><b>- Major compliance -</b></p>	<p>Documented procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the estates undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 &amp; Akta Pencegahan &amp; Pengawalan Penyakit Berjangkit 1988.</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records verification indicates that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented.</p> <p><u>Kamuning Estate</u></p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<p>The management has appointed the Assistant Manager, Mr. Azizul Muhaimi Bin Abdul Raif on 01.01.2021 as the PIC to monitor any changes on the LORR and update as and when necessary as stated in the job functions as the PIC for Legal and Other Requirements.</p> <p><u>Kinta Kellas Estate</u> The management has appointed the Assistant Manager, Mr. Muhammad Hamdi Bin Ahmad Zani on 04.09.2020 as the PIC to monitor any changes on the LORR and update as and when necessary as stated in the job functions as the PIC for Legal and Other Requirements.</p>	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>No issues of land dispute issue occur in all estates within SOU 3 that involved other land user rights since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.</p>	Yes
<b>4.3.2.2</b>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p><b>- Major compliance -</b></p>	<p>Management of all estates visited on-site provided the company’s legal ownership of the estate land. As sample, sighted that Kamuning Estate hold a total of 38 land titles in main division and 20 land titles in Salak division. Copies of land titles available as per sample sighted as following:</p> <ul style="list-style-type: none"> <li>– Title # 12951; Lot # 6464; District: Kuala Kangsar; Sub-district: Mukim Sungai Siput; Area: 39.829 ha</li> <li>– Title # 12940; Lot # 3046; District: Kuala Kangsar; Sub-district: Mukim Sungai Siput; Area: 0.3035 ha</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		– Title # GRN 58970; Lot # 1483; District: Kuala Kangsar; Sub-district: Mukim Sungai Siput; Area: 233.9079 ha	
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	<p>Kamuning Estate</p> <p>Legal boundaries at the estate were clearly demarcated with red and white colour concrete poles, fences and security trenches. Sighted during site visit at the estate’s boundaries at Field P02A (Concrete Pole - 4.86221, 101.04683)</p> <p>Kinta Kellas Estate</p> <p>Legal boundaries at the estates were clearly demarcated with fences, security trenches and roads. Sighted the boundary markers during the sight visit at the estate’s boundary (Field OP 2017A) with Kampung Seri Jaya. (Red and White colour Aluminum Pole - 004° 28’ 15” N, 101° 04’ 14” E)</p>	Yes
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	No issues of land dispute issue occur in all estates within SOU 3 that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	No issues of land dispute issue occur in all estates within SOU 3 that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes

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Criterion / Indicator		Assessment Findings	Compliance						
	- <b>Major compliance</b> -								
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - <b>Minor compliance</b> -	Maps available as per sighted Kamuning Estate and Kinta Kellas Estate Boundary Stone Map; GPS Surveyed Map which include the information of boundary stone point, field map.	Yes						
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance</b> -	No issues of land dispute issue occur in all estates within SOU 3 that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes						
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>									
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>									
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	<p>The last Social Impact Assessment was conducted on 24<sup>th</sup> to 27<sup>th</sup> August 2015 by the Social &amp; Environment Projects Unit, PSQM Department of Sime Darby Plantation as per SIA Report for SOU 3 Elphil consists of Elphil POM, Elphil Estate, Kamuning Estate and Kinta Kellas Estate. Each operating unit established their individual Management Plan on Social Impact Assessment as per sample sighted in Kinta Kellas Estate as following:</p> <table border="1" data-bbox="1079 1114 1904 1374"> <thead> <tr> <th>Areas of concerns</th> <th>Action plan</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>External stakeholder (Kg. Sri Jaya Head – 15/03/2021): - Request village access road cleaning and repair</td> <td>- To conduct further consultation session with requested party regarding the requests made</td> <td>On-going</td> </tr> </tbody> </table>	Areas of concerns	Action plan	Status	External stakeholder (Kg. Sri Jaya Head – 15/03/2021): - Request village access road cleaning and repair	- To conduct further consultation session with requested party regarding the requests made	On-going	Yes
Areas of concerns	Action plan	Status							
External stakeholder (Kg. Sri Jaya Head – 15/03/2021): - Request village access road cleaning and repair	- To conduct further consultation session with requested party regarding the requests made	On-going							

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		<ul style="list-style-type: none"> <li>- Request estate drainage desludging</li> <li>- Request vacant land occupation</li> </ul>			
		Internal stakeholder (NUPW representative) Tractor entering housing area	- Issuance of warning for stern action to be taken if still receive report on the issue	Resolved on 09/12/2020	
<b>Criterion 4.4.2: Complaints and grievances</b>					
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	Both Kamuning Estate and Kinta Kellas Estate established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal & External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe.			Yes
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe.			Yes

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4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p><b>- Minor compliance -</b></p>	<p>Both Kamuning Estate and Kinta Kellas Estate established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal &amp; External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe. Sighted a sample latest complaints received by Kamuning Estate recorded in the Buku Laporan Kerosakan; Dated on 16/03/2021 been resolved immediately.</p>	Yes
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p><b>- Minor compliance -</b></p>	<p>The regional management i.e. Southern Region CEO Tn. Hj. Ramlan Bin Ramli conducted the briefing on the awareness that complaints or suggestions can be made any time on 10/03/2021 in Kamuning Estate main division to all employees.</p> <p>Due to the multiple implementations of Movement Control Order by the government, Kamuning Estate unable to conduct the stakeholder meeting with external stakeholders hence sending mails and emails to external stakeholders to seek for any feedbacks on 04/03/2021 while Kinta Kellas Estate on 25/02/2021. Referring to the records of letter sent to stakeholder including Appendix A i.e. explanation on the intention of stakeholder consultation &amp; Appendix B i.e. the stakeholder feedback forms.</p>	Yes
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The complaints and resolutions records available for period more than 24 months dated back since 2008.</p>	Yes



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<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	Contributions made by estates based in consultation with stakeholders among local communities as per sample sighted as following: Kamuning Estate: <ul style="list-style-type: none"> <li>- Assist dismantle old temple building; Feb 2021</li> <li>- Cutting trees at SJKT Ladang Changkat Salak; Sep 2020</li> <li>- Termites control at SJKT Changkat Salak; Sep 2020</li> </ul> Kinta Kellas Estate: <ul style="list-style-type: none"> <li>- Free chicken to all workers for Deepavali; Nov 2020</li> <li>- Assist in Mariamman temple cleaning; Nov 2020</li> </ul>	Yes
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 <sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the estates.  The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.  The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH risk management, Emergency	Yes

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		Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.	
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust</li> </ul>	<p>The occupational safety and health plan cover the following:</p> <ul style="list-style-type: none"> <li>a) Sime Darby Plantation have established the Group Policy on Health, Safety &amp; Environment (HSE) Policy Statement signed by the CEO on 1<sup>st</sup> June 2020. The policy has been communicated to the staffs and workers through induction training for new workers, morning briefing and displayed at various notice boards within the estate. The policy has been briefed to all workers on:               <ul style="list-style-type: none"> <li>- Kamuning Estate: 22/01/2021</li> <li>- Kinta Kellas Estate: 20/01/2021</li> </ul> </li> <li>b) Sime Darby have established Standard Operating Procedure for Risk Assessment and documented in EQMS/SOM sub-section 5.4, Appendix 5.4.1a. Estates visited have conducted risk assessments for all the operations and documented in the Hazard Identification, Risk Assessment, and Risk Control (HIRARC). The assessment covers all main operations and support operations. Among the activities verified in the HIRARC included Loading FFB, P&amp;D Circle Application, Harvesting (Carriers), Gardening, etc.</li> </ul> <p>HIRARC is reviewed on annually and as and when there are any accidents that occur in the estate. Verified the latest review of HIRARC for the estates as below. Kamuning Estate: 07/01/2021 Kinta Kellas Estate: 01/01/2021</p> <p>With reference to the HIRARC as below: Estate: Kinta Kellas Estate</p>	<p>Minor Nonconformity Raised</p>

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<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><b>- Major compliance -</b></p>	<p>Department: Workshop Section: Gas Cutting (Using Oxygen and Acetylene Gas)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Job Step</th> <th style="width: 33%;">Hazards</th> <th style="width: 33%;">Existing Control</th> </tr> </thead> <tbody> <tr> <td>Closing Gas Valve, Extinguish Flame</td> <td>Leaking Gas</td> <td>Flash Back Arrestor</td> </tr> </tbody> </table> <p>During the site visit to the workshop at Kinta Kellas Estate, it was noticed that the Oxygen and Acetylene tanks used for Welding Works were without Flashback Arrestors therefore the existing control that was supposed to be in place was not implemented effectively. Hence a minor nonconformity was raised.</p> <p>Chemical Health Risk Assessment was conducted to assess the risks associated to hazardous chemicals used in the estate. The CHRA reports were available in the estates visited as below:</p> <ul style="list-style-type: none"> <li>- <u>Kamuning Estate</u>: CHRA Report Number: HQ/09/ASS/00/124-2020/0034; Assessment Date: 26/08/2020; Assessor: Haji Shaari Chin (Gatcost Sdn Bhd); DOSH Ref Number: HQ/09/ass/00/124; Assessor: Gatconst Sdn. Bhd.</li> <li>- <u>Kinta Kellas Estate</u>: CHRA Report Number: HQ/09/ASS/00/124-2020/0032; Assessment Date: 24/08/2020; Assessor: Haji Shaari Chin (Gatconst Sdn Bhd.); DOSH Ref Number: HQ/09/ass/00/124.</li> </ul> <p>Medical Surveillance was conducted for workers exposed to chemicals and welding fumes in the estate as recommended in the</p>	Job Step	Hazards	Existing Control	Closing Gas Valve, Extinguish Flame	Leaking Gas	Flash Back Arrestor	
Job Step	Hazards	Existing Control						
Closing Gas Valve, Extinguish Flame	Leaking Gas	Flash Back Arrestor						

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	<p>CHRA. The medical surveillance was conducted to monitor the level of exposure on the workers towards the chemicals and fumes.</p> <ul style="list-style-type: none"> <li>- <u>Kamuning Estate</u> A total of 34 workers were referred for medical surveillance at Klinik Tweedie on 05/03/2021. The results indicated that all the workers were fit to work.</li> <li>- <u>Kinta Kellas Estate</u> A total of 9 workers were referred for medical surveillance at Klinik Edina on 08/03/2021 for exposure of chemicals and fumes monitoring. The results indicated that all the workers were fit to work.</li> </ul> <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety &amp; Health (Noise Exposure) Regulations 2019 in the estates. The NRA Reports were available in the estates visited as below.</p> <ul style="list-style-type: none"> <li>- <u>Kamuning Estate:</u> Date of Monitoring: 26/06/2020; Noise Risk Assessor: Muhammad Hafiz Bin Hasan; Dosh Registration: HQ/18/PEB/00/00021.</li> <li>- <u>Kinta Kellas Estate:</u> Date of Monitoring: 25/06/2020; Noise Risk Assessor: Muhammad Hafiz Bin Hasan; Dosh Registration: HQ/18/PEB/00/00021.</li> </ul>	

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	<p>c) Estates visited have established training programs for management team, workers and contractors including pesticides applicator, programmed throughout the year. The trainings were conducted by those with knowledge in chemical handling.</p> <p><u>Kamuning Estate:</u></p> <ul style="list-style-type: none"> <li>- Interpump Training – 15/02/2021</li> <li>- Circle Spraying Training – 01/12/2020</li> <li>- Circle Spraying Training – 11/11/2020</li> <li>- PPE &amp; Chemical Handling Training – 08/10/2020</li> </ul> <p><u>Kinta Kellas Estate</u></p> <ul style="list-style-type: none"> <li>- Chemical Handling Training – 20/05/2020</li> <li>- Training on Trunk Injection – 27/02/2021</li> <li>- Inter Pump Maintenance Training – 23/02/2021</li> </ul> <p>d) The estates have provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Estates dated 17.03.2008.</p> <p>Sighted during site visit at the spraying gang, manuring gang and workshop, the workers were provided with leather gloves, nitrile gloves mask, respirator, safety helmet and wellington boots and others as required by the operations. The workers acknowledged that they are entitled to appropriate PPE, free of charge by the management. The workers understand the importance of wearing the appropriate PPEs during work as they are regularly briefed by the management. Sighted the PPE issuance records documented</p>	

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	<p>in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>e) Standard Operating Procedures for Handling of Chemicals were available in several documents such as:</p> <ul style="list-style-type: none"> <li>- Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26.02.2015.</li> </ul> <p>Pesticides were found stored in the estate's Chemical Store in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149) and their Regulations. The stores were at all times locked and at the time of visit the store clerk was seen to unlock the padlock to open entrance door for auditor to inspect the store. At the entrance door, signage requiring donning of PPE were visibly posted. The Chemical Store signage with required Hazard Symbols were available at the entrance. The facility ventilation fan was found working with adequate ventilation available, up-to-date chemical register, trade and generic names, and their Safety data Sheet were available.</p> <p>f) <u>Kamuning Estate</u> The Senior Manager, Mr. Jayaganesh a/l Dharmeseelan was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 02/01/2021 undersigned by the Regional CEO. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Senior Manager.</p>	

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	<p><u>Kinta Kellas Estate</u> The Estate Manager, Mr. Devanand a/l Vasu was appointed to be the Chairman of OSH Committee at the estate as stated in the appointment letter dated 02/01/2021 undersigned by the Regional CEO. Estate management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Manager.</p> <p>g) The management conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees’ safety, health and welfare such as operational risks and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated as follows:</p> <ul style="list-style-type: none"> <li>- <u>Kamuning Estate</u>: 09/03/2021 (1<sup>st</sup>/2021), 23/12/2020 (4<sup>th</sup>/2020), 24/09/2020 (3<sup>rd</sup>/2020) and 12/06/2020 (2<sup>nd</sup>/2020).</li> <li>- <u>Kinta Kellas Estate</u>: 02/03/2021 (1<sup>st</sup>/2021), 03/12/2020 (4<sup>th</sup>/2020), 07/09/2020 (3<sup>rd</sup>/2020) and 03/06/2020 (2<sup>nd</sup>/2020)</li> </ul> <p>h) Emergency Response Plans were available to manage emergencies such as fire, flood, chemical spillage and accidents. There was a formation of Emergency Response Team to attend to emergencies with regular trainings and drill being conducted for the team and the rest of the workers. Emergency Response Training was conducted as below:</p> <p><u>Kamuning Estate</u></p> <ul style="list-style-type: none"> <li>o Fire Drill Training – Changkat Salak Division: 13/03/2021</li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Fire Drill Training – Main Division: 11/03/2021  <u>Kinta Kellas Estate</u></li> <li>○ Fire Drill Training – 09/10/2020</li> </ul> <p>i) First Aiders were present at all operations within the estate. Interview with the selected first aiders indicated they were well aware and trained on measures to be taken during emergencies. First aid boxes were available at the operations as well. Inspected the first aid boxes to be filled with adequate items to be used during the emergencies. The first aid box holders were trained as below:  <u>Kamuning Estate</u>            First Aid Training (Main Division): 05/03/2021            First Aid Training (Changkat Salak Division): 03/03/2021  <u>Kinta Kellas Estate</u>            First Aid Training: 05/02/2021</p> <p>j) The estates visited recorded all accidents reports and reported to HQ using the PSQM-ESH Monthly update Form online through GSQM ESH Portal. The accident occurred was reviewed on quarterly basis during OSH committee meeting.</p> <p><u>Kamuning Estate</u>            There were no accidents reported for the year 2021. There was a total of 9 accident cases for the year 2020 reported in the estate. The JKKP6 Form has been submitted to DOSH accordingly. The JKKP8 Form for the year 2020 was also submitted to DOSH on 20/01/2021 and available for verification.</p>	



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		<p><u>Kinta Kellas Estate</u> There were no accidents cases reported for the year 2021. There were 2 accident cases reported for the year 2020 involving a general worker and a harvester. The accident involving lost mandays of more than 4 days were reported to DOSH via JKKP6 form. The JKKP 8 form was submitted for the year ending 2020 to DOSH on 04/01/2021 and available for verification.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>The good social practices regarding human rights in respect of industrial harmony has been embedded in Sime Darby Plantation's established policy of "Group Sustainability &amp; Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019.</p> <p>Policy re-briefing was conducted on 22/1/2021 at Kamuning Estate to all employees by the estate management. Kinta Kellas Estate management latest conducted all policies re-briefing to its employees on 20/1/2021.</p>	Yes
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>Records of employments and interview conducted on-site with sampled internal and external stakeholders confirmed that the workers and groups including local communities, women, and migrant workers have not been discriminated against.</p>	Yes
<b>4.4.5.3</b>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic</p>	<p>Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 below, management has ensured that employees' pay and conditions meet MAPA Circular No. 4/2020; The Malayan Agricultural Producers Association; Date: 30/01/2020; MAPA/NUPW</p>	Yes

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	needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	Field And Other General Employees And Fringe Benefits Agreement, 2019. This were requirements in-line with the mandatory Minimum Wage Order 2020 enforced by the government.	
<b>4.4.5.4</b>	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. <b>- Minor compliance -</b>	Based on the sample contractors' agreements sighted in Kinta Kellas Estate Adhoc Contract for the Transportation of Fresh Fruit Bunches ("Contract"); Contractor: Gunasekaran Buchia; Duration of contract: 01/10/2020 – 31/03/2021, it was confirmed that the estate management maintained records of contractor's employees Workers Register Forms, Monthly Salary Records and Deduction accordingly.	Yes
<b>4.4.5.5</b>	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. <b>- Major compliance -</b>	The established records of Employee Masterlist which available as a database in computerized Checkroll System able to provide accurate account of all employees including their particulars of full names, gender, date of birth, date joined company, wages grade and position etc.	Yes
<b>4.4.5.6</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	Copies of fair contracts that have been signed by both employee and employer were provided to each employee as per records in Kamuning Estate as per sample as following: - Employee # 072654; Employed date: 01/10/2011; Nationality: Malaysia; Gang: General - Employee # 127778; Employed date: 11/11/2016; Nationality: India; Gang: General - Employee # 138074; Employed date: 23/11/2017; Nationality: Indonesia; Gang: General	Yes

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- Employee # 158930; Employed date: 07/07/2020; Nationality: Malaysia; Gang: General</li> <li>- Employee # 068701; Employed date: 24/06/2011; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 068702; Employed date: 24/06/2011; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 112479; Employed date: 07/04/2015; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 133721; Employed date: 25/05/2017; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 134914; Employed date: 24/07/2017; Nationality: India; Gang: Harvester</li> <li>- Employee # 144740; Employed date: 11/08/2018; Nationality: Malaysia; Gang: Harvester</li> <li>- Employee # 157700; Employed date: 13/01/2020; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 161977; Employed date: 01/02/2021; Nationality: Malaysia; Gang: General (ODP)</li> </ul> <p>Kinta Kellas Estate as per sample as following:</p> <ul style="list-style-type: none"> <li>- Employee # 022559; Employed date: 15/06/2009; Nationality: Malaysia; Gang: General</li> <li>- Employee # 159831; Employed date: 04/09/2020; Nationality: Malaysia; Gang: General</li> </ul>	

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	<ul style="list-style-type: none"> <li>- Employee # 086574; Employed date: 01/01/2013; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 141466; Employed date: 27/03/2018; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 067286; Employed date: 01/06/2011; Nationality: India; Gang: Piece Rated Worker</li> <li>- Employee # 134518; Employed date: 16/06/2017; Nationality: India; Gang: General</li> <li>- Employee # 132027; Employed date: 17/03/2017; Nationality: Nepal; Gang: General</li> <li>- Employee # 141256; Employed date: 19/03/2018; Nationality: Nepal; Gang: General</li> <li>- Employee # 116762; Employed date: 07/09/2015; Nationality: Bangladesh; Gang: General</li> <li>- Employee # 161836; Employed date: 22/11/2014; Nationality: Bangladesh; Gang: Harvester</li> <li>- Employee # 157700; Employed date: 13/01/2020; Nationality: Indonesia; Gang: Harvester</li> <li>- Employee # 161977; Employed date: 01/02/2021; Nationality: Malaysia; Gang: General (ODP)</li> </ul> <p>The work agreements also attached with each workers' renewal of agreement to use new agreement (Foreign Workers) and Changes of</p>	

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		terms & conditions due to Minimum Wage Order (MWO) revision use new agreement (Local Workers).	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. <b>- Major compliance -</b>	Attendance (out-turn) and work hours (normal time and overtime) recording system established in both manual and computerized checkroll system which makes working hours and overtime transparent for both employees and employer.	Yes
<b>4.4.5.8</b>	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. <b>- Major compliance -</b>	Based on records of sample employees' sighted in indicator 4.4.5.6 above, the working hours found in compliance with employees' terms and conditions of MAPA Circular No. 4/2020; The Malayan Agricultural Producers Association; Date: 30/1/2020; MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement, 2019. This also in-line with Malaysia Employment Act 1955.	Yes
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Based on records of sample employees' sighted in indicator 4.4.5.6 above, the pay slips found in compliance with employees' terms and conditions of MAPA Circular No. 4/2020; The Malayan Agricultural Producers Association; Date: 30/1/2020; MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement, 2019. This also in-line with Malaysia Employment Act 1955.	Yes
<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. <b>- Minor compliance -</b>	All local employees are provided with the mandatory Employee Provident Fund (EPF) contributions while both local and foreign employees contributed with Social Security Organization (SOCSCO). Additionally, other benefits offered by the company including the following: <ul style="list-style-type: none"><li>- Productivity incentive</li><li>- Out-turn incentive</li></ul>	Yes

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		<ul style="list-style-type: none"> <li>- Transport allowance</li> <li>- Telephone allowance</li> <li>- Motorcycle allowance</li> </ul>	
<b>4.4.5.11</b>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p><b>- Major compliance -</b></p>	<p>All workers are provided with free housing facilities that included basic amenities such as clean water (25 gallons/month), community hall, sport facilities, etc. were provided to the workers.</p> <p>Electricity which is obtained from the national grid. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446).</p> <p>Weekly inspections by medical assistant were done to ensure cleanliness of the housing. Records were well maintained.</p>	Yes
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Policy to prevent all forms of sexual harassment and violence in workplace has been embedded in Sime Darby Plantation's established policy of "Group Sustainability &amp; Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 02/12/2019. Communications made mainly during gender committee meeting as per sample latest Kamuning Estate Gender committee meeting 1/2021; Date: 08/03/2021.</p>	Yes
<b>4.4.5.13</b>	<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</p>	<p>Policy to respect the rights of all employees has been embedded in Sime Darby Plantation's established policy of "Group Sustainability &amp; Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 02/12/2019.</p> <p>Employees were given freedom to associate and bargain collectively with company and to organize among themselves through association meetings as per sample sighted as following:</p>	Yes

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	repercussions. <b>- Major compliance -</b>	<ul style="list-style-type: none"> <li>- Northern Region (NTR) Estate NUPW Minute Meeting FY2021 (1) Perjumpaan Bersama Ahli-Ahli Union/NUPW'; Date: 13/03/2021; Venue: Kamuning Estate Meeting Room</li> <li>- Kinta Kellas Estate NUPW members and foreign workers representatives meeting with management meeting was last conducted on 26/02/2021.</li> </ul>	
<b>4.4.5.14</b>	<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><b>- Major compliance -</b></p>	<p>Policy to protect children and young person has been embedded in Sime Darby Plantation's established policy of "Group Sustainability &amp; Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 02/12/2019.</p> <p>Based on the interview and sighted records of employees' master lists data, no young person below 18 years old employed within all operating units within SOU 3.</p>	Yes
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>All planned training activities were implemented either as a whole SOU 3 group or by individual operating units and its records were maintained and available for verification.</p> <p>Covid-19 training and briefings were sighted at the mill and estates. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained by the mill and estates as below:</p>	Yes

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		Workshop Training	12/02/2021	
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. <b>- Major compliance -</b>	The estates visited have conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for the year 2021 for both estates.		Yes
<b>4.4.6.3</b>	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. <b>- Minor compliance -</b>	A training programme has been developed and available in the Training Requirement for Operating Units (Estate) 2021. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.		Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>				
<b>Criterion 4.5.1: Environmental Management Plan</b>				
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	Sime Darby Plantation have established the Group Policy on Health, Safety & Environment (HSE) Policy Statement signed by the CEO on 1 <sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the estate.  Kamuning Estate: 22/01/2021 Kinta Kellas Estate: 20/01/2021		Yes
<b>4.5.1.2</b>	The environmental management plan shall cover the following:	The estates have established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact		Yes

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	a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <b>- Major compliance -</b>	Evaluation. The management plan was established for the activity which give significant impact for the environment and documented in Pollution Prevention Plan. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted as below:  Kamuning Estate: 12/01/2021. Kinta Kellas Estate: 25/01/2021	
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. <b>- Major compliance -</b>	The estates visited has established the environmental plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The management plan was established for the activity which give significant impact for the environment. The EAI and EIE were reviewed annually basis. The management plan stated the objectives of the environmental issue, mitigating measures, person responsible and monitoring period. The progress of the plan was monitored on quarterly basis. The plan was reviewed on annually basis. The management plan stated the Environmental management Plan, Objectives, Category, Location, Mitigation Plan, and Monitoring frequency.	Yes
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	All the estates visited has established the environmental management plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation.  All the estates continue to promote activities that gives positive impact to the environment by continuously provided awareness to the employee. The promotion was communicated through training, briefing and signage.	Yes

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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><b>- Major compliance -</b></p>	<p>Training program is available in the estates Training Program updated on a yearly basis or revised as per the management requirement. Included in this program are subjects related to environment e.g. environmental, safety &amp; health policy, scheduled waste management, environmental responsibility, HCV &amp; Biodiversity training. Guidance was provided by the SQM prior to the approval and implementation by the estates. Trainings conducted in relation to environmental and its improvement plan are shown as follows.</p> <p>Kamuning Estate</p> <table border="1"> <tr> <td>Recycle Campaign Briefing</td> <td>16/03/2021</td> </tr> <tr> <td>HCV Training</td> <td>29/01/2021</td> </tr> <tr> <td>Chemical Handling and Schedule Waste Training</td> <td>29/01/2021</td> </tr> <tr> <td>IPM Training</td> <td>11/01/2021</td> </tr> </table> <p>Kinta Kellas Estate</p> <table border="1"> <tr> <td>Buffer Zone and HCV Training</td> <td>20/01/2021</td> </tr> <tr> <td>Schedule Waste Training</td> <td>20/05/2020</td> </tr> </table>	Recycle Campaign Briefing	16/03/2021	HCV Training	29/01/2021	Chemical Handling and Schedule Waste Training	29/01/2021	IPM Training	11/01/2021	Buffer Zone and HCV Training	20/01/2021	Schedule Waste Training	20/05/2020	Yes
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4.5.1.6	Management shall organize regular meetings with employees where	Both estates discuss environmental related issues in the JKPP Meetings that are conducted on a quarterly basis. The Environmental Issues	Yes												

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	their concerns about environmental quality are discussed. <b>- Major compliance -</b>	were included in the meeting agenda and sighted in the meeting minutes.																															
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																																	
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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. <b>- Major compliance -</b>	<p>The monitoring of non-renewable energy usage is done on a monthly basis. Sighted the sampled monitoring records for diesel usage per FFB production for FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Kamuning Estate</th> <th>Kinta Kellas Estate</th> </tr> </thead> <tbody> <tr> <td>Jan 2020</td> <td>10,907.50</td> <td>2794.00</td> </tr> <tr> <td>Feb 2020</td> <td>8,582.00</td> <td>2842.00</td> </tr> <tr> <td>Mar 2020</td> <td>4,691.50</td> <td>2729.00</td> </tr> <tr> <td>Apr 2020</td> <td>4,637.00</td> <td>2456.00</td> </tr> <tr> <td>May 2020</td> <td>3,717.00</td> <td>1860.00</td> </tr> <tr> <td>Jun 2020</td> <td>2,639.50</td> <td>1963.00</td> </tr> <tr> <td>Jul 2020</td> <td>4,798.00</td> <td>2920.00</td> </tr> <tr> <td>Aug 2020</td> <td>2,946.00</td> <td>3563.00</td> </tr> <tr> <td>Sept 2020</td> <td>3,087.00</td> <td>2683.00</td> </tr> </tbody> </table>	Month	Kamuning Estate	Kinta Kellas Estate	Jan 2020	10,907.50	2794.00	Feb 2020	8,582.00	2842.00	Mar 2020	4,691.50	2729.00	Apr 2020	4,637.00	2456.00	May 2020	3,717.00	1860.00	Jun 2020	2,639.50	1963.00	Jul 2020	4,798.00	2920.00	Aug 2020	2,946.00	3563.00	Sept 2020	3,087.00	2683.00	Yes
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		Oct 2020	7,308.00	4053.00	
		Nov 2020	3,232.50	2882.00	
		Dec 2020	4,228.00	3432.00	
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.  - <b>Major compliance</b> -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.			Yes
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible.  - <b>Minor compliance</b> -	No renewable energy used in the estate.			Yes
<b>Criterion 4.5.3: Waste management and disposal</b>					
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented.  - <b>Major compliance</b> -	The estate has identified the waste products and source pollution and documented in Environmental Management Plan SOU – Elphil under section Waste Management. The waste identified as follows: a) Domestic waste - Rubbish, Scrap Metal, Used Tyre, Sewage b) Scheduled waste - Used lubricants/hydraulic oil, - Used pesticides containers - Rags, Plastic papers or filters contaminated with scheduled waste.			Yes

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		c) Clinical waste d) Recyclable waste - Reuse empty pesticides containers (Premix Containers), - Used PPE. - EFB e) Industrial waste - Scrap metal, used tires	
<b>4.5.3.2</b>	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:  a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products  <b>- Major compliance -</b>	Estates visited has established Waste Management Plan base on the identification and source of pollutions and the plan were available for review.  However, the implementation of Waste Management Plan related to Used Contaminated PPE could be further improved to ensure its efficiency of recycling potential.	OFI
<b>4.5.3.3</b>	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.  <b>- Major compliance -</b>	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.  Both estates visited also have a proper Scheduled Waste Store for storing scheduled wastes until time of disposal by DOE authorized waste manager. Stores for scheduled waste were inspected at both estates visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.	Yes

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		<p>Sampled the latest disposal of Schedule Waste as below:</p> <p><u>Kamuning Estate</u></p> <p>a) SW 305 (Used Engine Oil); Quantity: 640 Liters; Waste Manager: Pentas Flora Sdn Bhd; Date: 03/03/2021.</p> <p><u>Kinta Kellas Estate</u></p> <p>a) SW409 (Empty Chemical Containers); Consignment No: 20210208120CR5NM; Quantity: 0.15mt; Waste Manager: Edsha Solutions Sdn Bhd; ; Date: 08/02/2021.</p> <p>b) SW305 (Spent Lubricant Oil); Consignment No: 2021020216HF1S7J; Quantity: 0.05mt; Waste Manager: Primochem Sdn Bhd. Date: 02/02/2021</p> <p>c) SW306 (Spent Hydraulic Oil); Consignment No: 2021020216HBAG4;</p>	
<b>4.5.3.4</b>	<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><b>- Major compliance -</b></p>	<p>The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.</p>	Yes
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of</p>	<p>No renewable energy used in the estate.</p>	Yes

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	contamination of the environment and watercourses. <b>- Minor compliance -</b>		
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The estate has assessed all polluting activities in the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The EAI and EIE were reviewed annually basis by the EAI/EIE review team. Latest Review was conducted on 12.01.2021.	Yes
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	<u>Kamuning Estate</u> Environmental management plan was established for the activity which give significant impact for the environment base on the Environmental Aspect Impact Identification and Environmental Impact Evaluation.  <u>Kinta Kellas Estate</u> Pollution Prevention Plan was established for the activity which give significant impact for the environment base on the Environmental Aspect Impact Identification and Environmental Impact Evaluation which was reviewed for the year 2021. The estates monitor the use of chemicals though the 'Monitoring Pesticide Usage Per Hectare and Per Tonne FFB Production.	Yes
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources	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.	Yes



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Criterion / Indicator	Assessment Findings	Compliance
<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> <li>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.).</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Monitoring based on Sustainable Plantation Management System Appendix 7 Standard Operation Procedure (SOP) for taking water samples from streams/rivers, version 1, year 2008, issue no. 1, dated 01/11/2008.</p> <p>The estates have established water management plans and the plans are reviewed annually. The management plan focuses on activities with impact to natural water sources, such as water contamination and action plans during water shortage. The action plan states no chemical interventions and manuring shall be carried out in the riparian reserved. Only manual weeding/slashing is allowed. It also states to maintain terrace bund along the waterways.</p> <p>The quality of out-going water into rivers was monitored quarterly by carrying out water analysis. River water sampling for analysis was done for upstream, midstream and downstream.</p> <p>Kamuning Estate (Sungai Nyamuk) - The latest test results dated 25.02.2021 was available with results indicating all parameters were within the threshold levels.</p> <p>Kinta Kellas Estate (Sungai Raia) - The latest test results dated 21.01.2021 was available with results indicating all parameters were within the threshold levels.</p> <p>Sighted during site visit at the riparian zone at both estates visited, the vegetation was well maintained. No evidence of chemical application along the riparian zones.</p>	

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4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. <b>- Minor compliance -</b>	No bunds were sighted across main rivers and waterways in both estates.	Yes
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). <b>- Minor compliance -</b>	The practice of water harvesting from road-side drains being directed and stored in conservation roadside pits was observed in both estates.	Yes
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (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. <b>- Major compliance -</b>	PSQM has conducted HCV assessment for SOU 3 on 4-6/11/2016. HCV for estate has been identified and documented in the HCV Re-Assessment for SOU 3 – Elphil, Version 2, February 2017.  Common wildlife found during the assessment were documented in Table 10 in the HCV Re-Assessment for SOU 3 – Elphil, Version 2, February 2017. No RTE species were identified during the assessment.  <u>Kamuning Estate</u> 4 HCV were identified in Kamuning Estate during the assessment. The HCV identified are Slope/Rocky Area (ex-GDSB), River Reserve for Sg. Nyamuk, Water Catchment area and Isolated Remnant Forest. No RTE species were identified in the HCV report.  <u>Kinta Kellas Estate</u>	Yes

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		2 HCVs were identified in Kinta Kellas Estate during the assessment. The HCV identified were River Reserve (Sg. Raia) and Water Catchment Area. No RTE Species were identified in the HCV Report.	
<b>4.5.6.2</b>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	According to the HCV report for both estates visited, there are no RTE species (IUCN classification) sighted at the operating units.	Yes
<b>4.5.6.3</b>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>Estates visited has established management plan and documented in HCV Management Plan FY 2021 Objectives and Target. The management plan stated the scope, objective, mitigation plan, monitoring period and person responsible.</p> <p>Estates visited conducted HCV monitoring on monthly basis. The monitoring is to observe any encroachment, wildlife sighting, and environmental pollution issue.</p>	Yes
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing &amp; Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.</p> <p>No open burning noted based on the records on the land clearing and</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	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.	
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Yes
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
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>SOP was established for the Estates. &amp; Agricultural Manual, Sustainability Plantation Management System and EQMS (Estate Quality Management System) were distributed to all operating units under SOU 3 as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc.</p> <p>Sime Darby has established mechanism to monitor the implementation of their procedure by Plantation Advisor Visit, Performance Monitoring Visit and Agronomist Visit. The visit focusing on Yield Improvement, Crop Recovery, Replanting and Immature Palms Maintenance and Mature Upkeep.</p>	Yes
<b>4.6.1.2</b>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<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 Kamuning Estate are steep and undulating. 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. Sighted that the areas with steep slopes are planted with Rubber and Jungle Trees.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance												
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	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												
<b>Criterion 4.6.2:</b> Economic and financial viability plan															
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	The annual business plan is available. The estate had an annual budget with a 3 years projection as stated in the annual budget. This business plan is prepared as guidance for future planning. The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges etc. Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2021 for estate was sighted and verified.	Yes												
<b>4.6.2.2</b>	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. <b>- Major compliance -</b>	<p>Long range replanting programme from FY2022 – FY2026 was established. For example, next 5 years programme available as per below sample estates:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>Kamuning Estate</th> <th>Kinta Kellas Estate</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td style="text-align: center;">285.00</td> <td style="text-align: center;">63.01</td> </tr> <tr> <td>2023</td> <td style="text-align: center;">274.00</td> <td style="text-align: center;">169.03</td> </tr> <tr> <td>2024</td> <td style="text-align: center;">290.00</td> <td style="text-align: center;">121.53</td> </tr> </tbody> </table>	Year	Kamuning Estate	Kinta Kellas Estate	2022	285.00	63.01	2023	274.00	169.03	2024	290.00	121.53	Yes
Year	Kamuning Estate	Kinta Kellas Estate													
2022	285.00	63.01													
2023	274.00	169.03													
2024	290.00	121.53													

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Criterion / Indicator		Assessment Findings			Compliance
		2025	242.19	122.99	
		2026	268.00	52.37	
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production : cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance -</b></p>	<p>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p>			Yes
<b>4.6.2.4</b>	<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><b>- Major compliance -</b></p>	<p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed on a monthly basis. The progress report contains the updated actual usage as to date.</p>			Yes
<b>Criterion 4.6.3: Transparent and fair price dealing</b>					
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance -</b></p>	<p>Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/07/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through</p>			Yes

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		system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Fair, legal and transparent contracts sighted as per sample agreed contracts available in Kinta Kellas Estate Adhoc Contract for the Transportation of Fresh Fruit Bunches ("Contract"); Contractor: Gunasekaran Buchia; Duration of contract: 01/10/2020 – 31/03/2021.  Payment made on monthly basis as agreed between both contracting parties.	Yes
<b>Criterion 4.6.4: Contractor</b>			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	All contractors engaged by estates were bound to understand and comply to their contractual agreements that includes MSPO requirements through signing of Vendor Integrity Pledge (VIP) which enable accredited CB to audit them.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Agreed contracts available as per sample provided by the management in Kinta Kellas Estate i.e. Adhoc Contract for the Transportation of Fresh Fruit Bunches ("Contract"); Contractor: Gunasekaran Buchia; Duration of contract: 01/10/2020 – 31/03/2021.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	All contractors engaged by estates were bound to understand and comply to their contractual agreements that includes MSPO requirements through signing of Vendor Integrity Pledge (VIP) which enable accredited CB to audit them.	Yes



Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></p>	All works performed by the contractors at the estates are checked and verified by the estates' personnel. Projects where tenders are issued by HQ are checked by representative from HQ usually from the Engineering Dept.	Yes
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
4.7.1.1	<p>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.</p> <p><b>- Major compliance -</b></p>	There is no development of new planting at visited estate.	N/A
4.7.1.2	<p>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.</p> <p><b>- Major compliance -</b></p>	There is no development of new planting at visited estate.	N/A
<b>Criterion 4.7.2: Peat Land</b>			

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<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.3.2</b>	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.3.4</b>	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be	There is no development of new planting at visited estate.	N/A

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	documented and a plan to manage the impacts developed, implemented, monitored and reviewed. <b>- Minor compliance -</b>		
<b>Criterion 4.7.4: Soil and topographic information</b>			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</b>			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A

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<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - <b>Major compliance</b> -	There is no development of new planting at visited estate.	N/A
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.  - <b>Major compliance</b> -	There is no development of new planting at visited estate.	N/A
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.  - <b>Minor compliance</b> -	There is no development of new planting at visited estate.	N/A
<b>4.7.6.3</b>	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.  - <b>Major compliance</b> -	There is no development of new planting at visited estate.	N/A
<b>4.7.6.4</b>	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights,	There is no development of new planting at visited estate.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	subject to their free prior informed consent and negotiated agreement. <b>- Major compliance -</b>		
<b>4.7.6.5</b>	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.6.6</b>	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.6.7</b>	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	There is no development of new planting at visited estate.	N/A
<b>4.7.6.8</b>	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	There is no development of new planting at visited estate.	N/A

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Sime Darby Plantation has incorporated its policy on implementation of MSPO in the "Group Sustainability & Quality Policy Statement" mentioned in Indicator 4.1.1.2.	Yes
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	<p>Sime Darby Plantation has established a policy called "Group Sustainability &amp; Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 02/12/2019. The policy covers commitment to:</p> <ul style="list-style-type: none"> <li>- Promoting good governance and transparency</li> <li>- Contributing to a better society</li> <li>- Minimizing environmental harm</li> <li>- Delivering sustainability quality</li> </ul> <p>The policy is guided by three main documents i.e.:</p> <ul style="list-style-type: none"> <li>- Responsible Agriculture Charter</li> <li>- Human Rights Charter</li> <li>- Innovation &amp; Productivity Charter</li> </ul> <p>All the above documents and the policy statement are made available online via Sime Darby's website link as per following:</p>	Yes

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		<a href="https://www.simedarbyplantation.com/sites/default/files/20191218%20GSQM%20Policy%20English.pdf">https://www.simedarbyplantation.com/sites/default/files/20191218%20GSQM%20Policy%20English.pdf</a>	
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.  - Major compliance -	Internal audit was planned to be conducted annually. Latest internal audit in Elphil POM was conducted on 14/01/2021 by internal auditors’ team led by Mohd. Yusri Yusoff @ Saud. The MSPO Part 4 internal audit was conducted in combination with RSPO P&C requirement audit as well. A total of 2 Major Nonconformities, 5 Minor Nonconformities and 3 OFIs were raised and verified closed by lead auditors. Previous audit was conducted on 20/01/2020.	Yes
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.  - Major compliance -	An internal audit procedure (SD/SDP/PSQM/IAP dated 01/11/2017) had been established and documented.  The results of the audit conducted on 14/01/2021 was reported under internal audit report. The identification of strengths and root causes of nonconformities, to implement the necessary corrective action have been carried out prior to the closure of all findings. Status of all findings were reviewed during the Management Review Meeting held on 15/02/2021.  However, some findings for internal audits could be further elaborated its root cause of nonconformities, corrections taken to address the nonconformities and corrective actions taken to address the determined root cause.	OFI
<b>4.1.2.3</b>	Reports shall be made available to the management for their review.  - Major compliance -	The minutes of meeting records for management review indicated report available in the review made for internal audit result status.	Yes

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><b>- Major compliance -</b></p>	<p>The minutes of meeting records for the latest management review meeting conducted on 15/2/2021 chaired by Regional General Manager together with Mill Management and Regional Sustainability Personnel found sufficient review of continuous suitability, adequacy, and effectiveness of the requirements for effective implementation of MSPO. Decision available by management to maintain the well implementation of MSPO.</p>	Yes
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><b>- Major compliance -</b></p>	<p>Continual improvement action plan is documented under Social Management Plan and Environmental Management Plan for 2021. In addition, safety related component established under OSH plan.</p> <ol style="list-style-type: none"> <li>1. To conduct Town Hall 2020 to all workers regarding on Health Safety &amp; Environmental issue and dialogue session.</li> <li>2. To organize Minggu Alam Sekitar Peringkat Kilang DP Negeri Perak 2020 joint venture with Department of Environment (DOE) and State Department of Fishery. This event was proposed by DOE and supported by business partners such as Sime Darby Plantation and others to encourage society to recycle and awareness of e-waste.</li> <li>3. To conduct safety briefing to workers at Assembly Area on a weekly basis.</li> <li>4. Painting of workers quarters. Tarmac road to workers quarters under mill budget.</li> </ol>	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><b>- Major compliance -</b></p>	<p>Continual Improvement was demonstrated based on project initiated by mill management through KAIZEN/Lean Six Sigma project. The project focusses mainly on cost saving and process losses minimization for each financial year. The Kaizen Charter was available for verification to include a few improvement projects.</p>	Yes



<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. <b>- Major compliance -</b>	Due to the multiple implementations of Movement Control Order by the government, the mill unable to conduct the stakeholder meeting with external stakeholders hence sending mails and emails to external stakeholders to seek for any feedbacks on 2/1/2021. Referring to the records of letter sent to stakeholder including Appendix A & Appendix B.	Yes
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	Management documents related to sustainability available at each operating unit visited during the on-site audit upon request including sustainability policies, procedures, social and environmental assessments as well as management action plans etc. Furthermore, global documents accessible via company's website as per following link: <a href="https://www.simedarbyplantation.com/sustainability/beliefs-progress/governance/sustainability-policies">https://www.simedarbyplantation.com/sustainability/beliefs-progress/governance/sustainability-policies</a> .	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	The procedures were communicated with external stakeholders through letters of consultation sent on 01/03/2021 by Elphil POM. Internal stakeholders' communication was done during policies and procedures re-briefing conducted on 02/01/2021 by Elphil POM management to all its employees.	Yes
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	Management officials nominated are the mill manager and senior assistant manager as per inter-office mail letter of appointment by the Regional CEO dated 02/01/2021.	Yes

<p><b>4.2.2.3</b></p>	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p><b>- Major compliance -</b></p>	<p>List of stakeholders among internal and external parties maintained up to date as of January 2021. Due to the multiple implementations of Movement Control Order by the government, Elphil POM unable to conduct the stakeholder meeting with external stakeholders hence sending mails and emails to external stakeholders to seek for any feedbacks on 01/03/2021. Referring to the records of letter sent to stakeholder including Appendix A i.e. explanation on the intention of stakeholder consultation &amp; Appendix B i.e. the stakeholder feedback forms.</p>	<p>Yes</p>
<p><b>Criterion 4.2.3 – Traceability</b></p>			
<p><b>4.2.3.1</b></p>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p><b>- Major compliance -</b></p>	<p>Procedure available as per Sustainability Plantation Management System Appendix 15; SOP for Sustainable Supply Chain and Traceability; Version 2; Year 2018; Issue # 5; Issue date: April 2019.</p> <p>Based on the SOP Para 6.0 Delivery of FFB From the Estate; Sub-para 6.3 Estate shall ensure sufficient information is stated on the weighbridge ticket or consignment note of all delivery FFB including:</p> <ul style="list-style-type: none"> <li>i. RSPO, MSPO and ISCC Certificate number (where applicable)</li> <li>ii. MSPO Certificate Validity</li> <li>iii. Greenhouse gas (GHG) emission value (either disaggregated default or actual value)</li> <li>iv. Distance (from estate to respective oil mill – ISCC only)</li> <li>v. Country of origin (ISCC only)</li> </ul> <p>The functionality to include the relevant information in the weighbridge tickets for estates and mills is available in the SDP Weigh System. In the case of unavailability of the SDP Weigh System, the information under 6.3 still needs to be documented manually.</p>	<p>Yes</p>

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		<p>Under Para 7.0 Receiving FFB At The Mill; 7.1 Mill shall receive from pre-determined supplying estates as per Appendix 15c: List of Supply Base and Crop Diversion of SOUs.; 7.2 Mill shall maintain the list of certified FFB suppliers (with RSPO, MSPO and/or ISCC Certificate Number and validity period) at the premise. This also applies to certified third party FFB suppliers.; 7.6 Mill shall verify the information on Supplying Estates based on Table 2: Information for Verification</p> <table border="1" data-bbox="1048 603 1872 1353"> <tr> <td data-bbox="1048 603 1462 651"></td> <td data-bbox="1462 603 1872 651">RSPO and/or MSPO Certified Mill</td> </tr> <tr> <td data-bbox="1048 651 1462 735">Information for verification</td> <td data-bbox="1462 651 1872 735">Availability of Certificate of Supplying Estate</td> </tr> <tr> <td data-bbox="1048 735 1462 1046"></td> <td data-bbox="1462 735 1872 1046">Validity of Certificate of Supplying Estates (Note: For RSPO this shall be checked via the list of RSPO P&amp;C certified sites on RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually. For MSPO this can be done by requesting a copy of certificate from the supplier.</td> </tr> <tr> <td data-bbox="1048 1046 1462 1353"></td> <td data-bbox="1462 1046 1872 1353"> <p>Information stated on the incoming documents (weighbridge tickets of consignment note etc.) to be verified:</p> <ul style="list-style-type: none"> <li>i. RSPO and MSPO Certificate number</li> <li>ii. MSPO certificate validity</li> </ul> </td> </tr> </table>		RSPO and/or MSPO Certified Mill	Information for verification	Availability of Certificate of Supplying Estate		Validity of Certificate of Supplying Estates (Note: For RSPO this shall be checked via the list of RSPO P&C certified sites on RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ) at least annually. For MSPO this can be done by requesting a copy of certificate from the supplier.		<p>Information stated on the incoming documents (weighbridge tickets of consignment note etc.) to be verified:</p> <ul style="list-style-type: none"> <li>i. RSPO and MSPO Certificate number</li> <li>ii. MSPO certificate validity</li> </ul>	
	RSPO and/or MSPO Certified Mill										
Information for verification	Availability of Certificate of Supplying Estate										
	Validity of Certificate of Supplying Estates (Note: For RSPO this shall be checked via the list of RSPO P&C certified sites on RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ) at least annually. For MSPO this can be done by requesting a copy of certificate from the supplier.										
	<p>Information stated on the incoming documents (weighbridge tickets of consignment note etc.) to be verified:</p> <ul style="list-style-type: none"> <li>i. RSPO and MSPO Certificate number</li> <li>ii. MSPO certificate validity</li> </ul>										

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		<p>7.7 For materials received with insufficient information for verification, or any error in incoming documents shall be treated as non-conforming documents and shall be referred to 10.0 Non-Conforming Products and/or Documents.</p> <p>11.5 For materials received with insufficient information for verification, or any error in incoming documents shall be treated as non-conforming documents. The documents shall be investigated, verified and corrected in order to allow processing of material. Release of such material for processing shall be authorized by the Mill Manager or Assistant Engineer.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<p>Regular inspections of estates' FFB productions and delivery conducted by estate management on daily basis and reported to HQ.</p> <p>Additionally, Internal audit conducted annually by internal auditors from the Regional Sustainability Team (RSQM). Sighted a sample of latest internal audit in Elphil POM was conducted on 14/1/2021 by internal auditors' team led by Mohd. Yusri Yusoff @ Saud. The MSPO Part 4 internal audit was conducted including with traceability requirements. Previous audit was conducted on 20/1/2020.</p>	Yes
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>Appointed overall PIC in Elphil POM is the Senior Assistant Manager of Kamuning Estate as per letter of appointment dated 1/1/2021.</p>	Yes
4.2.3.4	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p><b>- Major compliance -</b></p>	<p>Records were maintained by the mill as per sample sighted as following:</p> <ul style="list-style-type: none"> <li>- Monthly production report (Physical Movement); For Production Month of February 2021; Report ID # Z2501RMM_MONTHLY; Date: 3/3/2021</li> </ul>	Yes

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		<ul style="list-style-type: none"> <li>- Daily Production Summary Report; For Production Date: 27/2/2021; Report ID # Z2501RMM_DAILY_SUMM; Date: 1/3/2021</li> <li>- MSPO Records for Oil Mills (Mass Balance Spreadsheet); Period: 1/1/2021 – 31/12/2021</li> </ul> <p>As of to date, no MSPO certified CPO and PK sold to any customer/buyer.</p>	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Elphil POM continues to comply with the legal requirements as per indicator. The mill management and PSQM sustainability team monitor compliance to each applicable law and regulation. Elphil POM had obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were as below:</p> <ol style="list-style-type: none"> <li>1. MPOB License; License Number: 540132004000; Processing Capacity Permitted: 216,000 mt FFB/Year; License Validity: 26/10/2020 till 31/05/2021.</li> <li>2. DOE License (Compliance Schedule); License Number: 001845; Maximum Processing Capacity: 45mt per hour; License Validity: 01/07/2020 till 30/06/2021.</li> <li>3. Fire Certificate; Serial Number: 318725; License Number: JBPM: PK/7/3/2013; Certificate Validity: 13/12/2020 till 12/12/2021.</li> <li>4. Energy Commission License; Installation Number: ST(PIP)P/S/PRK/00429; License Valid for 1 year from 30/12/2020.</li> </ol>	Yes
<b>4.3.1.2</b>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p>	<p>Documented Procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p>	Yes

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	- Major compliance -	All legal requirements were documented in Legal and Other Requirement Register available at the mill.	
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 -	<p>Documented procedures have been established and implemented; refer to Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008.</p> <p>All legal requirements were documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the mill. The legal register at the mill were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the mill undersigned by the Top Management updated on 04/01/2021. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019, Minimum Wages Order 2020 and Auxiliary Police Regulations 1970 (Amendment), Movement Control Order 2020 &amp; Akta Pencegahan &amp; Pengawalan Penyakit Berjangkit 1988.</p>	Yes
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.  - Minor compliance -	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law is well implemented.</p>	Yes

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		The mill management has appointed the Assistant as the PIC to monitor any changes on the LORR and update the register as and when necessary as stated in the job functions as the PIC dated 11/02/2021 for Environment/Quality Management Systems.	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	No issues of land dispute issue occur in Elphil POM as well as all estates within SOU 3 that involved other land user rights since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	The mill located within Elphil Estate land area occupying two lots as following: <ul style="list-style-type: none"> <li>– Title # 45690; Lot # 1195; District: Kuala Kangsar; Sub-district: Mukim Pulau Kamiri; Area: 11.918 ha</li> <li>– Title # 47879; Lot # 1223; District: Kuala Kangsar; Sub-district: Mukim Pulau Kamiri; Area: 7.2742 ha</li> </ul>	Yes
<b>4.3.2.3</b>	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	Elphil POM is located within land owned by Elphil Estate. The Mill boundary is clearly demarcated by fences erected surrounding the mill area.	Yes
<b>4.3.2.4</b>	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	No issues of land dispute issue occur in Elphil POM as well as all estates within SOU 3 that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes

<b>Criterion 4.3.3 – Customary rights</b>									
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	No issues of land dispute issue occur in Elphil POM as well as all estates within SOU 3 that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes						
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	Maps available as per sighted Elphil Estate Boundary Stone Map; GPS Surveyed Map which include the information of boundary stone point and layout plan of the mill.	Yes						
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	No issues of land dispute issue occur in Elphil POM as well as all estates within SOU 3 that requires FPIC process since the last audit. Consultation with relevant stakeholders conducted on-site confirmed the information.	Yes						
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>									
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>									
<b>4.4.1.1</b>	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	<p>The last Social Impact Assessment was conducted on 24<sup>th</sup>-27<sup>th</sup> August 2015 by the Social &amp; Environment Projects Unit, PSQM Department of Sime Darby Plantation as per SIA Report for SOU 3 Elphil consists of Elphil POM, Elphil Estate, Kamuning Estate and Kinta Kellas Estate. Each operating units established their individual Management Plan on Social Impact Assessment as per sample sighted in Kinta Kellas Estate as following:</p> <table border="1"> <thead> <tr> <th>Areas of concerns</th> <th>Action plan</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>External stakeholder (Kg. Sri Jaya Head – 15/3/2021):</td> <td>- To conduct further consultation session with</td> <td>On-going</td> </tr> </tbody> </table>	Areas of concerns	Action plan	Status	External stakeholder (Kg. Sri Jaya Head – 15/3/2021):	- To conduct further consultation session with	On-going	Yes
Areas of concerns	Action plan	Status							
External stakeholder (Kg. Sri Jaya Head – 15/3/2021):	- To conduct further consultation session with	On-going							



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		<ul style="list-style-type: none"> <li>- Request village access road cleaning and repair</li> <li>- Request estate drainage desludging</li> <li>- Request vacant land occupation</li> </ul>	requested party regarding the requests made		
		Internal stakeholder (NUPW representative) Tractor entering housing area	- Issuance of warning for stern action to be taken if still receive report on the issue	Resolved on 09/12/2020	
<b>Criterion 4.4.2: Complaints and grievances</b>					
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	Elphil POM established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal & External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe.			Yes
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe.			Yes

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<p><b>4.4.2.3</b></p>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p><b>- Minor compliance -</b></p>	<p>Elphil POM established the Complaint Book (Internal), Complaint/Feedback Form (External) and Communication Book Internal &amp; External to records the communication and complaints. Most of complaints made by internal stakeholders among workers were related to the housing repair which based on the records were taken action and resolved immediately by the estate management. For Complaint/Feedback Form by external stakeholders, action taken by the management was acknowledged by the complainant to be resolved within agreed timeframe.</p>	<p>Yes</p>
<p><b>4.4.2.4</b></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><b>- Minor compliance -</b></p>	<p>The regional management i.e. Southern Region CEO Tn. Hj. Ramlan Bin Ramli conducted the briefing on the awareness that complaints or suggestions can be made any time on 10/3/2021 in Kamuning Estate main division to all employees of SOU 3.</p> <p>Due to the multiple implementations of Movement Control Order by the government, Elphil POM unable to conduct the stakeholder meeting with external stakeholders hence sending mails and emails to external stakeholders to seek for any feedbacks on 1/3/2021. Referring to the records of letter sent to stakeholder including Appendix A i.e. explanation on the intention of stakeholder consultation &amp; Appendix B i.e. the stakeholder feedback forms.</p>	<p>Yes</p>
<p><b>4.4.2.5</b></p>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The complaints and resolutions records available for period more than 24 months dated back since 2008.</p>	<p>Yes</p>

**Criterion 4.4.3:** Commitment to contribute to local sustainable development

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<p><b>4.4.3.1</b></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><b>- Minor compliance -</b></p>	<p>Based on consultation with relevant stakeholders among internal and external including local communities, the mill made few contributions amongst all as per sample as following:</p> <ul style="list-style-type: none"> <li>- Contributions and involvement in Environmental Week 2020 in co-operation with DOE Perak on 19-23/10/2020</li> <li>- Provision of COVID-19 Swab Test to all employees on 8/2/2021</li> <li>- Donations to school programs i.e. SJKT Ladang Elphil</li> </ul>	<p>Yes</p>
<p><b>Criterion 4.4.4: Employees safety and health</b></p>			
<p><b>4.4.4.1</b></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><b>- Major compliance -</b></p>	<p>Sime Darby has established the Group Policy on Health and Safety signed by the Managing Director dated Jan 2015. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice board within the mill.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The mill has established safety and health plan and documented in OSH and Other Requirement Plan. The plan covers Safety and Health Committee, ESH reporting, Risk Management, First Aid, Machinery Inspection, Chemical Management, Factories and Machinery, etc. The latest review was conducted on 1/1/2021.</p>	<p>Yes</p>
<p><b>4.4.4.2</b></p>	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p>	<p>The occupational safety and health plan cover the following:</p> <p>a) 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</p>	<p>Yes</p>

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	<p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p>	<p>workers, morning briefing and displayed at various notice board within the mill. The OSH Policy Training was conducted on 21/01/2021 for all staffs and workers.</p> <p>b) HIRARC was available to assess all risks associated to the operations and works in the mill. Control measures were available in the HIRARC to ensure the risks of all operations are minimized. HIRARC is reviewed on an annual basis and as and when there are any related accidents that occur. HIRARC was reviewed on 07/01/2021 for all operations. Chemical Health Risk Assessment was conducted to assess the risk associated with the usage of hazardous chemicals in the mill. The CHRA assessment was conducted on 25/08/2020 by Gatconst Sdn. Bhd. The CHRA Report (Report Number: HQ/09/ASS/00 124 – 2020/0033) was available for verification. Baseline Noise Risk Assessment was done in compliance with the Occupational Safety &amp; Health (Noise Exposure) Regulations 2019. The assessment was conducted on 21 – 22/12/2020 by SH Safety Consultancy Sdn Bhd (HQ/09/PEB/00/97). Annual Audiometric Test was conducted for 7 workers deemed to be exposed to excessive noise in the mill. The audiometric test was conducted at Klinik Tweedie on 13/03/2021. The results stated that 5 workers have bilateral mild to moderate hearing loss and 2 workers with mild to moderate hearing loss at high frequency. Medical surveillance was conducted for 3 workers on Hexane and 11 workers on manganese by Klinik Tweedie (HQ/11/DOC/00/200) on 29/01/2021. The results indicated that all workers were fit to work.</p> <p>c) The mill has established a training and awareness program for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative form</p>	
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	<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>the chemical suppliers to the supervisors and operators. Sighted the training records as follows:</p> <ul style="list-style-type: none"> <li>• Chemical Handling Safety Training by NALCO – 16/12/2020</li> </ul> <p>d) The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC and Pictorial Safety Standard (PSS) Palm Oil Mill dated 17.03.2008. Sighted during site visit at boiler station, engine station and workshop, the workers were provided with leather gloves, earplugs, respirators, safety helmets, safety shoes and others required by the operations. The workers acknowledged that they are entitled to appropriate PPE, free of charge by the management. The workers understand the importance of wearing the appropriate PPEs during work as they are regularly briefed by the management. Sighted the PPE issuance records documented in 'PPE Issuance Record' logbook. The PPE issued recorded by workers and job designation.</p> <p>e) Procedures of chemical handling is presented in several documents, such as Sime Darby Plantation, Chemical Safety Management; Document No. SD/SDP/PSQM (ESH)/202-OH4; dated 26.02.2015.</p> <p>f) Mill Manager, Mr. Muhammad Irsan Bin Azmi was appointed by the Sime Darby management to be the Chairman of OSH Committee at the mill as per letter signed by the Regional CEO dated 02/01/2021. Mill management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, eight representatives from Employer and eight 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.</p>	
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		<p>The OHS Chairman and Secretary are in coordination with PSQM Head Quarter Officer for any update national regulations and collective agreements.</p> <p>g) The management conducted OSH committee meeting on quarterly basis. In the meeting discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training, etc. Sighted the minutes meeting for OSH committee dated 21/12/2020, 28/09/2020, 27/07/2020 and 20/01/2020.</p> <p>h) Accident and emergency procedures are available in the ESH Management System Manual; Emergency Preparedness &amp; Response Guidelines and Procedures; Doc No: SD/SDP/SQM (ESH)/001-2-6; Revision:0; Date 01.07.2012. Sighted during site visit at the mill that the compound was equipped with fire extinguishers, fire hose. Noted during the interview with employees shows the understanding regarding emergency and evacuation procedures. The mill has established Emergency Response Team lead by the Mill Engineer. Sighted during site visit, the ERT chart and Fire Extinguisher Map was displayed at several notice boards around the mill complex. Sighted the Emergency Response related trainings as below:</p> <ul style="list-style-type: none"> <li>• Oil Spillage Training – 09/12/2020</li> <li>• Fire Drill Training – 18/11/2020</li> <li>• Fire Drill Training – 06/01/2020</li> </ul> <p>i) First aiders were present at various workstations at the mill. The first aiders were responsible for first aid box at each workstation assigned to them by the management. During the interview with</p>	
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		<p>the fireman, electrician and engine driver, shows the awareness regarding the emergency procedure if accidents occur, person responsible of every first aid box and the location of the nearest first aid box. The first aid box was recently replenished with all stated items available in the box.</p> <p>j) All reported accident records are maintained in the mill and submitted to HQ on a monthly basis. The accident cases are also reviewed every 3 months during the quarterly held OSH Meeting in the mill. As for the year 2020, there were 5 reported accident cases with a total of 42 Lost Time Injury. The JKPP 6 forms were submitted to DOSH and available for verification. The JKPP 8 form for the year ending 2020 was submitted to DOSH and available for verification. There were no accidents reported for the year 2021 as of yet.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<p><b>4.4.5.1</b></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><b>- Major compliance -</b></p>	<p>The good social practices regarding human rights in respect of industrial harmony has been embedded in Sime Darby Plantation's established policy of "Group Sustainability &amp; Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019.</p> <p>Policy re-briefing was conducted on 02/01/2021 at Elphil POM to all employees by the mill management.</p>	<p>Yes</p>
<p><b>4.4.5.2</b></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>Records of employments and interview conducted on-site with sampled internal and external stakeholders confirmed that the workers and groups including local communities, women, and migrant workers have not been discriminated against.</p>	<p>Yes</p>

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	<b>- Major compliance -</b>		
<b>4.4.5.3</b>	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>Based on agreements and pay slips sighted for sample employees as per indicator 4.4.5.6 below, management has ensured that employees’ pay and conditions meet MAPA Circular No. 4/2020; The Malayan Agricultural Producers Association; Date: 30/01/2020; MAPA/NUPW Field And Other General Employees And Fringe Benefits Agreement, 2019. This were requirements in-line with the mandatory Minimum Wage Order 2020 enforced by the government.</p>	Yes
<b>4.4.5.4</b>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>The mill kept records of contractor’s workers agreement, attendance and pay slips as per records sighted for the mill maintenance contractor i.e. Maju Mech Engineering (M) Sdn. Bhd. employees as following:</p> <ul style="list-style-type: none"> <li>- Employee ID # BY0195108; Employed date: 14/4/2019; Nationality: Bangladesh</li> <li>- Employee ID # BP0975101; Employed date: 20/11/2019; Nationality: Bangladesh</li> </ul> <p>Based on the records of work attendance and pay slips sampled for the month of August 2020, December 2020 and February 2021, it was found that the sampled contractor’s workers were not paid for their entitled public holidays as following:</p> <ul style="list-style-type: none"> <li>- 31/8/2020: National Day</li> <li>- 25/12/2020: Christmas</li> <li>- 12/2/2021: Chinese New Year</li> </ul> <p>The work agreement specified that the workers entitled for 13 Public Holidays a year which includes these 3 days. Hence, a minor noncompliance was raised on the matter.</p>	Yes



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<p><b>4.4.5.5</b></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><b>- Major compliance -</b></p>	<p>The established records of Employee Masterlist which available as a database in computerized Checkroll System able to provide accurate account of all employees including their particulars of full names, gender, date of birth, date joined company, wages grade and position etc. as per Semua - Employee Master Listing; Company: Sime Darby Plantation Berhad; Op. Unit: KKS Elphil; Dated 16/03/2021.</p>	<p>Yes</p>
<p><b>4.4.5.6</b></p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	<p>Copies of fair contracts that have been signed by both employee and employer were provided to each employee as per sample records as following:</p> <ul style="list-style-type: none"> <li>- Employee # 82084; Employed date: 01/08/2012; Nationality: Malaysia; Gang: General</li> <li>- Employee # 124389; Employed date: 22/08/2016; Nationality: Indonesia; Gang: Shift B</li> <li>- Employee # 135390; Employed date: 01/06/2020; Nationality: Malaysia; Gang: General</li> <li>- Employee # 146086; Employed date: 08/10/2018; Nationality: Indonesia; Gang: Shift B</li> <li>- Employee # 150977; Employed date: 01/06/2019; Nationality: Indonesia; Gang: Shift A</li> <li>- Employee # 155082; Employed date: 02/10/2019; Nationality: Malaysia; Gang: General</li> <li>- Employee # 150980; Employed date: 01/06/2019; Nationality: Indonesia; Gang: Shift B</li> </ul>	<p>Yes</p>
<p><b>4.4.5.7</b></p>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p>	<p>Attendance (out-turn) and work hours (normal time &amp; overtime) recording system established in both manual and computerized</p>	<p>Yes</p>

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	- <b>Major compliance</b> -	checkroll system which makes working hours and overtime transparent for both employees and employer.	
<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.  - <b>Major compliance</b> -	Based on records of sample employees' sighted in indicator 4.4.5.6 above, the working hours found in compliance with employees' terms and conditions of MAPA Circular No. 4/2020; The Malayan Agricultural Producers Association; Date: 30/01/2020; MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement, 2019. This also in-line with Malaysia Employment Act 1955.	Yes
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.  - <b>Major compliance</b> -	Based on records of sample employees' sighted in indicator 4.4.5.6 above, the pay slips found in compliance with employees' terms and conditions of MAPA Circular No. 4/2020; The Malayan Agricultural Producers Association; Date: 30/01/2020; MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement, 2019. This also in-line with Malaysia Employment Act 1955.	Yes
<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.  - <b>Minor compliance</b> -	All local employees are provided with the mandatory Employee Provident Fund (EPF) contributions while both local and foreign employees contributed with Social Security Organization (SOCSO). Additionally, other benefits offered by the company including the following:  - Productivity incentive - Out-turn incentive - Transport allowance	Yes
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.  - <b>Major compliance</b> -	All workers are provided with free housing facilities that included basic amenities such as clean water (25 gallons/month), community hall, sport facilities, etc. were provided to the workers.  Electricity which is obtained from the national grid. The housing condition was in accordance to the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446).	Yes

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		Weekly inspections by medical assistant were done to ensure cleanliness of the housing. Records were well maintained.	
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.  - Major compliance -	Policy to prevent all forms of sexual harassment and violence in workplace has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 2/12/2019. Communications made mainly during gender committee meeting as per sample latest Elphil POM Gender committee meeting; Date: 10/01/2021.	Yes
<b>4.4.5.13</b>	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.  - Major compliance -	Policy to respect the rights of all employees has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 02/12/2019.  Employees were given freedom to associate and bargain collectively with company and to organize among themselves through association meetings as per sample latest sighted minutes of meeting Elphil POM NUPW meeting dated 09/09/2020.	Yes
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  - Major compliance -	Policy to protect children and young person has been embedded in Sime Darby Plantation's established policy of "Group Sustainability & Quality Policy Statement" which was signed by the Group Managing Director (Mr. Mohamad Helmy Othman Basha), dated 02/12/2019.  Based on the interview and sighted records of employees' master lists data, no young person below 18 years old employed within all operating units within SOU 3.	Yes

<b>Criterion 4.4.6: Training and competency</b>																										
<p><b>4.4.6.1</b></p> <p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p><b>- Major compliance -</b></p>	<p>Elphil POM have established a training program for the year 2021 for all workers based on the training need analysis conducted on a yearly basis.</p> <p>Covid-19 training and briefings were sighted at the mill. Interview with the workers and staff indicated that they were aware on the SOP during the RMCO such as social distancing, regular sanitization and use of PPE (Face Mask).</p> <p>Records of trainings were maintained as below: -</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Payslip Training</td> <td>13/03/2021</td> </tr> <tr> <td>Covid-19 Guidelines Training</td> <td>21/01/2021</td> </tr> <tr> <td>New Policies Training</td> <td>21/01/2021</td> </tr> <tr> <td>Scheduled Waste Training</td> <td>18/01/2021</td> </tr> <tr> <td>Training on Rest Day, Night Work and Pregnant Women.</td> <td>15/01/2021</td> </tr> <tr> <td>Hearing Conservation Training</td> <td>11/02/2021</td> </tr> <tr> <td>Security Personals Induction Training</td> <td>04/12/2020</td> </tr> <tr> <td>Water Treatment Plant Training</td> <td>12/02/2020</td> </tr> <tr> <td>Workshop SOP Training</td> <td>27/02/2020</td> </tr> <tr> <td>Clarification Station Training</td> <td>27/02/2020</td> </tr> <tr> <td>Sterilization Station Training</td> <td>27/02/2020</td> </tr> </tbody> </table>	Training	Date	Payslip Training	13/03/2021	Covid-19 Guidelines Training	21/01/2021	New Policies Training	21/01/2021	Scheduled Waste Training	18/01/2021	Training on Rest Day, Night Work and Pregnant Women.	15/01/2021	Hearing Conservation Training	11/02/2021	Security Personals Induction Training	04/12/2020	Water Treatment Plant Training	12/02/2020	Workshop SOP Training	27/02/2020	Clarification Station Training	27/02/2020	Sterilization Station Training	27/02/2020	<p>Yes</p>
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<p><b>4.4.6.2</b></p>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>Elphil POM has conducted training need analysis for all employees, management and contractors. The training need analysis was conducted based on the job designation and training required by the job type. Sighted the Training Need Analysis for the year 2021 for verification.</p>	<p>Yes</p>
<p><b>4.4.6.3</b></p>	<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><b>- Minor compliance -</b></p>	<p>A training programme has been developed and available in the Training Requirement for Elphil POM ESH Activities for 2021. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.</p>	<p>Yes</p>
<p><b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b></p>			
<p><b>Criterion 4.5.1: Environmental Management Plan</b></p>			
<p><b>4.5.1.1</b></p>	<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><b>- Major compliance -</b></p>	<p>Sime Darby have established the Group Policy on Health, Safety &amp; Environment (HSE) Policy Statement signed by the CEO on 1<sup>st</sup> June 2020. The policy has been communicated to the workers through induction training for new workers, morning briefing and displayed at various notice boards within the mill.</p> <p>The GSM team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition. The policy has been briefed to all workers on 21/01/2021.</p>	<p>Yes</p>
<p><b>4.5.1.2</b></p>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations</li> </ul>	<p>The mill has conducted Environmental Aspect Impact Identification and Environmental Impact Evaluation covers all operations in the mill. The EAI and EIE were reviewed by annually basis. The latest review effective from 06.01.2021.</p>	<p>Yes</p>

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	- Major compliance -	The environmental management plan was established base on Environmental Aspect Impact Identification and Environmental Impact Evaluation and documented in Pollution Prevention Plan. This plan incorporated Environmental Issue, Mitigation Measures, Person Responsible and Monitoring Period.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.  - Major compliance -	The Environmental Improvement Plan was established via various plans such as Waste Management Plan, Water Management Plan and Pollution Prevention Plan based on the Environmental Aspect Impact Identification and Environmental Impact Evaluation. The plan was implemented to monitor the effectiveness of the mitigation measures that has been identified in the management plans. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Among the implementation of the management plans verified as follows: <ul style="list-style-type: none"> <li>• Monitoring of Open Burning at workers quarters through weekly workers quarters inspection.</li> <li>• Incoming and Outgoing river water analysis was conducted on a quarterly basis.</li> </ul>	Yes
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.  - Minor compliance -	Program to promote positive impact was documented in several management plan, Pollution Prevention Plan, Water Management Plan and Waste Management Plan. The management plan also includes a program to promote positive impact as follows: <ol style="list-style-type: none"> <li>a) Briefing recycles</li> <li>b) Reuse of fiber and shell as boiler fuel</li> <li>c) Rainwater harvesting</li> </ol>	Yes
4.5.1.5	An awareness and training programme shall be established and	The mill continues provided training to ensure the awareness regarding the environmental policy among the employee. The mill	Yes

	<p>implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers.</p> <p>Sighted the training on environmental aspect as follows:</p> <table border="1" data-bbox="1048 539 1856 671"> <thead> <tr> <th data-bbox="1048 539 1588 603">Training</th> <th data-bbox="1588 539 1856 603">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 603 1588 671">Scheduled Waste Training</td> <td data-bbox="1588 603 1856 671">18/01/2021</td> </tr> </tbody> </table>	Training	Date	Scheduled Waste Training	18/01/2021						
Training	Date											
Scheduled Waste Training	18/01/2021											
<p><b>4.5.1.6</b></p>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>Elphil Palm Oil Mill conducts quarterly Environment Performance Monitoring Committee (EPMC) Meetings to address the environment quality, issues and opportunity for improvements. The EPMC Meeting Minutes were available for verification dated 19 – 23/10/2021 and 28/07/2021.</p>	<p>Yes</p>									
<p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p>												
<p><b>4.5.2.1</b></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><b>- Major compliance -</b></p>	<p>Management Plan on Reduce Fossil (Diesel) or Elphil Palm Oil Mill was available dated 04/01/2021 as below:</p> <table border="1" data-bbox="1088 1015 1830 1374"> <thead> <tr> <th data-bbox="1088 1015 1337 1114">Fossil (Diesel) from Machinery</th> <th data-bbox="1337 1015 1583 1114">Action Plan</th> <th data-bbox="1583 1015 1830 1114">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="1088 1114 1337 1246">Tractor and Backhoe</td> <td data-bbox="1337 1114 1583 1246">Monitoring any leaking regarding fuel diesel</td> <td data-bbox="1583 1114 1830 1246">Daily Checking via checklist</td> </tr> <tr> <td data-bbox="1088 1246 1337 1374">Bobcat (Workshop)</td> <td data-bbox="1337 1246 1583 1374">Scheduled services by Tractors Malaysia</td> <td data-bbox="1583 1246 1830 1374">Services checklist by Tractors</td> </tr> </tbody> </table>	Fossil (Diesel) from Machinery	Action Plan	Status	Tractor and Backhoe	Monitoring any leaking regarding fuel diesel	Daily Checking via checklist	Bobcat (Workshop)	Scheduled services by Tractors Malaysia	Services checklist by Tractors	<p>Yes</p>
Fossil (Diesel) from Machinery	Action Plan	Status										
Tractor and Backhoe	Monitoring any leaking regarding fuel diesel	Daily Checking via checklist										
Bobcat (Workshop)	Scheduled services by Tractors Malaysia	Services checklist by Tractors										





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		Nov 2020	1,120	18,134	82,008	
		Dec 2020	1,040	17,725	54,675	
<b>4.5.2.2</b>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>Elphil POM has estimation of total energy required. This estimation was compared to the actual usage on a monthly basis and reported to the head office for monitoring and comparison purposes. The estimation of total energy required is available in the annual budget prepared by the management of Elphil POM.</p>				Yes
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Apart from use of diesel for electricity, palm fiber and shells were also used to generate electricity through steam turbine and boiler.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel. Monthly records of energy consumption of non-renewable and renewable fuel per metric ton of palm product at the Mill were available.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Fiber: 0.165 ton/FFB processed</li> <li>• Shell: 0.029 ton/FFB processed</li> </ul>				Yes

<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented.  - <b>Major compliance</b> -	The mill has identified the waste products and source pollution and documented in waste management plan FY 2021. The waste has been identified as follows: <ul style="list-style-type: none"> <li>• Scheduled waste – used lubricants, used filter and filter paper, empty lubricants, hexane, spent IPA, Empty chemical containers, electrical component, used batteries</li> <li>• Domestic waste – Rubbish, sewage</li> <li>• Recycle/Industrial waste – POME, EFB, decanter cake, compost</li> <li>• Scrap Iron</li> <li>• Clinical waste</li> <li>• GHG – methane gas</li> </ul>	Yes
<b>4.5.3.2</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: <ol style="list-style-type: none"> <li>Identifying and monitoring sources of waste and pollution.</li> <li>Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ol> - <b>Major compliance</b> -	Elphil POM has established the waste management plan and the plan was reviewed on an annual basis.  The mill has identified the waste products and source pollution and documented in Waste Management Plan 2021. The waste has been identified as follows: <ul style="list-style-type: none"> <li>• Scheduled waste: SW109, SW305, SW306, SW322, SW409, SW410 and SW418.</li> <li>• Domestic waste – Rubbish</li> <li>• Industrial waste – POME, EFB, scrap metal &amp; compost</li> </ul> In the management plan stated the type of waste, source of waste, mitigation plan and person responsible.	Yes
<b>4.5.3.3</b>	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled	Procedure for Scheduled Waste Management was established (SD/SDP/PSQM (ESH)/203-EN1) dated 26/2/2016. Proper disposal of	Yes

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	<p>Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>waste material is carried out as per the company procedures. The procedures are fully understood by Management and workers.</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 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. The inventory of Scheduled was reported on monthly basis through E-SWISS. Sighted the Second Schedule (Notification of Scheduled Wastes) to include SW109, SW305, SW306, SW322, SW409, SW410 and SW418. Also available for verification was the Fifth Schedule (Inventory of Scheduled Wastes) for the month of February 2020 and January 2020.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ol style="list-style-type: none"> <li>1. SW322; Waste of Non-halogenated Organic Solvents; Disposed to Pentas Flora Sdn Bhd; Date: 09/03/2021; Consignment No: 20210309177ALRUG; Quantity Disposed: 0.0720 mt.</li> <li>2. SW409; Disposed containers (Natrium Sulfit, Natrium Metabisulfit, 2-Dietilamino Alcohol); Disposed to Pentas Flora Sdn. Bhd; Date: 09/03/2021; Consignment No: 2021020917HMZ3TN; Quantity Disposed: 0.2835 mt.</li> </ol>	
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		3. SW410; Rags, Plastics, Filters contaminated with Scheduled Waste; Disposed to Pentas Flora Sdn Bhd; Date: 09/03/2021; Consignment No: 2021030917JB1LR9; Quantity Disposed: 0.949mt.													
<b>4.5.3.4</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.  - <b>Minor compliance</b> -	Domestic waste was collected by the sister estate, Elphil Estate and disposed at designated landfill in Elphil Estate.	Yes												
Criterion 4.5.4: Reduction of pollution and emission															
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.  - <b>Major compliance</b> -	<p>An assessment plan for all identified polluting activities was established based on the Environment Aspect and Impact assessment. Polluting activities were monitored based on DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. Besides that, the mill also monitors the Green House Gas emission and recyclable waste.</p> <p>Observed the dust emission monitoring report conducted by Environmental Science (M) Sdn Bhd. as follows:</p> <p>2<sup>nd</sup> Quarter 2020</p> <table border="1"> <tr> <td>Date of Monitoring</td> <td>05/08/2020</td> </tr> <tr> <td>Stationary Source</td> <td>Palm Oil Mill Boiler</td> </tr> <tr> <td>Source Identification</td> <td>Stack 2 – Boiler (PK PMD 80023)</td> </tr> <tr> <td>Report Reference No.</td> <td>L-PG-AC2008CSD</td> </tr> <tr> <td>Maximum Limit</td> <td>150 mg/Nm<sup>3</sup></td> </tr> <tr> <td>Dust Loads</td> <td>119.5 mg/Nm<sup>3</sup></td> </tr> </table> <p>1<sup>st</sup> Quarter 2020</p>	Date of Monitoring	05/08/2020	Stationary Source	Palm Oil Mill Boiler	Source Identification	Stack 2 – Boiler (PK PMD 80023)	Report Reference No.	L-PG-AC2008CSD	Maximum Limit	150 mg/Nm <sup>3</sup>	Dust Loads	119.5 mg/Nm <sup>3</sup>	Yes
Date of Monitoring	05/08/2020														
Stationary Source	Palm Oil Mill Boiler														
Source Identification	Stack 2 – Boiler (PK PMD 80023)														
Report Reference No.	L-PG-AC2008CSD														
Maximum Limit	150 mg/Nm <sup>3</sup>														
Dust Loads	119.5 mg/Nm <sup>3</sup>														

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		Date of Monitoring	03/03/2020	
		Stationary Source	Palm Oil Mill Boiler	
		Source Identification	Stack 2 – Boiler (PK PMD 745)	
		Report Reference No.	L-PG-AC2003CSD-0092	
		Maximum Limit	150 mg/Nm <sup>3</sup>	
		Dust Loads	131.5 mg/Nm <sup>3</sup>	
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  - <b>Major compliance</b> -	A Pollution Prevention Plan – Year 2021 (KKS Elphil) was available in the mill where all sources of pollution were identified and the mitigation methods (action plan) available to reduce the pollutions. The pollution prevention plan updated on 01/02/2021 were as below:		Yes
		Environmental Issue	Mitigating Measures	
		Discharge of sewage from pigs and chicken farms to monsoon drains	The mill will do a watch list on daily basis, weekly or monthly if any water discharge from both farm (Visual and Report)	
		Furrow leaking (Drainage / Piping Burst) to monsoon drain.	Estate representative will do daily checking any leaking or spillage at furrow system.	
		Water is abundant during rainy season	The mill will provide sandbags along at low pond bund level.	

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		Black smoke release from the chimney exceeds 2 Ringelmann	The release of black smoke is usually recorded electronically by CEMS, control dust particulate via ESP.	
		Open Burning at workers quarters	The mill will make a check on a weekly or monthly basis	
		Removing Domestic Waste on containers provided at workers quarters	The mill will make a check on a weekly or monthly basis	
		To ensure no bund rupture	ETP Bund inspection daily	
		ETP Pond Overflow during rainy session	Overtime work if necessary	
		Leachate sump overflow (compost plant) during rainy session	Overtime work if necessary	
		Scheduled Waste	Review the Scheduled Waste identification. Monitoring the inventory and disposal scheduled. Training.	
<b>4.5.4.3</b>	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant	Treated POME discharge via Land Application was regularly monitored at the "Final Discharge Holding Pond" as prescribed under "Jadual		Yes

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	<p>Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Pematuhan". Limit of Biochemical Oxygen Demand (BOD) discharge is 1000 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Noted the following Effluent Analysis Test Report - Quarterly Submission to DOE for October 2020 – December 2020 as below:</p> <table border="1" data-bbox="1048 555 1861 774"> <thead> <tr> <th>Parameter</th> <th>Standard Quality</th> <th>Oct 2020</th> <th>Nov 2020</th> <th>Dec 2020</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>5.0 – 9.0</td> <td>8.50</td> <td>8.50</td> <td>8.40</td> </tr> <tr> <td>BOD</td> <td>1000</td> <td>328.00</td> <td>98.00</td> <td>543.00</td> </tr> </tbody> </table>	Parameter	Standard Quality	Oct 2020	Nov 2020	Dec 2020	pH	5.0 – 9.0	8.50	8.50	8.40	BOD	1000	328.00	98.00	543.00	
Parameter	Standard Quality	Oct 2020	Nov 2020	Dec 2020														
pH	5.0 – 9.0	8.50	8.50	8.40														
BOD	1000	328.00	98.00	543.00														
<p><b>Criterion 4.5.5: Natural water resources</b></p>																		
<p><b>4.5.5.1</b></p>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>Water Management Plan: Contingency Plan During Water Shortage For Financial Year 2021 was available in Elphil POM updated on 08/01/2021. The plan was established to maintain the quality and availability of natural water resources a well as to manage to excess of water supply. The plan was as below:</p> <table border="1" data-bbox="1048 1042 1872 1362"> <thead> <tr> <th>Incidents</th> <th>Action Plans</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Water Shortage/ Dry Spells</td> <td>To purchase water supply from Lembaga Air Perak (LAP)</td> </tr> <tr> <td>To train staff/ workers to take necessary steps to conserve water.</td> </tr> <tr> <td>To propose tube well application</td> </tr> </tbody> </table>	Incidents	Action Plans	Water Shortage/ Dry Spells	To purchase water supply from Lembaga Air Perak (LAP)	To train staff/ workers to take necessary steps to conserve water.	To propose tube well application	<p>Yes</p>									
Incidents	Action Plans																	
Water Shortage/ Dry Spells	To purchase water supply from Lembaga Air Perak (LAP)																	
	To train staff/ workers to take necessary steps to conserve water.																	
	To propose tube well application																	

			To treat water from effluent treatment plant (final water discharge)	
		Severe Water Pollution	Water supply to be purchased from Lembaga Air Perak	
			To perform treatment of polluted water.	
<b>4.5.5.2</b>	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.  - Major compliance -		POME is discharged through Land Application via Farrows at Elphil Estate from the Final Discharge Holding Pond as stated in the DOE Compliance Schedule.	Yes
<b>4.6 Principle 6: Best Practices</b>				
<b>Criterion 4.6.1: Mill Management</b>				
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - Major compliance -		The mill processing system is documented in the Sustainability Plantation Management System MQMS/SQM/08 v 1 dated 01/11/2008 which includes; a) The mill SOP, b) The Mill Quality Management Manual v.1 2008/MQMS/QMM/08.  These documents provide guidelines and standards in the mill operations. The Standard Operating procedure (SOP) described details from; a) the reception, sterilization, threshing, pressing, b) clarification, depericarping (nut polishing) station, c) effluent, laboratory, workshop, dispatches etc.	Yes



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		<p>Sighted the SOP Communicable Disease (Covid – 19) Prevention &amp; Control Procedure; Document ID: SDPB/USM/HSE/001; Date 04.05.2020 available as the latest addition to the SOPs. In addition, there are also manuals available within the industry and MPOB that are used as guidelines.</p> <p>Sime Darby has established a system to monitor the mill operation. The Mill advisor, Structured Oil Recovery Assessment (SORA) and Performance Monitoring Unit (PMU) visits the operating units on timely basis. Their reports cover on all aspect of operation where they rate the performance of the mill and estates.</p>	
<b>4.6.1.2</b>	<p>All palm oil mills shall implement best practices.</p> <p><b>- Major compliance -</b></p>	<p>The monitoring of the mill process is made through the shift supervision headed by An Engineer. All process parameters are documented and summarized in a daily report. The external monitoring is made through visits by Regional CEO, Mill Advisor, SQM and GCAD. This is to ensure compliance to Policies, procedures in relation mill operations, financial, OSH, welfare among others.</p>	Yes
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year, PY2, PY3, PY4, PY5) prepared as guidance for future planning. The business plan contains.</p> <ul style="list-style-type: none"> <li>a) FFB processed production of CPO &amp; CPK.</li> <li>b) Component of operating expenditure includes <ul style="list-style-type: none"> <li>- process labour,</li> <li>- maintenance external/maintenance parts</li> <li>- consumable/EVIT,</li> <li>- admin cost/labour overhead.</li> </ul> </li> </ul> <p>Inclusive in the business plan is also Capital Expenditure (CAPEX)</p>	Yes

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		among others replacement / upgrading of building/machinery, workers amenities for the mill. The M Plan for 2021 was sighted and verified. A calculation of seeking the profitability quantum was also sighted. This is a standard format provided from the Regional CEO to the Manager and treated in high confidentiality.	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented.  - <b>Major compliance</b> -	Pricing mechanism is available in the guidelines LOA (limit of authority) and revised sourcing method for plantation upstream Malaysia dated 11/07/2017. All tender and pricing exercises are handled by the HQ management. Projects are tendered from the approved vendors registered with HQ. Payments are processed and made by HQ through system named MEX. This is made upon job verification by the operating units' personnel and also representatives from HQ for major projects.	Yes
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.  - <b>Major compliance</b> -	Fair, legal and transparent contracts sighted as per sample agreed contracts agreement between Sime Darby Plantation Bhd and the contractor (transporter) i.e. Mayang Bayumas Sdn Bhd. Reference Number: T/SDPB/PEN/CPO/0720/003; Date: 12/12/2020.	Yes
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.  - <b>Major compliance</b> -	All contractors engaged by estates were bound to understand and comply to their contractual agreements that includes MSPO requirements through signing of Vendor Integrity Pledge (VIP) which enable accredited CB to audit them.  Specific for external FFB suppliers namely Outside Crop Purchase (OCP) briefing conducted as per sample latest sighted i.e. Program Bersama Pembekal Sawit Luar Kilang Elphil; Date: 11/1/2021.	Yes

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<p><b>4.6.4.2</b></p>	<p>The management shall provide evidence of agreed contracts with the contractor.  <b>- Major compliance -</b></p>	<p>Agreed contracts provided by the management as per sample contracts agreement between Sime Darby Plantation Bhd and the contractor (transporter) i.e. Mayang Bayumas Sdn Bhd. Reference Number: T/SDPB/PEN/CPO/0720/003; Date: 12/12/2020.</p>	<p>Yes</p>
<p><b>4.6.4.3</b></p>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.  <b>- Minor compliance -</b></p>	<p>All contractors engaged by estates were bound to understand and comply to their contractual agreements that includes MSPO requirements through signing of Vendor Integrity Pledge (VIP) which enable accredited CB to audit them.</p>	<p>Yes</p>

**Appendix B: List of Stakeholders Contacted**

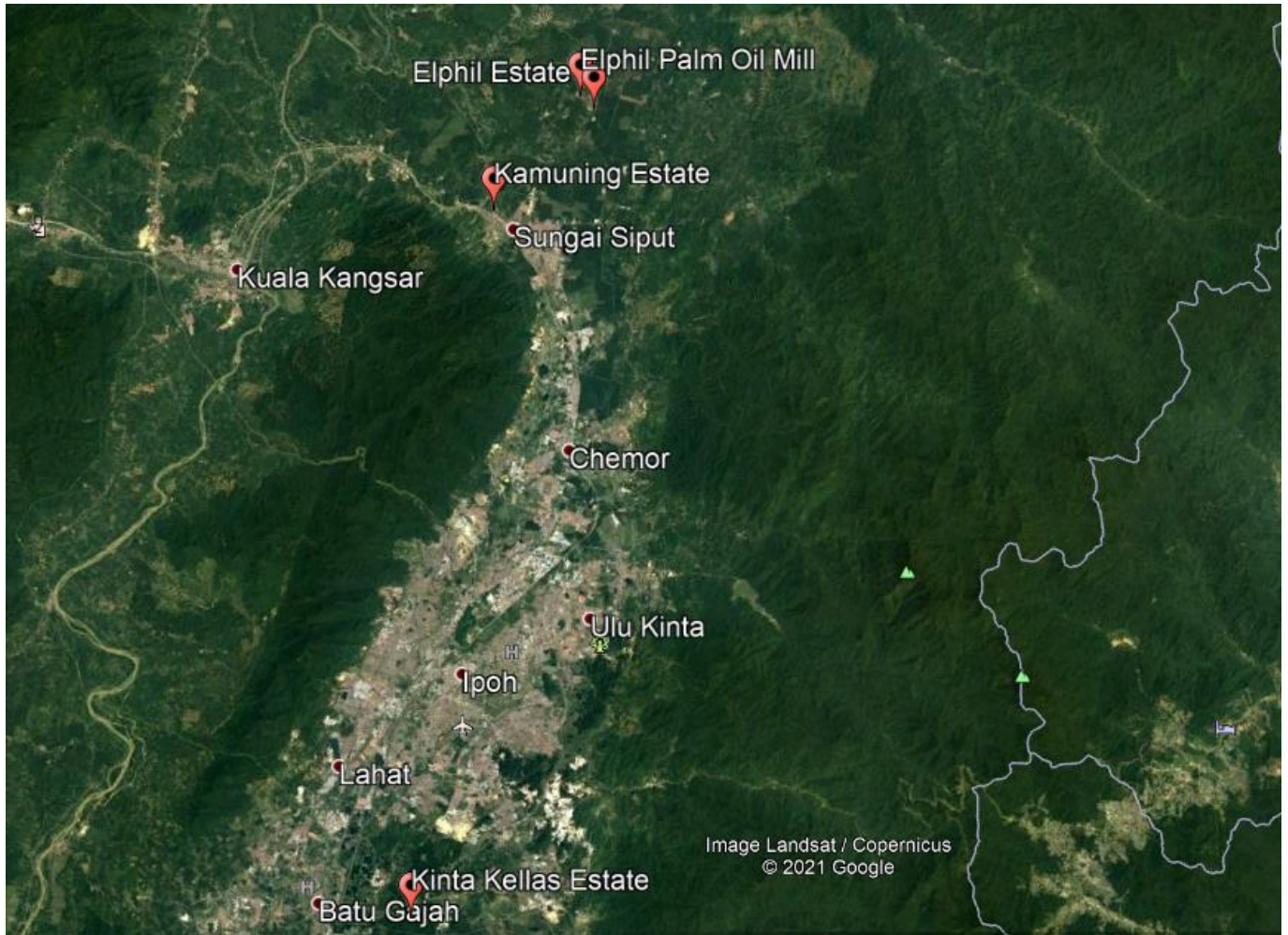
<p><b>Government Officer:</b></p> <ol style="list-style-type: none"> <li>1. Pejabat Renjer Hutan</li> <li>2. Licensing Inspector (IPD Sg. Siput)</li> </ol>	<p><b>Community/Neighbouring Village:</b></p> <ol style="list-style-type: none"> <li>1. Kampung Seri Jaya Representative</li> <li>2. Mr. R. Jackson</li> <li>3. Mr. Siong Kee (Kg Baru Sg Siput)</li> <li>4. Ng Kean Huat</li> </ol>
<p><b>Suppliers/Contractors/Vendors:</b></p> <ol style="list-style-type: none"> <li>1. Amusu Management Services</li> <li>2. Sri A.S Pushpah Enterprise</li> <li>3. Gunasekaren a/l Buchia</li> </ol>	<p><b>Worker’s Representative/Gender Committee:</b></p> <p>Gender Committee Representatives</p> <p>Foreign &amp; Local Workers</p> <p>NUPW Representatives</p>

**Appendix C: Smallholder Member Details**

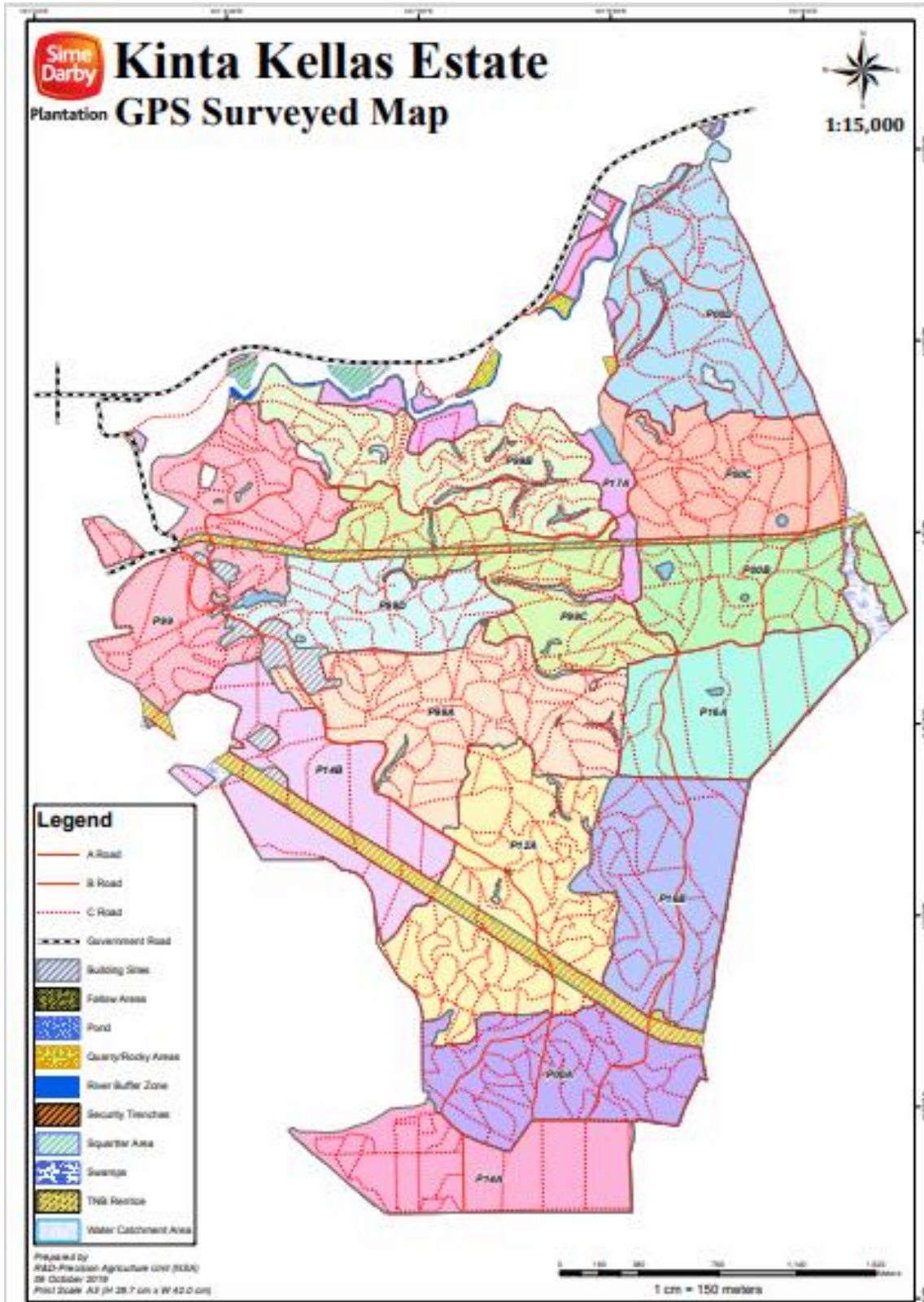
Not Applicable

**Appendix D: Location and Field Map**

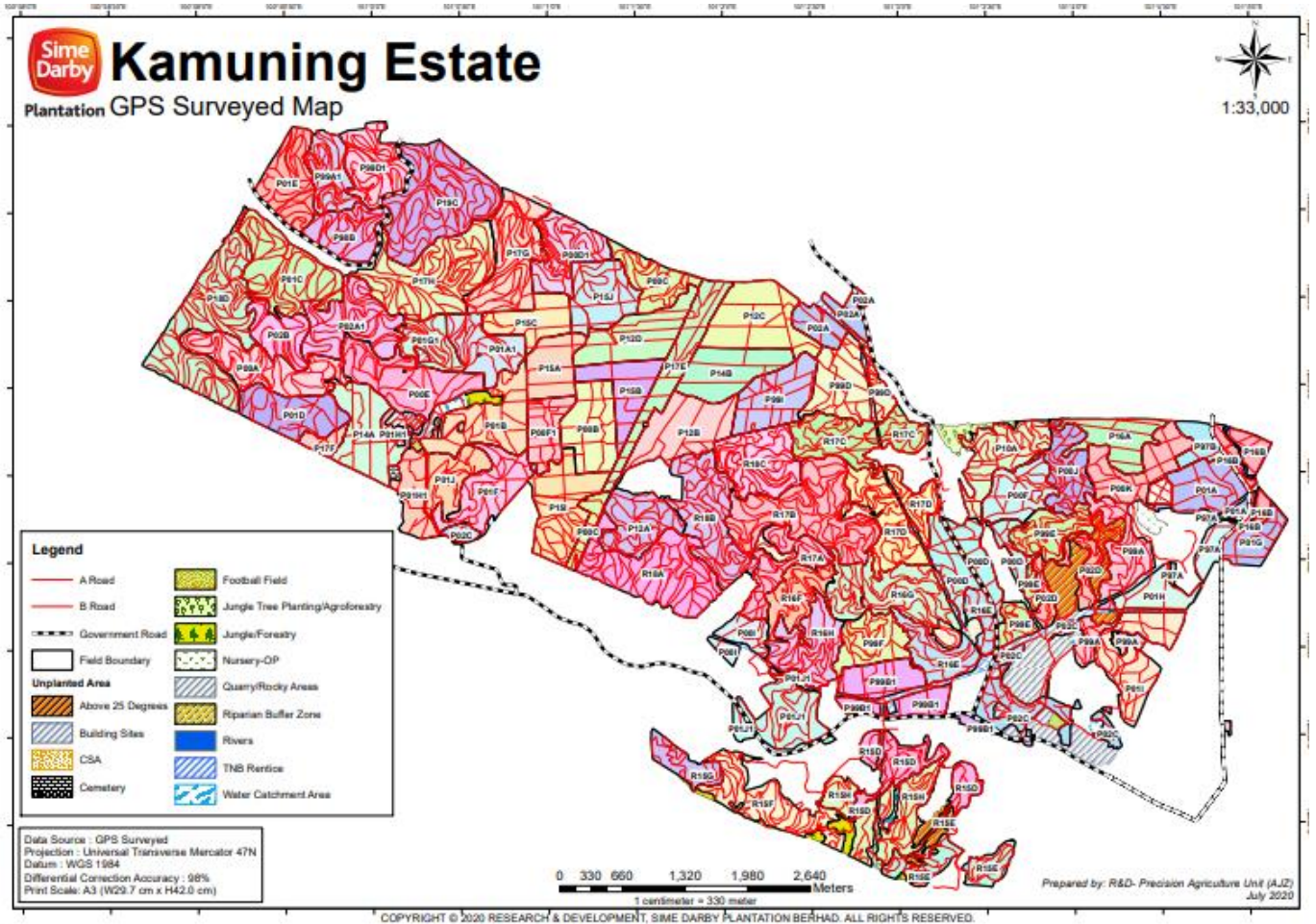
Location of SOU 3 Elphil POM and Supply Base Estates



Kinta Kellas Estate



**Kamuning Estate**





**Appendix E: List of Abbreviations**

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure